



TASHI INDIA LIMITED

21st ANNUAL REPORT 2005-2006

DIRECTORS :

**Shri S. C. Agrawal
Shri N. K. Jejani
Shri Murli Lahoti**

AUDITORS :

**M/s Bankim V. Shah,
Chartered Accountants
Mumbai**

BANKERS :

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**Bank of Maharashtra
UTI Bank Ltd.
State Bank of Patiyala
ING Vyasya Bank Limited**

REGISTERED OFFICE :

**254, Pandit Ravi Shankar Shukla Marg,
Civil Lines, Nagpur 440 001.**

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of the Members of **TASHI INDIA LIMITED** will be held on Saturday, the 30th September, 2006 at 11.30 A.M. at the Registered Office at 254, Pandit Ravishankar Shukla Marg, Civil Lines, Nagpur - 440 001 to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2006, and Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri N. K. Jejani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.
4. To increase Borrowing power of the company, if thought fit following ordinary Resolution should be passed:

"RESOLVED THAT in modification of the resolution passed by the company pursuant to section 293(1)(d) and other applicable provision of the companies act 1956, consent of the company be and is hereby accorded to the Board of Directors, for borrowing monies (apart from temporary loans obtain from company's bankers in the ordinary course of business.), in excess of the aggregate of the paid up capital of the company and its free reserves that is to say reserves not set apart from any specific purpose, as the board may from time to time deem necessary for the purpose of the company's business provided that the sum or sums so borrowed by the board together with moneys already borrowed and remaining outstanding at one time on account of principal shall not exceed in the aggregate of Rs. 50 Crores (Rupees Fifty Crores), and that for the implementation of this resolution the board may act through any member there or of any other person duly authorised by the board in that behalf.

Registered office:

254, Pandit Ravishankar Shukla Marg,
Civil Lines, Nagpur-440 001.

Dated : 31.08.2006

By order of the Board

MURLI LAHOTI
DIRECTOR

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE REGISTER OF MEMBERS OF THE COMPANY SHALL REMAIN CLOSED ON 30.09.2005.
3. THE RELATIVE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE BUSINESS UNDER ITEM NO.4 AS SET OUT ABOVE ARE ANNEXED HERE TO WHICH FORMS PART OF NOTICE OF EVEN DATE.

EXPLANATORY STATEMENT

At the Annual General Meeting held on 31st October, 1995 the board of directors of the Company (the board) as authorised to borrows monies from time to time in excess of the aggregate of the paid up capital of the Company and its free reserves this is to say reserves not set apart from any specific purpose, subject to the maximum limit of Rs. 15 crores. The board considers that said limit of Rs. 15 crores is not sufficient to meet the present financial requiremnts of the company in view of its proposed expansion and diversification programmes. The Board accordingly recomended the said limit to be increased to Rs. 50 crores. The ordinary resolution being item no. 4 set out in the notice convening the meeting is intended to modify afforementioned ordinary resolution so the board may be empowered to borrow monies as and when considered necessary by the company subject, however to the limit specified there in.

The board recommends that the ordinary resolution to be passed.

None of the directors of the company is concerned or intrested in the proposed resolution.

DIRECTOR'S REPORT

The Directors present their Twenty First Annual Report and Audited Statement of Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS:

The accounts for the year under review reflect a Profit before Tax of Rs. 30,023,210. The Directors propose to appropriate the same as under:

	Rupees
Profit before Tax	30,023,210
Add : Balance brought forward	36,604,230
Less : Provision for Taxation	
- Current Tax	7,641,000
- Fringe Benefit Tax	25,000
- Deferred Tax	<u>(108,988)</u>
Balance carried to Balance Sheet	<u><u>59,749,996</u></u>

WORKING :

During the year under review the working of the Company was satisfactory. The Board of Directors are trying their best to further improve the performance of the Company and are hopeful of better working results in the coming year.

DIVIDEND :

Directors regret their inability to recommend any dividend for the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Directors are of the opinion that particulars with respect to conservation of energy and technology absorption as per Section 217(1)(e) read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are not relevant in view of the nature of business activities of the Company and hence are not required to be given. There has been no foreign exchange earnings or outgo during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT :

The Directors confirm that :

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006 and the Profit and Loss Account of the Company for the period.
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE :

M/s. V. Ramachandran, Company Secretaries, Nagpur has issued a Secretarial Compliance Certificate in terms of Proviso of Sub-Section (1) of Section 383(A) of the Companies Act, 1956. The same has been received and attached to the Board Report.

PARTICULARS OF EMPLOYEES :

There is no employee in respect of whom particulars pursuant to Section 217(2A) of the Companies Act, 1956 are required to be given.

DIRECTORS :

Shri N.K. Jejani, retires by rotation and being eligible, offers himself for re-appointment.

Shri R. K. Bhutoria cease to be a Director of the Company with effect from 10th October 2005. The Board of Directors places on record its appreciation for the valuable and significant contribution made by Shri R. K. Bhutoria, during his tenure as the Director of the Company.

PUBLIC DEPOSITS :

During the period under review, the Company has not accepted any Public Deposits under Section 58A of the Companies Act, 1956.

AUDITORS :

M/s. Bankim V. Shah, Chartered Accountants, Mumbai the auditors retire at the conclusion of the ensuing meeting and are eligible for re-appointment.

LISTING OF SHARES :

The Equity Shares of the Company are listed on Stock Exchanges at Mumbai and the Company has paid the annual listing fee for the financial year 2006-07.

The Equity shares of the Company has got the Electronic connectivity under ISIN No. **INE552H01017**. the Company has appointed M/s. Adroit Corporate Services Private Limited, 1st Floor, 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai - 400 059 as Registrar and Transfer Agent of the Company has existing physically based and allied Secretarial Services for its Members / Investors and for Electronic Connectivity with NSDL and CDSL.

ACKNOWLEDGEMENT:

The Directors are grateful to the Bankers for their continued co-operation and assistance during the year.

The Directors express their thanks for the sincere & dedicated efforts put in all the employees during the year.

For and on behalf of the Board

Place : NAGPUR

S. C. AGRAWAL

MURLI LAHOTI

Dated : 31.08.2006

DIRECTOR

DIRECTOR

SECRETARIAL COMPLIANCE CERTIFICATE TO THE MEMBERS

I have examined the registers, records, books and papers of **TASHI INDIA LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2006 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and return, as stated in **Annexure "B"** to this certificate, with the Register of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met ten times respectively on 26th April, 2005, 1st June, 2005, 29th July, 2005, 29th August, 2005, 10th October, 2005, 28th October, 2005, 25th November, 2005, 10th December, 2005, 30th January, 2006, and 25th March, 2006, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members or Debenture holders on 30.09.2005 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2005 was held on 30th September, 2005 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has advanced loans amounting to Rs. 1360.45 Lacs to its directors or person or firms of our companies referred to under Section 295 of the Act after complying with the provision of the Act.
9. The Company has duly complied with the provision of section 297 of the Act in respect of contract specified in that Section.

10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Member or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - (i) has not made any allotment / transfer / transmission of securities during the financial year.
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount to Investor Education and Protection Fund as there were no outstanding balances in unpaid dividend account or application money due for refund or matured deposits or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors to fill casual vacancies was duly made. There was no appointment of additional / alternate Directors during the financial year.
15. The Company has not appointed any Managing Director / Whole-Time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and / or such other authorities as prescribed under the various provisions of the Act, during the financial year.

18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Shares, Debentures or others securities during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits except unsecured loans falling within the purview of section of 58A during the financial year.
24. The amount borrowed by the Company from Directors, Members, Banks, etc during the financial year ended on 31st March, 2006 are within the borrowing limits of the Company and that necessary resolution as per Section 293(1)(d) of the Act have been passed in duly convened General Meeting.
25. The Company has made investments in other bodies corporate or in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. But it has not made any loans or given guarantees to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the period under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the period under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the period under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the period under scrutiny.