

27th
Annual Report
2016-2017



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, E-mail ID: delhi@linkintime.co.in



NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of the Company will be held on Thursday, the 28th September, 2017 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, 2017 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 (Din No.01995154) who retires by rotation and being eligible offers himself for re-appointment.
- 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 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 for a term of two years from the conclusion of the 27th Annual General Meeting until the conclusion of the 29th Annual General Meeting to be held in Sept., 2019, subject to ratification of appointment by shareholders at every Annual General Meeting till the 29th Annual General Meeting to be held in Sept., 2019, on the remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors”

“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, 2017

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 ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY 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 :
 - Shareholders are requested to bring their copy of Annual Report to the meeting along with the attendance slip.
 - 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., 2017.
5. The members holding shares in identical order of names in more than one folio are requested to write to the Share transfer agent of the Company to consolidate their holding in one folio.
6. 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.
7. Members are requested to preferably send their queries to the Regd. Office seven days before the date of AGM.
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. Electronic copy of the Annual Report 2017 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 2017 are being sent in the permitted mode.
10. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report 2017 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 send requests to the Company's investor email id: ashianaagro@gmail.com / ashiana.menon@gmail.com
11. Voting through electronic means
 - I. In Compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes at 27th AGM by electronically through the electronic voting service facility arranged by Central Depository Services Limited(CDSL). The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. 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, 2017 at 9.30 AM and ends on 27th September, 2017 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, 2017, 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. 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 (Permanent Account Number)	<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 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.
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 ASHIANA AGRO 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. I Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) 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, 2017 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, 2017

BRIEF PROFILE OF DIRECTOR SEEKING APPOINTMENT/RE -APPOINTMENT AT THE 27TH ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

At the ensuing AGM Shri Radesh Rangarajan retires by rotation and is eligible for re-election.

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

1. Shri Radesh Rangarajan (DIN:01995154)

Shri Radesh Rangarajan holds an MBA from IIM, Ahmedabad (PGP 1988-90) and is a first generation entrepreneur. His Bachelor degree in Physics was from Loyola College, Chennai. His work experience started with Eicher Group and Blowplast where he did the hardcore grind of dealer management and sales across four states for consumer and industrial products.

Shri Radesh started off in business with as a DSA for GE Countrywide and added ANZ Grindlays bank products to his portfolio. His firm was rated as the top performer in South India and one of the best in the country in the years 96-97 at GE Countrywide.

Radesh successfully set up a website Dealwala.com in 2000 for a top industrial group leading a crack team of graduates from IIMA and XLRI. It was one of the very few websites to register sales revenues from Scratch. With dotcoms floundering for capital, dealwala.com managed to morph into a non-voice BPO that now has over 700 employees. Radesh put together a CXO level team before moving on.

In 2002, Radesh and Govind founded Mindspace HR Consulting services, later to become a pvt. ltd. company. Radesh continues on the Board of Directors of Mindspace, even as the company has diversified beyond HR to Finance.

Since 2007, Radesh has been active in the Investment Advisory Services. He is an Executive Committee Member in the IIM Ahmedabad and Alumini Association, Chennai.

Companies other than Ashiana Agro Industries Ltd. in which Radesh Rangarajan holds Directorship and Committee Membership

Directorship:

Mind Space Consulting & Services Pvt. Ltd., - Director
Serengeti Holdings Pvt. Ltd. – Director
Plutus Investment Advisory Services Pvt. Ltd. – Managing Director
Sunstar Hotels & Estates Pvt. Ltd – Director
Glo Life care Equipments Pvt. Ltd - Director

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, 2017.

FINANCIAL HIGHLIGHTS

The summarized financial results for the year ended 31st March, 2017 are as follows:-

	Ruppes in Lacs	
	2016-17	2015-16
Total Income	36.44	65.26
Profit before Interest & Depreciation	(-)4.87	(-)3.03
Interest:	-	-
Depreciation:	0.01 (-) 0.01	0.01 (-) 0.01
Profit before tax	(-)4.88	(-)3.04
Less: Tax Expenses	-	-
Profit for the Year	(-)4.88	(-)3.04
TDS receivables (-) adjusted against P&LA/c	-	(-) 0.03
Balance Loss (-) brought forward from previous year	(-) 210.68	(-) 207.61
Balance carried to Balance Sheet (Loss)	(-) 215.56	(-) 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 Materials 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.

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.

DIRECTORS

Radesh Rangarajan, Director retires by rotation and is eligible for re-election. There is no other change in directorship.

BOARD MEETINGS

During the Financial Year ended 31.3.2017, Board Meetings held on 11.4.16, 25.5.16, 18.7.16, 10.8.16, 28.9.16, 9.11.16, 25.1.17 and 8.2.17

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.

**COMMITTEE MEETINGS**

Audit Committee met on 11.4.16, 25.5.16, 18.7.16, 10.8.16, 28.9.16, 9.11.16 and 08.2.17. Stake holders Grievances Committee met on 11.4.16, 25.5.16, 18.7.16, 10.8.16, 28.9.16, 6.10.16 and 6.1.17. Nomination and Remuneration Committee met on 11.4.16 and 18.7.16. Share Transfer Committee met on 31.5.16, 17.8.16, 19.10.16 and 30.1.17.

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.

BOARD COMMITTEES**AUDIT COMMITTEE**

Shri Radesh Rangarajan continues as the Chairman and Shri Nirmal Kumar Dash continues as Member. Audit Committee met seven times during the Financial Year on 11.4.16, 25.5.16, 18.7.16, 10.8.16, 28.9.16, 9.11.16 and 08.2.17. Shri EDM Menon, Company Secretary is Secretary to the Committee.

The role and duties of the audit committee have been defined by the Board of directors and generally cover the areas mentioned under Clause 49 of the Listing Agreement besides other terms as may be referred to the Committee by the Board of Directors from time to time.

STAKEHOLDERS GRIEVANCES COMMITTEE

Shri Radesh Rangarajan, Director continues as Chairman and Shri V.Shankar, Director continues as Member of the Committee. Stakeholders Grievances Committee met seven times during the Financial Year on 11.4.16, 25.5.16, 18.7.16, 10.8.16, 28.9.16, 6.10.16 and 6.1.17.

Shri EDM Menon, Company Secretary is the compliance officer. The Company has attended to all valid requests for transfer received during the year ended 31st March, 2017 and no such transfer is pending.

NOMINATION & REMUNERATION COMMITTEE

Shri Nirmal Kumar Dash continues as the Chairman and Shri V.Shankar continues as Member. The Committee met twice during the Financial Year on 11.4.16 and 18.7.16 to review the remuneration of Directors, Executive and others.

SHARE TRANSFER COMMITTEE

Shri Radesh Rangarajan continues as Chairman and Shri Pavan Kumar Matli, Whole Time Director continues as Member of the Committee. Share Transfer Committee met four times during the Financial Year on 31.5.16, 17.8.16, 19.10.16 and 30.1.17. All valid transfers/transmissions have been attended to and no transfer is pending as on 31st March, 2017.

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 were appointed as Statutory Auditors of the company for a period of three years from the conclusion of the 25th AGM until the conclusion of the 27th Annual General Meeting to be held in Sept., 2017. M/s Prasan & Associates are entitled for a term of five years and therefore, the Board intends to recommend their appointment for a further period of two years subject to ratification in the 28th Annual General Meeting to be held in September, 2018.

SECRETERIAL 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, 2017. The Secretarial Audit Report in the Prescribed Form No.MR-3 dated 10th August, 2017 is annexed as Annexure 'C'.

CHIEF FINANCIAL OFFICER

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

INTERNAL AUDITORS

To comply with the Rules, M/s.Panda Knowledge Services, Management Consultants, Chennai were appointed as Internal Auditors of the Company for the Financial Year 2016-17. They have expressed their inability to continue as Internal Auditors of the Company for the Financial Year 2017-18. Therefore the Audit Committee has decided to consider Mr.A.Vijaya Sujanakar, a person with extensive experience in Accounting, Taxation and Internal Audit matters as Internal Auditor. Hence Mr.Vijaya Sujanakar having his office at 23/32, Narayanasamy 2nd Street, West Saidapet, Chennai - 600 015 has been appointed as an Internal Auditor of the company in the Board meeting held on 10th August, 2017 for the Financial Year 2017-18.

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 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.