

26th
Annual Report
2015-2016



ASHIANA AGRO INDUSTRIES LIMITED



ANNEXURE A TO THE DIRECTORS' REPORT FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

ANNEXURE B TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

ANNEXURE C TO THE DIRECTORS' REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT

ANNEXURE D TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

ANNEXURE E TO THE DIRECTORS' REPORT

[Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]



BOARD OF DIRECTORS

Shri Pavan Kumar Matli, Whole Time Director
Shri Radesh Rangarajan, Director
Shri Nirmal Kumar Dash, Director
Shri Venkatakrishnan Shankar, Director
Dr.Vemareddy Srutha Keerthi, Director

COMPANY SECRETARY

Shri E.D.M.Menon

REGISTERED OFFICE

No.792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram,
Sriperumbudur Taluk, Kancheepuram Dist., Pincode -602 106, Tamil Nadu
Phone: 044-2834 4820
Website: www.aail.in

CORPORATE OFFICE

New No.16/3, Old No.13/3, Vidyodaya 1st Cross Street,
T.Nagar, Chennai – 600 017
Phone: 044-2834 4820

AUDITORS

M/s.Prasan & Associates
Chartered Accountants,
No.2, Grand Square, Aravamuthan Gardan Street,
Egmore, Chennai - 600 008

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 110028
Phone : 011-41410592, 93 & 94, Telefax: 011-41410591



NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of the Company will be held on Wednesday, the 28th September, 2016 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, 2016 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 Dr.Vemareddy Srutha Keerthi, who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of Statutory Auditors

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

RESOLVED 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, the appointment of M/s. Prasan & Associates, Chartered Accountants, Chennai (Firm Registration No.014103S with the Institute of Chartered Accountants of India) as Statutory Auditors of the Company, who were appointed in the Annual General Meeting held on 25th Sept., 2014 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, be and is hereby ratified from the conclusion of 26th Annual General Meeting until the conclusion of the 27th Annual General Meeting 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”.

Place: Chennai
Date: 10th August, 2016

By Order of the Board
For ASHIANA AGRO INDUSTRIES LTD.
Sd/-
Pavan Kumar Matli
Whole Time 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 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 21st Sept., 2016.
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. Electronic copy of the Annual Report 2016 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 2016 are being sent in the permitted mode.
9. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report 2016 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: ashianaagro@gmail.com / ashiana.menon@gmail.com
10. 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 26th Annual General Meeting(AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Service Limited (CDSL). The company has appointed Mr.T.Durga Prasad, Practising Company Secretary as scrutinizer for the e voting process.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2016 at 9.30 AM and ends on 27th September, 2016 at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 21st September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.



- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for ASHIANAAGRO INDUSTRIES LIMITED on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.

**(xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date 21st September, 2016 may follow the same instructions as mentioned above for e-Voting.
- (ii) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com

By Order of the Board
For ASHIANA AGRO INDUSTRIES LTD.
Sd/-
Pavan Kumar Matli
Whole Time Director

Place: Chennai
Date: 10th August, 2016

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE -APPOINTMENT AT THE 26TH ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT**1. Dr.Vemareddy Srutha Keerthi**

Dr.Vemareddy Srutha Keerthi is a Dental Doctor. She was appointed to comply with the SEBI guidelines and Listing agreement which stipulates that all listed Companies should have a Woman Director on its Board effective from 1st April, 2015.

Companies other than Ashiana Agro Industries Ltd. in which Dr.Vemareddy Srutha Keerthi holds Directorship and Committee Membership

Directorship	- Nil
Chairman of Board Committees	- Nil
Member of Board Committees	- Nil
Shareholding in Company	- Nil

**DIRECTORS' REPORT**

To The Members

Your Directors take pleasure in presenting their Twenty Sixth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

The summarized financial results for the year ended 31st March, 2016 are as follows:-

	Rupees in Lacs			
	2014-2015		2015-16	
Total Income		39.76		65.26
Profit before Interest & Depreciation		0.11		(-)3.03
Interest:		-		-
Depreciation:	0.01	(-) 0.01	0.01	(-) 0.01
Profit before tax		0.10		(-)3.04
Less: Tax Expenses		0.03		-
Profit for the Year		0.07		(-)3.04
TDS receivables (-) adjusted against P&LA/c		(-) 7.38		(-) 0.03
Balance Loss (-) brought forward from previous year		(-) 200.30		(-) 207.61
Balance carried to Balance Sheet (Loss)		(-) 207.61		(-) 210.68

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

As regards "other notes to Accounts", the directors wish to clarify that the loan has been advanced to Diadem enterprises duly complying with the relevant provisions of the Companies' act, 2013 and is within the permissible limit laid down under the provisions of the said Act. Pending deployment of funds in other Projects, the company could earn interest to meet its day to day expenses and other liabilities. The loan is repayable on demand. The Company is in the process of identifying Projects wherein it can invest its funds on the long term for the benefit of its shareholders.

OPERATIONS

Commercial operations of the company has just resumed on an experimental basis during the year under review. 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 new objects.

The Company is proposing a Postal Ballot seeking the Shareholders approval by way of Special Resolution to alter the Objects Clause of the Memorandum of Association so as to do the proposed packaging business. Alteration procedure will be complied as and when diversification plans are finalized by the company.

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.

POSTAL BALLOT

The Company is proposing a Postal Ballot seeking the Shareholders approval by way of Special Resolutions to alter the Objects Clause of the Memorandum of Association so as to do the proposed Packaging business and to make loans in excess of the limit laid down under Section 186 of the Companies' Act, 2013 but limited to a maximum of amount of Rs.230.00 Lacs. Alteration procedure of Memorandum of Association will be complied when diversification plans are finalized by the company. Postal Ballot Notice is being issued to the shareholders separately. Though conducting of postal ballot was envisaged last year, it could not be conducted due to some unavoidable circumstances.

**DIRECTORS**

Dr.Vemareddy Srutha Keerthi, Director retires by rotation and is eligible for re-election. There is no other change in directorship

BOARD MEETINGS

During the Financial Year ended 31.3.2016, Board Meetings held on 15.4.2015, 25.5.2015, 5.8.2015, 23.9.2015 5.11.2015 and 8.2.2016.

Your Company has a policy of appointing adequately qualified persons only to the Board keeping in view the requirements of listing agreement with the stock exchanges and the Corporate Governance guidelines.

INDEPENDENT DIRECTORS

Shri V.Shankar and Shri Nirmal Kumar Dash, independent directors on the board of the Company, have furnished a declaration to the company under Section 149(7) of the Companies Act, 2013 saying that they meet the criteria of independent director as laid down under Section 149(6) of the Companies' Act, 2013. Independent directors hold one separate meeting every year.

They have been appointed for a period of five years and are not liable to retire by rotation.

LOAN

The Company has advanced a loan of Rs.150.00 lacs to M/s. Diadem Enterprises Pvt Ltd., Chennai at an interest rate of 10% p.a. This loan is repayable on demand. M/s. Diadem Enterprises Pvt.Ltd. is the manufacturers of multi coloured labels for various products.

CORPORATE SOCIAL RESPONSIBILITY

The Company is fully aware of its corporate social responsibility. Your company is not presently involved in any manufacturing activity. As it is involved in trading activities in a limited way right now, it has very limited employees. When it expands its operations it will earmark a part of its revenue for social initiatives in and around the area of its operations.

RISK MANAGEMENT POLICY

The Company will have a risk management policy as and when it restarts its trading/manufacturing operations in a large scale. Company's risk will be covered adequately by insurance policies in the long term.

FIXED DEPOSITS

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

STATUTORY AUDITORS

M/s. Prasan Associates, Chartered Accountants, Chennai continue as Statutory Auditors of the company from the conclusion of the 25th AGM until the conclusion of the 27th Annual General Meeting to be held in Sept., 2017. The Board has proposed the ratification of appointment of M/s.Prasan Associates as Auditors from the conclusion of this AGM until the conclusion of the next AGM to be held in Sept.2017 by the Shareholders.

SECRETARIAL AUDITORS

Pursuant to provisions of section 204 of the Companies Act, 2013 and Companies (appointment of Managerial Personnel) Rules, 2014 the Board of Directors of the Company has appointed Mr.T. Durga Prasad, Practising Company, Chennai, Membership No.6316 (Certificate of Practice No.154581) to undertake the Secretarial Audit of the Company for the Financial Year ended 31st March, 2016. The Secretarial Audit Report in the Prescribed Form No. MR – 3, is annexed as Annexure 'C'.

Mr.Durga Prasad in his Audit report dated 10th August, 2016 for the Financial year 2015-16 have stated that the necessary compliance for alteration of Main Object was not carried out during the Audit Period. The Directors are of the view that when ever the Company finalise the diversification of the business activities, the alteration of the Main Object Clause of the Memorandum will be carried out through Postal Ballot.

**CHIEF FINANCIAL OFFICER**

In accordance with the Rules, Mr.G.Nandhivarma from Chennai has been appointed as Chief Finance Officer of the Company during the Financial Year 2014-15. Mr.Nandhivarma is experienced and adequately qualified to look after the financial affairs of the Company. He continues as Chief Financial Officer of the Company.

INTERNAL AUDITORS

To comply with the Rules, M/s.PandA Knowledge Services, Management Consultants, Chennai have been appointed as Internal Auditors of the Company from the Financial Year 2014-15. M/s. PandA Knowledge Services are experienced and adequately qualified to look after the Internal Audit functions of the Company. Their appointment has been renewed and they continue as Internal Auditors.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars are to be furnished pursuant to Section 197(12) of the Companies' Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

There are no particulars which are required to be furnished pursuant to Section 134 of the Companies Act, 2013 as the production activities of the Company remained suspended during the year under review. The company has neither earned nor utilized any foreign exchange during the year under review.

LISTING OF SHARES

The shares of the Company are listed with BSE Ltd., Mumbai, Jaipur Stock Exchange Ltd., Jaipur and Delhi Stock Exchange Assn.Ltd., Delhi. Jaipur and Delhi Stock Exchanges have been derecognized by SEBI. Stock Exchange Regulations are complied with from time to time. Demat facilities are available with NSDL and CDSL. INE Number is INE709D01012 for CDSL and NSDL

REGISTRARS AND 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 and Share Transfer Agents. All Members are requested to contact them for any kind of share related matters.

IMPLEMENTATION OF THE CORPORATE GOVERNANCE

A detailed report on Corporate Governance is annexed hereto and forms an integral part of this Report. As per Clause 49 of the Listing Agreement, the Company has constituted the following committees:-

CONSTITUTION OF VARIOUS COMMITTEES

Various Committees of the Board have been constituted so as to comply with the latest Regulations. Mr E.D.M.Menon, Compliance Officer, functions as the Secretary of all Committees.

Stake Holders Grievances Committee

Shri Radesh Rangarajan, Director continues as Chairman and Shri V.Shankar continues as Member of Stake Holders Grievances Committee. Meeting of Stakeholders Grievances Committee are being held at regular intervals to sort out all kinds of grievances of stake holders.

Remuneration Committee

Shri Nirmal Kumar Dash is the Chairman and Shri V.Shankar continues as Member. The Committee will hold meeting as and when required to review the remuneration of Directors and Executive.

Audit Committee

Shri Radesh Rangarajan continues as the Chairman and Shri Nirmal Kumar Dash is the Member of the Audit Committee. The duties, responsibilities and powers of the committee have been defined by the Board at the time of its constitution in accordance with the listing guidelines. A separate report on corporate governance forms part of this Annual Report.