

24th
Annual Report
2013-2014



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 Fourth Annual General Meeting of the Members of the Company will be held on Thursday, the 25th September, 2014 at 11 AM at the Regd. Office of the company situated at 792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram, Sriperumbudur Taluk, Kancheepuram Distt., Pincode – 602 106, 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, 2014 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Radesh Rangarajan who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the resignation vide their letter dt.5th August, 2014 of M/s.Sundaram & Narayanan, Chartered Accountants, Chennai, as the Statutory Auditors of the Company be and is hereby taken note of and approved by the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Prasan & Associates, Chartered Accountants, Chennai (Firm Registration No.014103S with the Institute of Chartered Accountants of India) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the 24th Annual General Meeting until the conclusion of the 27th Annual General Meeting to be held in Sept., 2017, on the remuneration to be fixed by the Board of Directors.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to Audit committee or Whole Time Director of the company on such conditions as the Board may prescribe”.

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri V.Shankar, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for an independent Director as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th Sept.,2014 upto 24th Sept., 2019.”



5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri Nirmal Kumar Dash, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for an independent Director as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th Sept., 2014 upto 24th Sept., 2019.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

‘RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any of the Companies’ Act, 2013, the Clause III(A) of Memorandum Association of the Company dealing with Main Objects to be pursued by the Company be amended by adding following objects at Serial No.3 and 4:-

3. To carry on all or any of the business as manufacturers, exporters, importers, dealers and distributors of packing materials like cartons, corrugated boxes, glass bottles and other packing materials.

4. To carry on the business of manufacturers and dealers in all types of pilfer proof caps, embossed pilfer proof caps, printed sheets, container boxes, corrugated boxes, bags, cans, casks, chests, crates, jars, cases and all allied packing materials made out of a) Metal of all kinds, b) Plastic, c) Rubber, d) Paper and Paper Materials, e) Wood and Board f) Fabrics or any other commodities or materials capable of being used in the manufacture of such packing materials.

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be and is hereby authorized, in the best interest of the Company, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any company upto an aggregate amount not exceeding Rs.230.00 Lakhs notwithstanding that the aggregate of the loans so far given or to be given by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.



RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem fit, necessary or appropriate.”

By Order of the Board
For ASHIANA AGRO INDUSTRIES LTD.

Sd /

E.D.M.Menon

Company Secretary & Compliance Officer

Place: Chennai

Date: 5th August, 2014

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 SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING.
2. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. Members/proxies attending the meeting are requested to :
 - Bring their copies of annual report sent to the members, as copies of the annual report shall not be distributed at the Annual General Meeting;
 - Quote their Folio/Client ID and DP ID numbers in all correspondences.
4. The Register of members and share transfer books of the company shall remain closed for a day, i.e., on 23rd Sept., 2014.
5. The members are requested to communicate to the Registrars and Share Transfer Agents, viz., M/s.Link Intime India Pvt.Ltd., change in address, if any at the address given in the Annual Report.
6. Members are requested to preferably send their queries to the Regd. Office seven days before the date of AGM.
7. 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.
8. Explanatory statement pursuant to Section 102 of the Companies' Act, 2013 in respect of Special Business From Serial No.3 to 7 is annexed hereto and forms an integral part of the Notice.
9. Electronic copy of the Annual Report 2014 will be sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 are being sent in the permitted mode.
10. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report 2014 will also be available on the Company's website www.aail.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also sent requests to the Company's investor email id: info@aail.in

**11. Voting through electronic means**

I. Pursuant to Section 108 of the Companies Act, 2013 and rules of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Service Limited (CDSL).

The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “ASHIANAAGRO INDUSTRIES LTD” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant ASHIANAAGRO INDUSTRIES LTD on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

Please follow all steps from Sl. No. (i) to Sl. No. (xvii) above to cast vote.

(C) Other Instructions:

- i The voting period begins on September 17, 2014(9.30 a.m.) and ends on September 19, 2014 (5.30 p.m). During this period, Shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of Aug.22, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- ii The voting rights of the shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Aug.22, 2014.
- iii Mr. Chandra Bhushan Mishra, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and Transparent Manner.
- iv The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the vote in the presence of at least two (2) witness not in the employment of the Company and make Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Whole Time Director of the Company.
- v The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Reports shall be placed on the Company's website www.aail.in and on website on the CDSL within two (2) days of passing the resolution at the AGM of the Company and communicated to the Stock Exchange.
- vi In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email.

ANNEXURE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES' ACT, 2013

ITEM NO.3

Appointment of Statutory Auditors

It is hereby informed that M/s Sundaram & Narayanan, Chartered Accountants, Chennai have vide their letter dt. 5th August, 2014 resigned as statutory auditors of the company.

The Board on the recommendation of the Audit Committee has identified M/s. Prasan & Associates, Chartered Accountants, Chennai, for appointment as the statutory auditors of the Company from the conclusion of the 24th Annual General Meeting. M/s. Prasan & Associates, Chartered Accountants, Chennai have confirmed their eligibility and willingness to act as the Statutory Auditors of the Company and have further confirmed that they fulfill the conditions prescribed under section 141 of the Companies' Act, 2013.

The Board at its meeting held on August 5, 2014 has taken note of the resignation of M/s . Sundaram & Narayanan, Chartered Accountants, Chennai as Statutory Auditors of the Company and subject to the approval of shareholders, consented to the appointment of M/s. Prasan & Associates, Chartered Accountants, Chennai, as the Statutory Auditors to hold office from the conclusion of 24th Annual General Meeting until the conclusion of the 27th Annual General Meeting to be held in Sept., 2017, on the remuneration to be fixed by the Board of Directors

The resolution is recommended for the approval of Members by way of Ordinary Resolution.

None of the directors and key managerial personnel of your Company nor any of their relatives are interested in the aforesaid resolution, except as a member, if any of the Company.

Item No.4 & 5

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges where the company's shares are listed, appointed Shri Nirmal Kumar Dash and Mr V.Shankar, as Independent Directors at various times in the past, in compliance with the requirements of the clause. Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one third of the total number of directors as independent directors, who are not liable to retire by rotation.



The Board has recommended the appointment of these directors as Independent Directors from Sept.25, 2014 upto Sept.24, 2019. Both these directors have given declaration to the Board that they meet the criteria of independent director as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The resolutions are recommended for the approval of Members by way of Ordinary Resolution.

Other than Shri N.K.Dash and V.Shankar, none of the other directors and key managerial personnel of your Company nor any of their relatives are interested in the aforesaid resolution, except as a member, if any of the Company.

ITEM NO.6

Upon Incorporation of the Company in 1990, Your Company was engaged in the manufacture of edible oil. Your Company made profits from the first year of its operations and dividend was also paid. Due to severe competition in the edible oil market, your company could not continue the same performance in the later years. As a result, the company went into losses year after year. The earlier management suspended production and sold away the entire plant and machinery to pay off the term loans of the Financial Institutions. The company was taken over in the Year 2008 by M/s.Serengeti Holdings Pvt.Ltd., Chennai. Since then the new management was on the look out for viable projects which your company can undertake with the limited resources at its disposal. The new management has identified Packaging business as a new area. The new management has the expertise and experience to run this type of business. In order to enable the Company to undertake businesses as above, it is proposed to amend the Main Objects Clause of the Memorandum of Association by adding the objects as mentioned at Serial No.5 of the Notice. By virtue of Section 13 of the Companies' Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014; approval of members by way of Special Resolution is required to amend the objects clause of the Memorandum of Association of the Company and thus your approval is sought for the same. Your Company will comply with the provisions of the Companies' Act, 2013 and directions of the stock exchanges/SEBI/other Government authorities in connection with the alteration of the Objects clause of the Memorandum of Association.

The Directors recommend the Resolution, in the best interest of the Company, for the approval of Members by way of Special Resolution. Approval of shareholders by way of Postal Ballot is also needed for which the Company will be approaching the shareholders in due course.

None of the directors and key managerial personnel of your Company nor any of their relatives are interested in the aforesaid resolution, except as a member, if any of the Company.

ITEM NO.7

As per the provisions of Section 186 of the Companies Act, 2013, 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 per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company. As a measure of achieving greater financial flexibility and to earn revenue pending deployment of funds on other projects, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for providing loans to other bodies corporates for an amount not exceeding Rs.230.00 Lakhs.