

21st
Annual Report
2010-2011



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 Vikram Kumar & Co.
Chartered Accountants
Jagdish Bhawan, 1st Floor
Exhibition Road, Patna – 800 001

REGISTRAR & SHARE TRANSFER AGENTS

M/s Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area
Phase – II, Near Batra Banquet Hall
New Delhi – 110 028
Phone No. : 011 4141 0592, 93 & 94
Telefax : 011 – 4141 0591



NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of the Company will be held on Friday, the 23rd September 2011 at 10 a.m. at 792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram, Sriperumbudur Taluk, Kancheepuram District, Pincode – 602106, Tamil Nadu to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st march, 2011 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To appoint statutory Auditors of the Company and to fix their remuneration. M/s Vikram Kumar & Co. Chartered Accountants, Patna retires at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.
3. To appoint a Director in place of Shri Nirmal Kumar Dash who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. To Consider and if thought fit to pass, with or without modifications(s), the following Resolution as Ordinary Resolution:

“RESOLVED THAT Shri Venkatakrisnan Shankar, a Director who was appointed as an Additional Director as per provisions of Section 260 of the Companies, Act, 1956 and Article 77 of the Articles of Association by the Board of Directors in their meeting held on 16/12/2010 and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom a notice under Section 257 of the Companies, Act, 1956 have been received from a Member signifying his intention to propose Shri Venkatakrisnan Shankar as a candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

By order of the Board of Directors

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

Place: Chennai
Date: 11/7/2011



NOTES

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, in respect of Special Business is annexed hereto and forms an integral part of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Register shall remain closed for a day, i.e., on 21st September, 2011.
4. The Shareholders are requested to communicate to the Registrar & Share Transfer Agent change in address, if any, at the address given in the Annual Report.
5. Members are requested to preferably send their queries to the Registered Office seven days before the date of AGM.
6. Shareholders are requested to bring their copy of annual Report to the meeting.
7. Members/Proxies should fill in attendance slip for attending the meeting.
8. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
9. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.

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

ITEM No. 4

Mr. Venkatakrisnan Shankar is an information systems professional having over 7 years of experience in the field of information systems and MIS and IT infrastructure design, implementation and maintenance. Mr. Shankar has completed his M.Sc in Information Systems Engineering from Cardiff University, UK, and also holds Microsoft & Cisco certifications pertaining to IT infrastructure. Needless to mention that your company will immensely benefit from his rich knowledge and experience.

The Board recommends passing the Resolution.

None of the Directors of the Company are interested in the Resolution either directly or indirectly.

By order of the Board of Directors

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

Place: Chennai
Date: 11/7/2011



BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 21ST ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

At the ensuing AGM Shri Nirmal Kumar Dash retires by rotation and is eligible for re-election. Approval of shareholders is also sought for the appointment of Shri Venkatakrisnan Shankar as Director. Brief profiles of these directors under Corporate Governance code are as under:-

1. Shri Nirmal Kumar Dash

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

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

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

2. Shri Venkatakrisnan Shankar

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

**DIRECTOR'S REPORT**

To the Members

Your Directors take pleasure in presenting their Twentyfirst Annual Report and Audited Accounts of the Company for the year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

The summarized financial results for the year ended 31st March 2011 are as follows:-

	(Rupees in Lacs) 2010-2011	(Rupees in Lacs) 2009-2010
Total Income	22.91	23.46
Profit(+) Loss(-) before Interest & Depreciation	(+) 10.24	(+) 15.39
Interest:	0.10	0.08
Depreciation:	0.11	0.10
	(-) 0.21	(-) 0.18
Profit (+) Loss(-) for the year	10.03	15.21
Less: Fringe Benefit Tax:	-	0.06
Profit (Loss) after Tax	10.03	15.15
Balance Loss(-) brought forward from previous year	(-) 238.74	(-) 253.89
Balance carried to Balance Sheet (Loss)	228.71	(238.74)

The relevant notes on the Account of the Company referred to in the Auditor's Report are self-explanatory. The Company is in the process of identifying New Business Ventures in which it can involve. Towards this end, your Board has appointed Shri Pavan Kumar Reddy, a dynamic young individual as whole time director w.e.f. 1/7/2010. He is making enormous efforts and the Board is optimistic about the future of the Company.

DIVIDEND

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

OPERATIONS

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



DIRECTORS

The Board has appointed Shri Venkatakrisnan Shankar as Additional Director on 16/12/2010 who holds office upto this Annual General Meeting. A Notice U/s 257 of the Companies Act 1956, has been received proposing the re-appointment of Shri Venkatakrisnan Shankar as Director. He is eligible for re-election.

Shri Nirmal Kumar Dash retires by rotation and is also eligible for re-election.

FIXED DEPOSITS

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

AUDITORS

M/s Vikram Kumar & Co., Chartered Accountants, Patna retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars are to be furnished pursuant to Section 217 (2A) of the Companies' Act (Particulars of Employees) Rules 1975.

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

There are no particulars which are required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 as the production activities of the Company remained suspended since April 1997. The Company has neither earned nor utilized any foreign exchange during the year under review.

LISTING OF SHARES

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

REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi – 110028 continue to be Company's Registrar & Share Transfer Agents. All the Members are requested to contact them for any kind of share related matters.

IMPLEMENTATION OF THE CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement, Company has constituted the following committees:-



Shareholders grievances committee

Shri Radesh Rangarajan, Director is the Chairman and Shri Pavan Kumar Reddy is member of the committee. Meeting of the Shareholders Grievances Committee are being held at regular intervals to sort out all kinds of grievances of investors.

Remuneration Committee

Remuneration Committee has been reconstituted with the induction of Shri Venkatakrisshnan Shankar, as Memembr in place of Nirmal Kumar Dash, Director. Shri Pavan Kumar Reddy continues as Chairman. The Committee is holding regular meetings to review the remuneration of Directors and executives.

Audit Committee

Shri Radesh Rangarajan is the Chairman and Shri Nirmal Kumar Dash is the member of the Committee. The duties, responsibilities and powers of the committee has been defined by the board at the time of its constitution in accordance with listing Guidelines. A separate report on corporate governance forms part of this Annual Report.

Management's Discussion and analysis

Management's discussion and analysis in compliance with Clause 49 of the Listing Agreement is attached and forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

While preparing the Annual Financial statements the Company has adhered to the following:-

1. In the preparation of the said financial statements the Company has followed the applicable accounting standards, referred to in Section 211 (3-c) of the Companies' Act 1956.
2. The Company has followed the said Accounting Standards and has been applying them consistently and has made judgment and estimates that are reasonable, prudent and are in the interest of the company's business, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the Profit/Loss of the Company, for the said period.
3. The Directors have taken proper and sufficient care, for the maintenance of adequate accounting records in accordance with the provisions of the Companies' Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the financial statements on a going concern basis.

**OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS**

The Auditors have made no comments in their Report.

By order of the Board of Directors

Place: Chennai
Date: 11/7/2011

Sd/-
(RADESH RANGARAJAN)
Director

Sd/-
(PAVAN KUMAR REDDY)
Whole Time Director

CORPORATE GOVERNANCE

Corporate Governance emphasizes the principle of Self-governance. We have been following the spirit of corporate governance since the date of incorporation of the Company, but as per the guidelines of SEBI, we have implemented the same as per clause 49 of the listing Agreement.

The theme of Corporate Governance is based on the principle of working in a disciplined manner. At the time of decision, law of natural justice must prevail and to work in the best interest of all constituents, i.e., shareholders, customers, financial institution/banks, employees and all others.

The Board of Directors consists of following directors.

Whole Time Director	Shri Pavan Kumar Reddy
Non-Executive Directors	Shri Radesh Rangarajan
	Shri Nirmal Kumar Dash
	Shri Venkatakrishnan Shankar

Composition, attendance at the Board Meeting and the last Annual General Meeting, outside directorships and other Board Committees.

Director	No. of Board Meetings Attended	Attendance at previous AGM on 24/9/2010	No. of outside Directorship held	No. of membership / Chairmanship in committee	Executive / Non executive / Independent
1. Sh. P. K. Reddy	8	Present	1	2	Executive
2. Sh. R. Rangarajan	8	Present	-	2	Non-Executive
3. Sh. N. K. Dash	8	Present	-	1	Non-Executive & independent
4. Sh. V. Shankar	1	-	-	1	Non-Executive & independent

Board Meeting held during the financial year ended 31st March 2011.



ASHIANA AGRO INDUSTRIES LTD.

During the year Board Meetings held on 25/4/2010, 26/7/2010, 10/8/2010, 13/9/2010, 25/10/2010, 19/11/2010, 16/12/2010 and 25/1/2011

BOARD COMMITTEE

AUDIT COMMITTEE

Shri Radesh Rangarajan is the Chairman and Shri Nirmal Kumar Dash is the member of the Committee. The duties, responsibilities and powers of the committee has been defined by the board at the time of its constitution in the accordance with listing Guidelines. 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.

SHAREHOLDERS GRIEVANCES COMMITTEE

Shri Radesh Rangarajan, Director is the Chairman and Shri Pavan Kumar Reddy is member of the Committee. Meeting of the Shareholders Grievances Committee are being held at regular intervals to sort out all kinds of grievances of investors. 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 2011 and no such transfer is pending.

REMUNERATION COMMITTEE

Remuneration Committee has been reconstituted with the induction of Shri Venkatakrisshnan Shankar, as Memembr in place of Nirmal Kumar Dash, Director. Shri Pavan Kumar Reddy continues as Chairman. The Committee is holding meetings to review the remuneration of Directors and executives.

Remuneration of Directors for the financial year ended 31st March 2011.

Name of Director	Sitting Fee
Shri Pavan Kumar Reddy	452000
Shri Radesh Rangarajan	2000
Shri Nirmal Kumar Dash	2000
Shri Venkatakrisshnan Shankar	250

Sitting fees are disbursed @Rs. 250/- per Director for each meeting attended by him.

GENERAL BODY MEETING

YEAR	KIND OF MEETING	VENUE	DATE	TIME
2008	Annual General Meeting	RIICO, Rest House Hill Top, Bhiwadi, Distt. Alwar, Rajasthan	29.9.08	12.30 PM
2009	Annual General Meeting	RIICO, Rest House Hill Top, Bhiwadi, Distt. Alwar, Rajasthan	25.9.09	11.00 AM
2010	Annual General Meeting	Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram Sriperumbudur Taluk, Distt. Kancheepuram, Pin- 602106 Tamil Nadu	24.9.10	10.00 AM



Disclosures

The related party transactions have been disclosed in Notes on Accounts forming part of the Account for the financial ended 31st March 2011 and since the necessary disclosures were made in respect of said transactions to the Board of Directors, no transaction is considered to be in potential conflict with the interest of the Company at large.

There has not been any non-compliance, penalties or strictures imposed on the company by the stock exchange (s). SEBI or any other statutory authority, on any matters relating to the capital markets during the last three years.

Means of Communication

The Audited/Unaudited Financial Results and other Public Notice are generally published by the Company in Statesman, New Delhi, Free Press Journal, Mumbai and in daily Dinamalar, Chennai. These Results/Notices are also sent to the exchanges at Jaipur, Mumbai, Delhi and Patna (Magadh) where company's shares are listed.

CEO/CFO Certification

Shri Pavan Kumar Reddy, Whole Time Director, has furnished the requisite certificate to the Board of Directors under Clause 49 of the Listing Agreement.

2. General Shareholders information :

a) Annual General Meeting

Date and Time

: 23rd Sept., 2011 at 10.00 AM

Venue

: 792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram, Sriperumbudur Taluk, Kancheepuram District, Pincode – 602106, Tamil Nadu

b) Financial Calendar (tentative)

Annual General Meeting

: 23rd Sept., 2011 at 10 AM

Results for the quarter ending 30.6.11

: Last week of July 2011

Results for the quarter ending 30.9.11

: Last week of October 2011

Results for the quarter ending 31.12.11

: Last week of January 2012

Results for the quarter ending 31.3.12

: Last week of April 2012

c) Book Closure date

: 21st Sept., 2011

d) Listing of Equity Shares

: Jaipur, Bombay, Delhi and Magadh (Patna)
Stock Exchanges

Scrip Code at BSE : 519174



e) Stock Market Data : Monthly low and high prices of Company's Equity Shares (Rs. 10/- paid up) at Bombay Stock Exchange during April 2010 to March 2011 are as under:-

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
April 2010	6.04	6.04	5.23	5.23	2000	12	11,394.00
May 2010	4.98	5.00	4.21	4.32	2300	21	10,343.00
June 2010	4.14	4.53	3.42	3.42	2200	17	8,564.00
July 2010	3.25	3.81	3.15	3.81	4200	19	14,427.00
August 2010	4.00	6.00	4.00	4.30	8300	43	44,602.00
September 2010	4.09	5.36	3.82	5.12	6800	42	29,347.00
October 2010	5.00	5.25	4.00	4.05	5400	32	23,576.00
November 2010	4.01	4.42	4.00	4.42	2900	20	12,196.00
December 2010	4.20	4.57	3.45	4.56	6500	32	27,498.00
January 2011	4.78	6.74	4.78	6.15	7400	28	38,952.00
February 2011	6.45	6.45	6.13	6.13	300	3	1,871.00
March 2011	5.83	7.01	5.51	7.01	1200	11	7,164.00

f) Registrar and Share Transfer Agents : M/s. Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase – II, Near Batra Banquet Hall, New Delhi – 110028

ISIN Number : INE709D01012 for CDSL and NSDL

g) Shareholding pattern as on 31.3.2011

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	1175680*	25.56
2.	Indian Financial Institution, Banks	700	0.01
3.	Mutual Funds Foreign Institutional Investors	Nil	Nil
4.	Others	3423620	74.43
	Total	4600000	100.00

* Free from all encumbrances.



h) Distribution of shareholdings as on 31.3.2011

No. of Shareholders	No. of Shareholders	% of Shareholding	No. of Equity Shares	% of Share held
Upto 2,500	21815	93.716	23507190	51.103
2,501 - 5,000	1064	4.571	4028200	8.757
5,001 - 10,000	258	1.108	2055000	4.467
10,001 - 20,000	101	0.434	1461810	3.178
20,001 - 30,000	14	0.06	364800	0.793
30,001 - 40,000	7	0.03	245000	0.533
40,001 - 50,000	4	0.017	185000	0.402
50,001 - 1,00,000	7	0.03	638000	1.387
1,00,001 & Above	8	0.034	13515000	29.38
Total	23278	100	46000000	100

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

Your Company is a Zero liability Company. M/s Serengeti Holdings P. Ltd., 16/3, Vidyodaya First Cross Street, T. Nagar, Chennai have taken over your company in accordance with SEBI (SAST) Regulation 1997. They have acquired 10,68,780 Equity Shares from the Promoters and 106900 Equity Shares from the Public through Open Offer. They hold 1175680 Equity Shares constituting 25.56% of the Equity Capital of the Company.

The Board of Directors of the Company constitutes very able and accomplished persons. Shri Radesh Rangarajan, Promoter's nominee Director is an MBA from IIM, Ahmdabad. Shri Pavan Kumar Reddy, Whole Time Director is a Mechancial Engineer. Shri Nirmal Kumar Dash is an MBA from Annamalai University, specialised in Finance & Accounts, Taxation & Auditing, MIS, and System Implementation. Shri V. Shankar, the newly appointed Director is an M.Sc. in Information Systems Engineering from Cardiff University, UK. With such highly qualified and able professionals at the Board level, we are very optimistic about the future of the Company. Shri Pavan Kumar Reddy has been appointed as Whole Time Director for a period of five years w.e.f. 1/7/2010. He is making all out efforts to revive the Company.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To, The Member of

ASHIANA AGRO INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Ashiana Agro Industries Ltd., for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of Ashiana Agro Industries Ltd., with Mumbai, Delhi, Jaipur & Magadh.



The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by Ashiana Agro Industries Limited for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of Ashiana Agro Industries Limited.

In our opinion and to the best of our information and according to the explanations given to us, we state that Ashiana Agro Industries Limited has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We have also examined the records relating to the shareholders/investors' grievance committee as maintained by the company and observe that company has adequate mechanism to deal with the investors and no investor grievance is pending for the period exceeding one month against the Company as per the records maintained by the shareholders'/investors' grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of Ashiana Agro Industries Limited nor the efficiency or effectiveness with which the management has conducted the affairs of Ashiana Agro Industries Limited.

**For VIKRAM KUMAR & CO.
Chartered Accountants**

**Dated : 11th July, 2011
Place : Camp, Chennai**

**Sd/-
(Bireswar Kumar)
Partner**



AUDITORS' REPORT

To, The Members

ASHIANA AGRO INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **ASHIANA AGRO INDUSTRIES LIMITED**, as at 31st March'2011, Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of those books.
- (c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the annexed accounts read with the notes in Schedule –"J" give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2011;
and
 - (b) In case of Profit and Loss Account, of the Profit for the year ended on that date.
 - (c) In case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For VIKRAM KUMAR & CO.
Chartered Accountants**

**Dated : 11th July, 2011
Place : Camp, Chennai**

**Sd/-
(Bireswar Kumar)
Partner**



ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No discrepancies were noticed on such verification.
- (c) The Company had sold entire plant & machinery, Land and Building during earlier year and the company has so far not made any plans to replace the fixed assets that have been sold. The Company has not made any transaction during the year in respect of export business Started in earlier year. These factors raise doubt about the company's ability to continue as a going concern in the foreseeable future.
- (ii) (a) The company has not taken loan from other company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. Nil lacs and the year-end balance of loans taken from such parties was NIL.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (iii) In our opinion and according to the information and explanations given to us there are adequate internal procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (iv) There are no transactions that need to be entered in the register maintained in pursuance to section 301 of the Act.
- (v) The company has not accepted any deposits from the public to which the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (vi) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (vii) We were explained that the Central Government U/S 209(1)(d) of the Companies Act, 1956 has not prescribed maintenance of cost records during the year.
- (viii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty, cess were in arrears, as at 31.03.2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.



ASHIANA AGRO INDUSTRIES LTD.

- (ix) In our opinion, the accumulated losses are more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xi) In our opinion the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xiii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- (xiv) Other Provision of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

**For VIKRAM KUMAR & CO.
Chartered Accountants**

**Dated : 11th July, 2011
Place : Camp, Chennai**

**Sd/-
(Bireshwar Kumar)
Partner**

**ASHIANA AGRO INDUSTRIES LTD.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011
(Pursuant to the Listing Agreements with Stock Exchanges)**

	(Rs.)	(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE EXTRAORDINARY ITEMS		1,002,686.68
ADJUSTMENTS FOR:		
DEPRECIATION	10,602.00	
FOREIGN EXCHANGE	-	
DEFERRED REVENUE EXPENDITURE WRITTEN OFF	-	
INVESTMENTS	-	
INTEREST PAID	-	
INTEREST RECEIVED	(2,291,221.00)	(2,280,619.00)
OPERATING (LOSS) PROFIT BEFORE WORKING CAPITAL CHANGES		(1,277,932.32)
ADJUSTMENTS FOR:		
INVENTORIES	-	
TRADE AND OTHER RECEIVABLES	(712,138.00)	
TRADE PAYABLES	33,197.24	(678,940.76)
CASH GENERATED FROM OPERATIONS		(1,956,873.08)
INTEREST PAID	-	
DIRECT TAXES (PAID)/ REFUNDED	-	-
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(1,956,873.08)
EXTRAORDINARY ITEMS		
Profit on sale of fixed assets		
Prior years Expenditure	-	-
NET CASH FROM OPERATIONS		(1,956,873.08)
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS		
SALE OF FIXED ASSETS	-	
ACQUISITION OF COMPANIES	-	
PURCHASE OF INVESTMENTS	-	
SALE OF INVESTMENTS		
INTEREST RECEIVED	2,291,221.00	
DIVIDEND RECEIVED		
NET CASH USED IN INVESTING ACTIVITIES		2,291,221.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	-	
PROCEEDS FROM BORROWINGS	-	
PROCEEDS FROM WORKING CAPITAL BORROWINGS	-	
DIVIDEND PAID	-	
INVESTMENT SUBSIDY RECEIVED/ (REFUNDED)		
NET CASH USED IN FINANCING ACTIVITIES		-
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		334,347.92
CASH & CASH EQUIVALENTS AS AT (Opening Balance)		357,193.65
CASH & CASH EQUIVALENTS AS AT (Closing Balance)		691,541.57

As per our report of even date attached

For **VIKRAM KUMAR & CO.**
Chartered Accountants

For and on behalf of the Board

Sd/-
(Bireshwar Kumar)
Partner**Sd/-**
(Radesh Rangarajan)
Director**Sd/-**
(Pavan Kr. Reddy)
Whole Time Director**Sd/-**
(EDM Menon)
Company Secretary

Place : Camp, Chennai

Dated : 11th July, 2011

**ASHIANA AGRO INDUSTRIES LTD.****BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	(Rs.)	As at 31.03.2011 (Rs.)	(Rs.)	As at 31.03.2010 (Rs.)
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	A	45,859,500.00		45,859,500.00	
Reserves & Surplus	B	<u>1,500,000.00</u>	47,359,500.00	<u>1,500,000.00</u>	47,359,500.00
TOTAL			<u>47,359,500.00</u>		<u>47,359,500.00</u>
APPLICATION OF FUNDS					
Fixed Assets	C				
Gross Block		517,536.00		517,536.00	
Less: Depreciation		<u>478,179.00</u>		<u>467,577.00</u>	
Net Block			39,357.00		49,959.00
Current Assets, Loans & Advances					
Cash & Bank Balances	D	691,541.57		357,193.65	
Loans & Advances	E	<u>23,846,163.00</u>		<u>23,134,025.00</u>	
		24,537,704.57		23,491,218.65	
Less: Current Liabilities & Provisions	F	88,619.24		55,422.00	
Net Current Assets			24,449,085.33		23,435,796.65
Profit & Loss Account			22,871,057.67		23,873,744.35
TOTAL			<u>47,359,500.00</u>		<u>47,359,500.00</u>
Notes forming part of the accounts	J		-		-

As per our report on even date attached.

As per our report of even date attached

For **VIKRAM KUMAR & CO.**
Chartered Accountants

For and on behalf of the Board

Sd/-
(Bireshwar Kumar)
Partner

Sd/-
(Radesh Rangarajan)
Director

Sd/-
(Pavan Kr. Reddy)
Whole Time Director

Sd/-
(EDM Menon)
Company Secretary

Place : Camp, Chennai

Dated : 11th July, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

INCOME	Schedule	Amount 2010-2011 (Rs.)	Amount 2009-2010 (Rs.)
Other Income	G	2,291,221.00	2,345,685.00
TOTAL		2,291,221.00	2,345,685.00
EXPENDITURE			
Administrative & Other Expenses	H	1,277,277.69	805,454.42
Interest & Financial Charges	I	654.63	8,303.66
Depreciation		10,602.00	10,602.00
TOTAL		1,288,534.32	824,360.08
Profit (Loss) for the Year before tax		1,002,686.68	1,521,324.92
Less: Adjustment of FBT		-	5,864.00
Profit(Loss) after Tax		1,002,686.68	1,515,460.92
Balance Loss brought forward from Previous Year		(23,873,744.35)	(25,389,205.27)
		(22,871,057.67)	(23,873,744.35)
Notes forming part of the accounts	J		

As per our report of even date attached

For **VIKRAM KUMAR & CO.**
Chartered Accountants

Sd/-
(Bireswar Kumar)
Partner

Sd/-
(Radesh Rangarajan)
Director

For and on behalf of the Board

Sd/-
(Pavan Kr. Reddy)
Whole Time Director

Sd/-
(EDM Menon)
Company Secretary

Place : Camp, Chennai

Dated : 11th July, 2011



SCHEDULES A TO J ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SCHEDULE 'A'-SHARE CAPITAL		
Authorised		
49,00,000 Equity Shares of Rs.10.00 each	49,000,000.00	49,000,000.00
1,00,000 Preference Shares of Rs.10.00 each	1,000,000.00	1,000,000.00
	50,000,000.00	50,000,000.00
Issued		
46,00,000 Equity Shares of Rs.10.00 each	46,000,000.00	46,000,000.00
	46,000,000.00	46,000,000.00
Subscribed & Paid up		
46,00,000 Equity Shares of Rs.10.00 each Fully paid up in Cash	46,000,000.00	46,000,000.00
Less: Allotment Money due	140,500.00	140,500.00
	45,859,500.00	45,859,500.00
SCHEDULE 'B'-RESERVES & SURPLUS		
Capital Reserve		
State Capital Investment Subsidy	1,500,000.00	1,500,000.00
	1,500,000.00	1,500,000.00

SCHEDULE-'C'- FIXED ASSETS

Particulars	Rate of Depreciation	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		As at 01.04.2010	Additions	Deductions/Transfers	As at 31.03.2011	Up to 31.03.2010	For the year	Deductions/Transfer	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
COMPUTER	16.21%	504,036		-	504,036	461,378	9,961	-	471,339	32,697	42,658
FAX MACHINE	4.75%	13,500	-	-	13,500	6,199	641	-	6,840	6,660	7,301
TOTAL		517,536	-	-	517,536	467,577	10,602	-	478,179	39,357	49,959
PREVIOUS YEAR'S TOTAL		517,536	-	-	517,536	456,975	10,602	-	467,577	49,959	-



	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<u>SCHEDULE 'D' - CASH & BANK BALANCES</u>		
Cash in Hand	6,516.00	17,555.00
Balance with Scheduled Banks: In Current Accounts	685,025.57	339,638.65
	<u>691,541.57</u>	<u>357,193.65</u>
<u>SCHEDULE 'E' LOANS & ADVANCES</u> (Unsecured Considered Good, unless otherwise stated)		
Loans	22,700,000.00	22,259,116.00
Security Deposits	18,000.00	18,000.00
Tax deducted at Source	1,128,163.00	856,909.00
	<u>23,846,163.00</u>	<u>23,134,025.00</u>
<u>SCHEDULE 'F' - CURRENT LIABILITIES & PROVISIONS</u>		
Liabilities for Expenses	88,619.24	55,422.00
	<u>88,619.24</u>	<u>55,422.00</u>
<u>SCHEDULE 'G' - OTHER INCOME</u>		
Interest (includes TDS Rs 271254/-/- Previous Year Rs.4,67,092/-)	2,291,221.00	2,345,685.00
	<u>2,291,221.00</u>	<u>2,345,685.00</u>
<u>SCHEDULE 'H' - ADMINISTRATIVE & OTHER EXPENSES</u>		
Director's Remuneration	450,000.00	-
Salary	355,000.00	180,000.00
Miscellaneous Expenses	387,291.69	554,001.42
Travelling & Conveyance	6,900.00	7,867.00
Directors Fee & Expenses	6,250.00	6,750.00
Rent	55,000.00	40,000.00
Auditors' Remuneration: Audit Fees	16,836.00	16,836.00
	<u>1,277,277.69</u>	<u>805,454.42</u>
<u>SCHEDULE 'I' INTEREST & FINANCIAL CHARGES</u>		
Bank charges	654.63	8,303.66
	<u>654.63</u>	<u>8,303.66</u>



SCHEDULE “J”- NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

System of Accounting:

- i) Financial statements are based on historical cost.
- ii) The Company generally follows the mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

Fixed Assets :

Fixed assets are stated at cost. The cost of Fixed Assets includes acquisition and installation expenses incidental to acquisition like freight, erection, installation and commissioning etc. are capitalised to the original cost of Fixed Assets.

Depreciation:

Depreciation on Fixed Assets is provided on “Straight Line Method “ in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions to fixed assets is being provided on pro rata basis from the date of acquisition or installation of the fixed assets. No depreciation is being provided on assets sold, discarded, demolished or scrapped during the year.

Investments:

- i) Long term investments are stated at cost after deducting provision, if any, in cases where the fall in market value has been considered of permanent nature.
- ii) Current investments are stated at lower of cost and fair value.

Retirement Benefits:

The provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952, the provisions of Payment of Gratuity Act, 1972, the Provisions of Employees State Insurance Act, 1948 and other labour laws are not applicable to the Company, since the Company employees less than the minimum number of persons prescribed under the above Acts.

2. Payments to Auditors :	<u>2010-2011</u>	<u>2009-2010</u>
Audit fees (including service tax)	16,836	16,836

**3. Whole Time Directors Remuneration**

Remuneration payable to Whole time director employed during the year is as follows:-

	2010-2011	2009 -2010
i) Salary	4,50,000.00	NIL
ii) Sitting Fees	2,000.00	NIL
iii) Perquisites	NIL	NIL

4. Payments against supplies from small scale and ancillary undertakings have been made in accordance with the agreed credit terms and to the extent ascertainable from available information, there was no amount overdue as on 31st March, 2011 in this regard.
5. In the opinion of the Board of Directors all the current assets, loans & advances have value on realization at least of an amount equal to the amount at which they are stated in the Balance Sheet.
6. The Company has sold its entire Plant & Machinery and other ancillary equipments. The Company has not undertaken any manufacturing activities during the year. Since no manufacturing activities had been undertaken, additional information's pursuant to the paragraphs 3 and 4 of Part- II of Schedule VI to the Companies Act, 1956 are not applicable to the Company.
7. The Accounts have been prepared on the going concern assumption. However, in view of the sale of entire Plant & Machinery, other ancillary equipment's pertaining to its edible vegetable oil refinery plant and land & building during earlier year and company has been left with no manufacturing activities. The company has so far not made any plans to replace the fixed assets that have been sold. These factors raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future.

8. Segment Reporting :

- (a) Business Segment: The Company has considered business segment as the primary segment for disclosure. As reported above the Company has sold its entire Plant & Machinery and other ancillary equipment's pertaining to its edible vegetable oil refinery plant. The Company has not undertaken any manufacturing activities during the year. The Company is presently primarily engaged in financing activities, i.e. investing its surplus funds pending its final decision of starting any new business venture. Hence there is no distinguishable component of any product or services that can be reported. Interest generated on loans & advances given during the year, which in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India can be considered the only business Segment.
- (b) Geographical Segment: The Conditions prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

9. Earnings per Share :

	Year Ended 31-03-2011	Year Ended 31-03-2010
a. Profit(Loss) after Tax as per Profit and Loss Account	10,02,687	15,15,461
b. Weighted average number of equity shares of Rs. 10/- Each outstanding during the year.	45,85,950	45,85,950
c. Earnings per shares - Basic & Diluted	0.22	0.33



10. Deferred Tax :

In compliance with the Accounting Standard-22 “ Accounting for taxes on income “issued by the Institute of Chartered Accountants of India, which has become mandatory. The Company has not created deferred tax liabilities /assets since it believes that such liabilities / assets are not likely to be reversed in future years.

11. Related Part Disclosure :

Information relating to Related Party Transaction as per Accounting Standard –18 issued by the Institute of Chartered Accountants of India is given below:

A. <u>Name of the Related Party</u>	<u>Relationship</u>
Serengeti Holdings Private Limited.	Associate Company
Mr. Radesh Rangarajan	Director
Mr. Pavan Kr. Reddy	Whole Time Director
Mr. Nirmal Kumar Das	Director
Mr. Shankar Venkatakrishnan	Additional Director

B. Transactions during the year

<u>Name of the Related Party</u>	<u>Nature of Transaction</u>
Mr. Radesh Rangarajan	2000.00 Sitting Fees
Mr. Pavan Kumar Reddy	4,50,000.00 Salary & Allowance
	2000.00 Sitting Fees
Mr. Nirmal Kumar Das	2000.00 Sitting Fees
Mr. Shankar Venkatakrishnan	250.00 Sitting Fees

12. Previous year’s figures have been re-grouped wherever necessary.

Signatures to Schedules A to J

For **VIKRAM KUMAR & CO.**
Chartered Accountants

Sd/-
(Bireshwar Kumar)
Partner

Sd/-
(Radesh Rangarajan)
Director

For and on behalf of the Board

Sd/-
(Pavan Kr. Reddy)
Whole Time Director

Sd/-
(EDM Menon)
Company Secretary

Place : Camp, Chennai

Dated : 11th July, 2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

CIN No.	L15142RJ1990PLC005461
State Code No.	18
Balance Sheet Date	31.03.2011

II. Capital Raised During the Year (Amount in Rs. thousand)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	47360
Total Assets	47360

SOURCE OF FUNDS :

Paid-up Capital	45860
Reserves & Surplus	1500
Secured Loans	NIL
Unsecured Loans	NIL

APPLICATION OF FUNDS :

Net Fixed Assets	39
Investments	NIL
Net Current Assets	24449
Misc. Expenditure	NIL
Accumulated Losses	22871

IV. Performance of Company

Total Turnover & Other Income	2291
Total Expenditure	1289
Profit/(Loss) Before Tax	1002
Profit/(Loss) After Tax	1002
Earning Per Share in Rs.	0.22
Dividend Rate %	NIL

V. Generic Name of Principal Products of Company

Item Code No.	151410
Product Description	Refined Edible Mustard Oil
Item Code No.	150710
Product Description	Refined Edible Soyabean Oil

Note: Classification of products under ITC code being of a technical nature is not verified by the Auditors.

As per our report of even date attached

For **VIKRAM KUMAR & CO.**
Chartered Accountants

Sd/-
(Bireswar Kumar)
Partner

Sd/-
(Radesh Rangarajan)
Director

For and on behalf of the Board

Sd/-
(Pavan Kr. Reddy)
Whole Time Director

Sd/-
(EDM Menon)
Company Secretary

Place : Camp, Chennai

Dated : 11th July, 2011

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If undelivered please return to :

ASHIANA AGRO INDUSTRIES LIMITED

792/5, Eswari Hotel Complex,
Bangalore High Road, Sunguvarchatram,
Sriperumbudur Taluk, Kancheepuram
District, Pincode – 602106, Tamil Nadu