

23rd Annual Report 2012-2013



ASHIANA AGRO INDUSTRIES LTD.





BOARD OF DIRECTORS

Shri Pavan Kumar Reddy, Whole Time Director
Shri Radesh Rangarajan, Director
Shri Nirmal Kumar Dash, Director
Shri Venkatakrishnan Shankar, Director

COMPANY SECRETARY

Shri E.D.M. Menon

REGISTERED OFFICE

No.792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram,
Sriperumbudur Taluk, Kancheepuram District, Pincode - 602106, Tamil Nadu
Phone : 044-43502623, 28344820
Fax : 044-42606623
Website: www.aail.in

CORPORATE OFFICE

Old No. 5. New No. 9, II Floor, Chinnaiah Street
T. Nagar, Chennai – 600 017
Phone No. : 044-4350 2623
Fax No. : 044-4260 6623

AUDITORS

M/s Sundaram & Narayanan.
Chartered Accountants
No.18, Balaiah Avenue, Chennai 600 004

REGISTRAR & SHARE TRANSFER AGENTS

M/s Link Intime India Pvt. Ltd.
44 Community Centre
2nd Floor, Naraina Industrial Area
Phase – I, Near PVR Naraina
New Delhi – 110 028
Phone No. : 011 4141 0592, 93 & 94
Telefax : 011 – 4141 0591



NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of the Company will be held on Thursday, the 26th September 2013 at 11 a.m. at 792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram, Sriperumbudur Taluk, Kancheepuram District, Pincode – 602106, Tamil Nadu to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st march, 2013 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To appoint statutory Auditors of the Company and to fix their remuneration. M/s Sundaram & Narayanan Chartered Accountants, Chennai retires at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.
3. To appoint a Director in place of Shri V.Shankar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Nirmal Kumar Dash who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

5. To pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 372A of the Companies Act, 1956 and other applicable provisions, if any of the Companies’ Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulations, alterations, and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of the Company (hereinafter referred to as the “Board” which expression shall include a Committee of directors duly authorized in this behalf) the consent of the Company be and is hereby accorded to the Board of Directors of the Company to provide loan, in excess of the 60% of the aggregate of the paid up share capital and free reserves and/or upto 100% of the aggregate of free reserves of the Company as per the limits prescribed under Section 372(A) to M/s.Diadem Enterprises Pvt.Ltd., Chennai as the Board may in their absolute discretion deem beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs.230.00 Lacs at any time together with the existing loan and investments.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or Committee of Directors constituted for this purpose be and is hereby authorized to negotiate the terms, conditions, quantum of loan, repayment, interest and other related matters for providing such loan to the above said body corporate and to do all such deeds and things as may be deemed expedient and necessary to give effect to this resolution.”

By order of the Board of Directors

Sd/-
(E.D.M. Menon)
Company Secretary

Place : Chennai
Date : 27.5.2013



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 MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies' Act, 1956 in respect of Special Business is annexed hereto and forms an integral part of the Notice
3. The Register of Members and Share Transfer Register shall remain closed for a day, i.e. on 25th September, 2013.
4. 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.
5. Members are requested to preferably send their queries to the Registered Office seven days before the date of AGM.
6. Shareholders are requested to bring their copy of annual Report to the meeting.
7. Members/Proxies should fill in attendance slip for attending the meeting.
8. 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.
9. 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.

ANNEXURE

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

ITEM NO.2

As per the provisions of Section 372A of the Companies Act, 1956 the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of—

- (i) Sixty percent of the aggregate of the paid up share capital and free reserves, or
- (ii) One hundred percent of its free reserves, whichever is more,

Provided Special Resolution is passed by the Members of the lending Company.

Your Company is on the look out for projects which it can implement with the limited resources at its disposal. Pending deployment in projects, the Board feels that it can utilize the funds to generate revenue. Any loan made as per the Resolution will be repayable on demand. Since the amount mentioned in the resolution is in excess of prescribed limits, approval of the members by means of Special Resolution is required. This permission is sought pursuant to the provisions of Section 372A read with section 292 of the Companies Act, 1956 to give powers to the Board of Directors for making further loans, investment, guarantees and providing securities including Put Options beyond the limit prescribed in Section 372A of the Companies Act, 1956, in connection with loans involving the Company mentioned in the Special Resolution.

The Board of Directors, therefore, seek approval of shareholders by way of Special Resolution for giving loan in excess of the limit prescribed limit to M/s Diadem Enterprises Pvt.Ltd., Chennai

The Directors are satisfied that it would be in the interest of the Company and its members and accordingly recommend the said Resolution for your approval by exercising your votes and hence recommends the Resolution for your approval .

None of the Directors are in anyway concerned or interested in the said resolution.

By order of the Board of Directors

Place : Chennai
Date : 27.5.2013

Sd/-
(E.D.M. Menon)
Company Secretary



BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 23rd ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

At the ensuing AGM Shri Nirmal Kumar Dash and Shri V.Shankar retire by rotation and is eligible for re-election.

Brief profile of these Directors under Corporate Governance code are as under:-

1. Shri Nirmal Kumar Dash

Shri Nirmal Kumar Dash is a finance professional with over 14 years of experience in the areas of finance & accounts, taxation & auditing, MIS and system implementation. He has handled during his career a wide spectrum of activities encompassing finalisation of accounts and handling direct taxes local and indirect tax matters etc. He possesses extensive experience in reviewing internal systems/procedures and extending remedial measures/suggestions for improvements. He is a keen analyst with exceptional negotiation and relationship management skills and abilities in liaising with Banks. He has done his MBA with specialisation in finance from Annamalai university.

During his career he has worked with Technical Stamping Automotive Ltd. a Unit of TATA group and a major ancillary company of Hyundai Motor India Ltd. in various finance functions. He is currently handling the finances of a South India based logistics company.

With the help of his financial expertise we believe he will be of help to the company.

2. Shri V.Shankar

Shri V.Shankar is an information systems professional having over 7 years experience in the field of information systems and MIS and IT infrastructure design, implementation and maintenance. He has managed to help organisations realise the importance of an effective and efficient information system and has helped in conversion of many paper/manual record based information system to semi/completely automated processes with the help of digital devices. He has been instrumental in providing cost effective IT solutions and is an avid supporter of Open source IT initiatives like Ubuntu, Linux, Endian etc. He has also helped organisations to go with leaner infrastructure requirements using open source, virtualisation and using cloud based services thereby supporting the upcoming Software as a service (SAAS). He also is a certified information systems auditor (CISA) and emphasises on best practices in managing information systems and security such as Business continuity planning (BCP) and Disaster Recovery (DR). Mr V.Shankar has completed his M.Sc. in Information systems Engineering from Cardiff University, UK, and also holds Microsoft & Cisco certifications pertaining to IT infrastructure.

**DIRECTOR'S REPORT**

To the Members

Your Directors take pleasure in presenting their Twentythird Annual Report and Audited Accounts of the Company for the year ended 31st March 2013

FINANCIAL HIGHLIGHTS

The summarized financial results for the year ended 31st March 2013 are as follows:-

	(Rupees in Lacs) 2011-2012	(Rupees in Lacs) <u>2012-2013</u>
Total Income	22.70	23.38
Profit Before Interest & Depreciation	7.73	5.27
Interest:	-	-
Depreciation:	0.11	0.23
	(-) 0.11	(-) 0.23
Profit for the year	7.62	5.04
Less: Tax Expenses	-	-0.96
Profit after Tax	7.62	4.08
Balance Loss(-) brought forward from previous year	(-) 214	(-) 206
Balance carried to Balance Sheet (Loss)	(206)	(202)

The Company is in the process of identifying new business ventures in which it can involve. Towards this end, your Board has appointed Shri Pavan Kumar Reddy, a dynamic young individual as whole time director w.e.f. 1/7/2010. He is making enormous efforts and the Board is optimistic about the future of the Company.

Keeping in view the accumulated losses and the negligible profits, the directors are unable to recommend payment of any dividend for the year under review.

OBSERVATION BY AUDITORS ON THE ACCOUNTS

At point No.1, of Notes on the Accounts, the Auditors have observed that the loan of Rs.227.00 Lacs given to M/s Diadem Enterprises Pvt.Ltd. is in excess of the limit prescribed in Section 372A of the Companies Act, 1956. Accordingly, the Board of Directors are calling back the excess loan of Rs.77.00 lacs. The company will comply with the provisions of the Companies Act, 1956 for violation of 372A of the said Act.

**OPERATIONS**

Commercial operations of the Company remained suspended during the year under review. After take over by new management as mentioned above, the company is exploring new avenues of growth.

DIRECTORS

Shri V.Shankar and Nirmal Kumar Dash, Directors retire by rotation and are also eligible for re-election.

POSTAL BALLOT

The Board of Directors are taking steps to obtain approval of Shareholders under Section 372A of the Companies Act, 1956 for giving loan in excess of the limit prescribed in the aforesaid section through Postal Ballot. Accordingly a Postal Ballot Notice will be posted to all the Shareholders in due course.

FIXED DEPOSITS

Your Company has not accepted or invited any fixed deposits during the period under review.

AUDITORS

As the shareholders are aware, M/s Sundaram & Narayanan., Chartered Accountants, Chennai have been appointed on 5th December, 2012 through Postal Ballot process as Auditors of the Company to hold office upto the forthcoming Annual General Meeting. They retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

At present the shares of the Company are listed with Bombay Stock Exchange Ltd., Mumbai, Jaipur Stock Exchange Ltd., Jaipur, Magadh Stock Exchange Assn. Ltd., Patna and Delhi Stock Exchange Ltd., New Delhi. We have been informed that Magadh Stock Exchange has been derecognised by SEBI. Stock Exchange Regulations are complied with from time to time.

REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Ltd., 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, 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 Radesh Rangarajan, Director is the Chairman and Shri Pavan Kumar Reddy is member of the committee. Meeting of the Shareholders Grievances Committee are being held at regular intervals to sort out all kinds of grievances of investors.

Remuneration Committee

Shri Pavan Kumar Reddy continues as Chairman of Remuneration Committee and Shri V Shankar as Member. The Committee is holding regular meetings to review the remuneration of Directors and executives.

Audit Committee

Shri Radesh Rangarajan is the Chairman and Shri Nirmal Kumar Dash is the member 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. 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

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 judgment 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, 2013 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

OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS

As per Note 1 of Notes on Accounts, the Auditors have observed that the loan of Rs.227 lacs given to M/sDiadem Enterprises Pvt.Ltd. is in excess of the limit prescribed in Section 372A of the Companies Act, 1956. The Company will be taking immediate steps to call for the loan given in excess of the limit laid down under Section 372 A of the Companies' Act, 1956 and will take steps to remedy the violation. A Special