



ANNUAL REPORT

2015-16

**AAYUSH FOOD AND
HERBS LIMITED**

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CORPORATE INFORMATION

CIN: L01122DL1984PLC018307

Board of Directors

Mr. Ashish Mittal

Mr. Sunil Mittal

Mrs. Neena Mittal

Mr. Atul Kumar Chaturvedi

Mr. Ajay Mathur

Mr. Rajesh Goel

Mr. Pawan Kumar Singh

Managing Director

Non Executive Director

Non Executive Director

Independent Director

Independent Director

Independent Director

Independent Director

Company Secretary

Ms. Khushbu Mittal

Chief Financial Officer (CFO)

Mr. Sachin Goyal

Statutory Auditors

M/s Sudhir Agarwal & Associates

Internal Auditors

Ms. Disha Aggarwal

Bankers

Kotak Mahindra Bank Limited

Union Bank of India

IDBI Bank Ltd.

Registered Office

G-321, Chirag Delhi, New Delhi – 110017

Ph : 011-41009092, 46095455

E-mail : aayushfoodherbs@gmail.com

Web. : www.aayushfoods.com

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 3rd Floor, 99 Madangir, Behind
Local Shopping Centre, Near Dada Harsukh
Dass Mandir, New Delhi – 110062

Ph. : 011-29961281 | Fax: 011-29961284

E-Mail : beetalrta@gmail.com

Website : www.beetalfinancial.com

Managing Director's Statement

Dear Shareholders

Worldwide cereal (including wheat, rice and coarse grains) production grew at a compounded annual growth rate ("CAGR") of 2.1% during CY05-15 with record production achieved in CY 2013 and CY 2014 driven by improving productivity. It is, however, expected to witness a decline of ~1% in CY 2015 to 2526 million tonnes from 2554 million tonnes in CY 2014 due to reduction in the area planted for cereals resulting in lower wheat and coarse grain production though will be marginally offset by higher rice production. The world cereal consumption grew at a CAGR of 2.22% during CY05-15 owing to increasing population, rising per capita income in developing countries and use of grains for industrial and feed purpose.

Rice and wheat are the primary food grain produced by the country with cumulative contribution hovering at ~75-80% over the period. India is the second largest producer of wheat and rice in the world and is the largest producer and the second largest exporter of cotton in the world. (Source: Govt. of India- Economic Survey). In line with the production levels, rice has also been the most consumed cereal in India with a per capita consumption of 69.4 kg/annum in 2012 followed by wheat (57.7 kg/annum). All India horticulture production has increased at a much higher rate of ~92% and at a CAGR of 6.11% from 144.4 million tonnes in 2002-03 to 277.4 million tonnes in 2013-14 driven by higher acreage (16.3 million hectare in 2002-03 to 24.2 million hectare in 2013-14) coupled with improved productivity (8.9 MT/Ha in 2002-03 to 11.5 MT/Ha in 2013-14).

The Company's recent decision to operate in the business of food grains mainly rice, commodities etc. is promising in view of industry outlook. It is indeed pleasure to share that in the Financial Year 2015-16, Company's Shares got listed on Nationwide Stock Exchange BSE Limited, the World's fastest Stock Exchange. I am happy to report that your company has earned profits in Financial Year 2015-16 despite of losses occurred in previous Financial Year.

Finally, I would like to thank each one of our shareholders for the continued support and confidence in the Company and the management. I also express my sincere gratitude to our customers and other stakeholders for the strong relationship built on trust. I am thankful also to the employees, the management team and my colleagues on the Board of Directors for their significant contribution to the Company over the last year.

Ashish Mittal
Managing Director

AAYUSH FOOD AND HERBS LIMITED

CIN: L01122DL1984PLC018307

Registered Office: G-321, Chirag Delhi, New Delhi - 110017

Tel No. : 011-46095455, 011-41009092 | Email: aayushfoodherbs@gmail.com

Website: www.aayushfoods.com

NOTICE 32ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY-SECOND ANNUAL GENERAL MEETING of the Company will be held at Madhuban Hotel, B-71, Greater Kailash-1, New Delhi, 110048 on Friday, 30th September, 2016 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2016 together with the reports of the Board of Directors and Auditors' thereon.

Item No. 2 – Re-Appointment of Mrs. Neena Mittal, retiring by Rotation

To appoint a Director in place of Mrs. Neena Mittal (DIN: 01645878), who retires by rotation and being eligible, offers herself for re-appointment.

Item No. 3 – Appointment of Auditors

To consider and, if thought fit, approve with or without modification(s) the following resolution as an

ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time or any other law for the time being in force) and pursuant to the resolution passed by the Members at the 30th Annual General Meeting held on September 20, 2014 in respect of appointment of the Auditors, M/s Sudhir Agarwal & Associates, Chartered Accountants, (Firm registration no. 509930C), till the conclusion of the AGM to be held in the Year 2019, the Company hereby ratifies and confirms the appointment of M/s Sudhir Agarwal & Associates, Chartered Accountants, as Auditors of the Company to examine and audit the accounts of the Company on such remuneration as maybe mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

Item No. 4 – Approval for entering into Related Party Transactions by the Company under section 188 of the Companies Act, 2013:

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 188 of the Companies Act, 2013, and other applicable provisions, if any, (including any amendments thereto or reenactment thereof, for the time being in force) and Rule 15 of the Companies (Meetings of Board & its Powers) Rules 2014, the consent of

the members be and is hereby accorded to enter into related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

S No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/KMP who is related and nature of their relationship	Name of the Related Party	Maximum Limit Per Annum) Rs. In Crores
1	Purchase/sale of Basmati & Non-Basmati Rice	Mr. Ashish Mittal (Managing Director)- He is the Sole proprietor of Ashish Associates.	Ashish Associates.	50
2	Purchase/sale of Basmati & Non-Basmati Rice	Ms. Reema Aggarwal: She is the sister of Mr. Ashish Mittal (Managing Director) and daughter of Mr. Sunil Mittal and Ms. Neena Mittal (Directors)	N.A. Foods Pvt. Ltd.	50
3	Sale of Basmati & Non-Basmati Rice	Mr. Amit Sethi (Mr. Amit Sethi is son-in-law of Mr. Sunil Mittal & Ms. Neena Mittal (Directors) and brother –in-law of Mr. Ashish Mittal- (Managing Director)	Asia Africa General Trading LLC	100

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

Item No. 5 – Appointment of Mr. Rajesh Goel as Independent Director

To consider and, if thought fit, approve with or without modification(s) the following resolution as an

ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment(s)

thereof for the time being in force), Mr. Rajesh Goel (DIN: 05299193), who was appointed as an Additional Director of the company on 17th February, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this AGM, who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment & in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office up to 16th February, 2021.

Item No. 6 – Appointment of Mr. Pawan Kumar Singh as Independent Director

To consider and, if thought fit, approve with or without modification(s) the following resolution as an

ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment(s) thereof for the time being in force), Mr. Pawan Kumar Singh (DIN: 07371411), who was appointed as an Additional Director of the company on 17th February, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this AGM, who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment & in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office up to 16th February, 2021

**By Order of the Board of Directors
For Aayush Food and Herbs Limited**

**Place: Delhi
Date: 24.08.2016**

**Sd/-
Khushbu Mittal
Company Secretary
M. No. ACS 36342**

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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. Proxies submitted on

behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A Blank Proxy Form is annexed hereto.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business under Item Nos. 4, 5 and 6 of the accompanying Notice are annexed hereto.
4. A statement giving the details of the Director seeking appointment / reappointment under Item Nos. 2, 5 and 6 of the accompanying Notice, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, is annexed hereto.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m to 1.00 p.m upto the date of this Annual General Meeting ("AGM").
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 26, 2016 to September 30, 2016 (both days inclusive), for purposes of AGM.
7. Members are requested to notify immediately any change in their address to the Company / Registrars and Transfer Agents of the Company.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting. Members who have received the notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance slip and submit a duly filled in Attendance slip at the registration counter to attend the AGM.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's Registrar and Share Transfer Agent / Company.
11. Electronic copy of the Annual Report for 2015-16 is being sent to all 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 for 2015-16 are being sent in the permitted mode.
12. Electronic copy of the Notice of the 32nd AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all 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 Notice of the 32nd AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 32nd AGM and the Annual Report for 2015-16 will

also be available on the Company's website www.aayushfoods.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m to 1.00 p.m upto the date of this AGM. 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: aayushfoodherbs@gmail.com

14. A route map showing directions to reach the venue of the 32nd AGM is given at the end of this Notice.

15. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Regulations, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 32nd AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 32nd AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Shri K. O. Siddiqui, Practicing Company Secretary (FCS: 2229, CP: 1284) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and Metropolitan Stock Exchange of India Limited, Mumbai.

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

- I. The voting period begins on Tuesday, September 27, 2016 at 10.00 a.m and ends on Thursday, September 29, 2016 at 5.00 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 September 24, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Members holding shares in physical or in demat form as on September 24, 2016, shall only be eligible for e-voting.
- 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) 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.

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 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 the relevant <Company Name> 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.