

23rd
Annual Report
2012-2013



ASHIANA AGRO INDUSTRIES LTD.





BOARD OF DIRECTORS

Shri Pavan Kumar Reddy, Whole Time Director
Shri Radesh Rangarajan, Director
Shri Nirmal Kumar Dash, Director
Shri Venkatakrishnan Shankar, Director

COMPANY SECRETARY

Shri E.D.M. Menon

REGISTERED OFFICE

No.792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram,
Sriperumbudur Taluk, Kancheepuram District, Pincode - 602106, Tamil Nadu
Phone : 044-43502623, 28344820
Fax : 044-42606623
Website: www.aail.in

CORPORATE OFFICE

Old No. 5. New No. 9, II Floor, Chinnaiah Street
T. Nagar, Chennai – 600 017
Phone No. : 044-4350 2623
Fax No. : 044-4260 6623

AUDITORS

M/s Sundaram & Narayanan.
Chartered Accountants
No.18, Balaiah Avenue, Chennai 600 004

REGISTRAR & SHARE TRANSFER AGENTS

M/s Link Intime India Pvt. Ltd.
44 Community Centre
2nd Floor, Naraina Industrial Area
Phase – I, Near PVR Naraina
New Delhi – 110 028
Phone No. : 011 4141 0592, 93 & 94
Telefax : 011 – 4141 0591



NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of the Company will be held on Thursday, the 26th September 2013 at 11 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, 2013 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 Sundaram & Narayanan Chartered Accountants, Chennai retires at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.
3. To appoint a Director in place of Shri V.Shankar who retires by rotation and being eligible offers himself for re-appointment.
4. 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

5. To pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 372A of the Companies Act, 1956 and other applicable provisions, if any of the Companies’ Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulations, alterations, and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of the Company (hereinafter referred to as the “Board” which expression shall include a Committee of directors duly authorized in this behalf) the consent of the Company be and is hereby accorded to the Board of Directors of the Company to provide loan, in excess of the 60% of the aggregate of the paid up share capital and free reserves and/or upto 100% of the aggregate of free reserves of the Company as per the limits prescribed under Section 372(A) to M/s.Diadem Enterprises Pvt.Ltd., Chennai as the Board may in their absolute discretion deem beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs.230.00 Lacs at any time together with the existing loan and investments.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or Committee of Directors constituted for this purpose be and is hereby authorized to negotiate the terms, conditions, quantum of loan, repayment, interest and other related matters for providing such loan to the above said body corporate and to do all such deeds and things as may be deemed expedient and necessary to give effect to this resolution.”

By order of the Board of Directors

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

Place : Chennai
Date : 27.5.2013



NOTES

1. 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.
2. 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
3. The Register of Members and Share Transfer Register shall remain closed for a day, i.e. on 25th September, 2013.
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.

ANNEXURE

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

ITEM NO.2

As per the provisions of Section 372A of the Companies Act, 1956 the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of—

- (i) Sixty percent of the aggregate of the paid up share capital and free reserves, or
- (ii) One hundred percent of its free reserves, whichever is more,

Provided Special Resolution is passed by the Members of the lending Company.

Your Company is on the look out for projects which it can implement with the limited resources at its disposal. Pending deployment in projects, the Board feels that it can utilize the funds to generate revenue. Any loan made as per the Resolution will be repayable on demand. Since the amount mentioned in the resolution is in excess of prescribed limits, approval of the members by means of Special Resolution is required. This permission is sought pursuant to the provisions of Section 372A read with section 292 of the Companies Act, 1956 to give powers to the Board of Directors for making further loans, investment, guarantees and providing securities including Put Options beyond the limit prescribed in Section 372A of the Companies Act, 1956, in connection with loans involving the Company mentioned in the Special Resolution.

The Board of Directors, therefore, seek approval of shareholders by way of Special Resolution for giving loan in excess of the limit prescribed limit to M/s Diadem Enterprises Pvt.Ltd., Chennai

The Directors are satisfied that it would be in the interest of the Company and its members and accordingly recommend the said Resolution for your approval by exercising your votes and hence recommends the Resolution for your approval .

None of the Directors are in anyway concerned or interested in the said resolution.

By order of the Board of Directors

Place : Chennai
Date : 27.5.2013

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



BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 23rd ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

At the ensuing AGM Shri Nirmal Kumar Dash and Shri V.Shankar retire by rotation and is eligible for re-election.

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

1. Shri Nirmal Kumar Dash

Shri Nirmal Kumar Dash is a finance professional with over 14 years of 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 finalisation of accounts and handling direct taxes local and indirect tax matters etc. He possesses 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 MBA with specialisation in finance from Annamalai university.

During his career he has worked with Technical Stamping Automotive Ltd. a Unit of TATA group and a major ancillary company of Hyundai Motor India Ltd. 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 V.Shankar

Shri V.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 an avid supporter of Open source IT initiatives like Ubuntu, Linux, Endian etc. He has also 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 V.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 Twentythird Annual Report and Audited Accounts of the Company for the year ended 31st March 2013

FINANCIAL HIGHLIGHTS

The summarized financial results for the year ended 31st March 2013 are as follows:-

	(Rupees in Lacs) 2011-2012	(Rupees in Lacs) <u>2012-2013</u>
Total Income	22.70	23.38
Profit Before Interest & Depreciation	7.73	5.27
Interest:	-	-
Depreciation:	0.11	0.23
	(-) 0.11	(-) 0.23
Profit for the year	7.62	5.04
Less: Tax Expenses	-	-0.96
Profit after Tax	7.62	4.08
Balance Loss(-) brought forward from previous year	(-) 214	(-) 206
Balance carried to Balance Sheet (Loss)	<u>(206)</u>	<u>(202)</u>

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.

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.

OBSERVATION BY AUDITORS ON THE ACCOUNTS

At point No.1, of Notes on the Accounts, the Auditors have observed that the loan of Rs.227.00 Lacs given to M/s Diadem Enterprises Pvt.Ltd. is in excess of the limit prescribed in Section 372A of the Companies Act, 1956. Accordingly, the Board of Directors are calling back the excess loan of Rs.77.00 lacs. The company will comply with the provisions of the Companies' Act, 1956 for violation of 372A of the said Act.



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

Shri V.Shankar and Nirmal Kumar Dash, Directors retires by rotation and are also eligible for re-election.

POSTAL BALLOT

The Board of Directors are taking steps to obtain approval of Shareholders under Section 372A of the Companies' Act, 1956 for giving loan in excess of the limit prescribed in the aforesaid section through Postal Ballot. Accordingly a Postal Ballot Notice will be posted to all the Shareholders in due course.

FIXED DEPOSITS

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

AUDITORS

As the shareholders are aware, M/s Sundaram & Narayanan., Chartered Accountants, Chennai have been appointed on 5th December, 2012 through Postal Ballot process as Auditors of the Company to hold office upto the forthcoming Annual General Meeting. They 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., 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, 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

Shri Pavan Kumar Reddy continues as Chairman of Remuneration Committee and Shri V Shankar as Member. 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, 2013 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

As per Note 1 of Notes on Accounts, the Auditors have observed that the loan of Rs.227 lacs given to M/sDiadem Enterprises Pvt.Ltd. is in excess of the limit prescribed in Section 372A of the Companies Act, 1956. The Company will be taking immediate steps to call for the loan given in excess of the limit laid down under Section 372 A of the Companies' Act, 1956 and will take steps to remedy the violation . A Special



Resolution under Section 372A of the Companies Act, 1956 is recommended for approval of the Shareholders so that pending deployment in Projects, the funds can be utilised for generating interest income. Approval of the Shareholders will also be sought through Postal Ballot Process for providing loan in excess of the limit laid down under Section 372A of the Companies' Act, 1956.

By order of the Board of Directors

Place: Chennai
Date: 27.5..2013

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 Venkatakrisnan 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 27/09/2012	No. of outside Directorship held	No. of membership / Chairmanship in committee	Executive / Non executive / Independent
1.Sh. P. K. Reddy	6	Present	1	2	Executive
2. Sh. R. Rangarajan	6	Present	1	2	Non-Executive
3. Sh. N. K. Dash	6	Present	-	1	Non-Executive & independent
4. Sh. V. Shankar	6	-	-	1	Non-Executive & independent

Board Meeting held during the financial year ended 31st March 2013.

During the year Board Meetings held on 28.5.2012, 25.7.2012, 25.10.2012, 27.10.2012, 5.12.12 and 28.1.2013

**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 2013 and no such transfer is pending.

REMUNERATION COMMITTEE

Shri Pavan Kumar Reddy continues as Chairman of Remuneration Committee and Shri V.Shankar as Member. The Committee is holding meetings to review the remuneration of Directors and executives.

Remuneration of Director for the financial year ended 31st March 2013

Name of Director	Remuneration
Shri Pavan Kumar Reddy	660000 Salary

GENERAL BODY MEETING

YEAR	KIND OF MEETING	VENUE	DATE	TIME
2010	Annual General Meeting	Easwari Hotel Complex, Bangalore High Road, Sunguvarchatram, Sriperumbudur Taluk, Distt. Kancheepuram, Tamil Nadu, Pin: 602106	24.9.10	10.00 AM
2011	Annual General Meeting	Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram Sriperumbudur Taluk, Distt. Kancheepuram, Tamil Nadu Pin- 602106	23.9.11	10.00 AM
2012	Annual General Meeting	Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram Sriperumbudur Taluk, Distt. Kancheepuram, Pin- 602106 Tamil Nadu	27.9.12	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 2013 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 Malai Sudar, Chennai. These Results/Notices are also sent to the exchanges at Jaipur, Mumbai, Delhi and Patna (Magadh) where company's shares are listed and uploaded to Company's website. All shareholder information sent to the stocks exchanges and published in newspapers are available on the Company's website "www.aail.in"

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 : 26th Sept., 2013 at 11.00 AM
Venue : 792/5, Eswari Hotel Complex, Bangalore High Road,
Sunguvarchatram, Sriperumbudur Taluk,
Kancheepuram District, Pincode – 602106,
Tamil Nadu

b) Financial Calendar (tentative)

Results for the quarter ending 30.6.13 : First week of Aug.2013
Results for the quarter ending 30.9.13 : First week of Nov.2013
Results for the quarter ending 31.12.13 : First week of Feb. 2014
Results for the quarter ending 31.3.14 : Last week of May 2014

c) Book Closure date : 25th Sept., 2013

d) Listing of Equity Shares : Jaipur, Bombay, Delhi and Magadh (Patna)

Scrip Code at BSE : 519174



e) Stock Market Data: Monthly low and high prices of Company's Equity shares Of Rs.10.00 each (fully paid up) at Bombay Stock Exchange during April 2012 to March 2013 are as under:

All Prices in Rs.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover
Apr 12	1.79	1.95	1.78	1.95	800	6	1510
May 12	2.04	2.70	2.04	2.40	1400	10	3267
Jun 12	2.50	3.78	2.49	3.78	2700	22	8557
Jul 12	3.96	5.61	3.96	5.30	7901	53	39495
Aug 12	5.40	5.40	5.40	5.40	1	1	5
Sep 12	5.50	6.44	5.33	5.53	1233	18	6968
Oct 12	5.80	5.99	5.42	5.95	30	12	165
Nov 12	6.24	7.60	5.90	5.90	11777	45	82741
Dec 12	5.70	5.89	3.94	3.94	358	14	2003
Jan 13	3.75	3.75	2.63	2.77	6337	34	18112
Feb 13	2.64	2.77	1.98	1.98	4082	19	9753
Mar 13	1.89	1.89	1.65	1.65	600	6	1050

f) Registrar and 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

ISIN Number : INE709D01012 for CDSL and NSDL

g) Shareholding pattern as on 31.3.2013

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 31.3.2013

No. of Shareholders	No. of Shareholders	% of Shareholding	No. of Equity Shares	% of Share held
Upto 2,500	21661	93.657	23324960	50.706
2,501 - 5,000	1069	4.622	4042120	8.787
5,001 - 10,000	260	1.124	2073290	4.507
10,001 - 20,000	95	0.411	1355980	2.948
20,001 - 30,000	15	0.065	376730	0.819
30,001 - 40,000	7	0.03	244890	0.532
40,001 - 50,000	2	0.009	95750	0.208
50,001 - 1,00,000	10	0.043	835000	1.815
1,00,001 & Above	9	0.039	13651280	29.677
Total	23128	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, Ahmedabad. Shri Pavan Kumar Reddy, Whole Time Director is a Mechanical Engineer. Shri Nirmal Kumar Dash is an MBA from Annamalai University, specialised in Finance & Accounts, Taxation & Auditing, MIS, and System Implementation. Shri V. Shankar, 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

Auditors' Certificate on Corporate Governance

To the Members of Ashiana Agro Industries Limited

We have examined the compliance of conditions of Corporate Governance by Ashiana Agro Industries Limited, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company 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 the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For SUNDARAM & NARAYANAN
Chartered Accountants
Sd/-
(K.Meenatchi Sundaram)
Partner
Membership No. 27073

Place: Chennai
Date: 27.05.2013



AUDITORS' REPORT

To the Members of **ASHIANA AGRO INDUSTRIES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Ashiana Agro Industries Limited, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 **subject to Note Number 1 as given Notes on Accounts:**



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- i. 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;
- ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- iii. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- iv. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- v. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For SUNDARAM & NARAYANAN
Chartered Accountants
Firm Reg. No: 004204S
Sd/-
(K.Meenatchi Sundaram)
Partner
Membership No: 27073

Place: Chennai
Date: 27.05.2013



Annexure referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of even date to the members of Ashiana Agro Industries Limited.

- 1 (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 and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, The Company has sold entire plant & machinery, Land & Building during earlier years and the company has so far not made any plans to replace the fixed assets that have been sold. The company has not made an transaction during the current year in respect of the business started in the earlier years.
- 2 The Company has not manufactured any products for the past three financial Years and hence does not have any inventory. This Clause is not applicable.
- 3 The Company has not granted unsecured loans to persons covered in the register maintained under Section 301 of the Companies Act, 1956.
- 4 Expressing opinion on existence of an adequate internal control system commensurate with the size of the Company does not arise as the company as not carried out any commercial activities during the year and the income comprise of interest on the unsecured loan given by the company and from the sweep term deposits placed by it with bank.
- 5 There are no transactions that need to be entered in the register maintained in pursuance to section 301 of the Act.
- 6 The Company has not accepted deposits from the Public to which the provisions of section 58A, 58AA or any other relevant provisions of the Act are applicable.
- 7 In our opinion, the Company *does not have an internal audit system* commensurate with its size and nature of its business.
- 8 Maintenance of cost records have not been prescribed under clause (d) of subsection (1) of section 209 of the Companies Act, 1956 for this Company.
- 9 (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other statutory dues, as applicable, with the appropriate authorities and there is no such undisputed arrears outstanding, for a period of more than six months from the date they became payable, as on the date of balance sheet.
- (b) According to the information and explanations given to us, no dispute is pending before any forum in respect of Income tax, Sales tax, Wealth tax, Customs duty and Cess as at 31.03.2013
- 10 (a) In our opinion, the accumulates losses are less than fifty percent of its net worth.



- (b) The company has not incurred cash losses during the current financial year and also in the immediately preceding financial year.
- 11 The Company has not availed loans from Financial institution, Bank or debenture holders and has not defaulted in repayment of its dues.
 - 12 The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence reporting on the maintenance of adequate records and documents is not applicable.
 - 13 The provisions of special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to this Company.
 - 14 The Company is not dealing or trading in scares, securities, debentures or other investments. Hence no records of the transactions and contracts are required to be maintained.
 - 15 The Company has not given any guarantee for loans taken by others from bank or financial institutions and hence reporting on the terms and conditions are not applicable.
 - 16 No term loans were availed by the company. Hence this clause is not applicable.
 - 17 According to the information and explanations given to us and overall examination of the balance sheet of the Company, funds raised on short-term basis have not been used for long term investment.
 - 18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence reporting on the pricing of such issue are not applicable.
 - 19 The Company has not borrowed any amount on debentures and hence reporting on creation of securities in this regard is not applicable
 - 20 The Company has not raised any money by public issue during this year and hence reporting on disclosure of the end use of the same by the management and its verification are not applicable.
 - 21 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For SUNDARAM & NARAYANAN
Chartered Accountants
Firm Reg. No: 004204S
Sd/-
(K.Meenatchi Sundaram)
Partner
Membership No: 27073

Place: Chennai
Date: 27.05.2013

**ASHIANA AGRO INDUSTRIES LTD.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2013
(Pursuant to the Listing Agreements with Stock Exchanges)**

	AMOUNT(Rs.)	AMOUNT(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE EXTRAORDINARY ITEMS		504,308
ADJUSTMENTS FOR:		
DEPRECIATION	23,377	
FOREIGN EXCHANGE	-	
DIVIDEND INCOME	-	
INTEREST EXPENSE	-	
INTEREST RECEIVED	(2,270,004)	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-	(1,742,319)
ADD: DECREASE IN TRADE AND OTHER RECEIVABLES	99,710	
LESS: DECREASE IN PAYABLES	29,959	
CASH GENERATED FROM OPERATIONS		(1,672,568)
DIRECT TAXES (PAID)/ REFUNDED	(96,096)	-
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(1,768,664)
EXTRAORDINARY ITEMS	-	
NET CASH FROM OPERATING ACTIVITIES		(1,768,664)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	-	
INTEREST RECEIVED	2,270,004	
DIVIDEND RECEIVED	-	
NET CASH FROM INVESTING ACTIVITIES		2,270,004
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUANCE OF SHARE CAPITAL	-	
PROCEEDS FROM LONG TERM BORROWINGS	-	
REPAYMENT OF LONG TERM BORROWINGS	-	
DIVIDEND PAID	-	
INTEREST PAID	-	
NET CASH USED IN FINANCING ACTIVITIES		-
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		501,340
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,240,411
CASH & CASH EQUIVALENTS AT END OF PERIOD		1,741,751

We have verified the above Cash Flow Statement of ASHIANA AGRO INDUSTRIES LIMITED derived from the Audited Financial Statement for the year end March 31, 2013 and certify that in our opinion and according to the information and explanations given to us, the Cash Flow Statement is in accordance therewith.

For **SUNDARAM & NARAYANAN**
Chartered Accountants

For and on behalf of the Board

Sd/-
(K.Meenatchi Sundaram)
Partner

Sd/-
(Radesh Rangarajan)
Additional Director

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

Sd/-
(EDM Menon)
Company Secretary

Place : Chennai
Dated : 27th May, 2013

**BALANCE SHEET AS AT 31ST MARCH 2013**

Particulars	Note No.	As at 31.03.2013 (Rs.)		As at 31.03.2012 (Rs.)	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Fund					
(a) Share Capital	1	45,859,500		45,859,500	
(b) Reserves & Surplus	2	<u>(20,201,188)</u>	25,658,312	<u>(20,609,400)</u>	25,250,100
(2) Current Liabilities					
(a) Short-term Provisions	3		44,274		74,233
TOTAL			<u>25,702,586</u>		<u>25,324,333</u>
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
Tangible assets	4	5,378		28,755	
(b) Long-term loans and advances	5	<u>22,700,000</u>	22,705,378	<u>22,700,000</u>	22,728,755
(2) Current assets					
(a) Cash and cash equivalents	6	1,741,751		1,240,411	
(b) Other current assets	7	<u>1,255,457</u>	2,997,208	<u>1,355,167</u>	2,595,578
TOTAL			<u>25,702,586</u>		<u>25,324,333</u>
Notes to Financial Statements	11				

As per our report of even date Annexed

For **SUNDARAM & NARAYANAN**
Chartered Accountants

For and on behalf of the Board

Sd/-
(K.Meenatchi Sundaram)
Partner**Sd/-**
(Radesh Rangarajan)
Additional Director**Sd/-**
(Pavan Kr. Reddy)
Whole Time Director**Sd/-**
(EDM Menon)
Company Secretary

Place : Chennai

Dated : 27th May, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013**

Particulars	Note No.	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Other Income	8	2,338,416	2,270,004
Total Revenue		<u>2,338,416</u>	<u>2,270,004</u>
Expenses:			
Employee Benefits Expense	9	1,005,000	960,000
Depreciation and Amortization Expense	4	23,377	10,602
Other Expenses	10	805,731	537,745
Total expenses		<u>1,834,108</u>	<u>1,508,347</u>
Profit / Loss before exceptional and extraordinary items and Tax		5,04,308	761,657
Add / (Less) : Exceptional Items		<u>-</u>	<u>-</u>
Profit / (Loss) before extraordinary items and Tax		5,04,308	761,657
Add / (Less) : Extraordinary Items		<u>-</u>	<u>-</u>
Profit / (Loss) Before Tax		504,308	761,657
Add / (Less) : Tax Expense			
- Current Tax expense:		96,096	-
- Deferred Tax Expense / (Income)		<u>-</u>	<u>-</u>
Profit / (Loss) For the Year		408,212	761,657
Earnings Per Equity Share (Nominal value of shares Rs.10)			
Basic (In Rupee)		0.09	0.17
Diluted (In Rupee)		0.09	0.17
Notes to Financial Statements	11		

As per our report of even date Annexed
For **SUNDARAM & NARAYANAN**
Chartered Accountants

For and on behalf of the Board

Sd/-
(K.Meenatchi Sundaram)
Partner

Sd/-
(Radesh Rangarajan)
Additional Director

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

Sd/-
(EDM Menon)
Company Secretary

Place : Chennai
Dated : 27th May, 2012



**“NOTE” FORMING PART OF THE BALANCE SHEET & STATEMENT OF PROFIT AND LOSS
AS AT 31ST MARCH,2013**

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Note No. - 1		
Share Capital		
AUTHORISED SHARE CAPITAL		
4,900,000 Equity Shares of Rs.10 each (Previous year 4,900,000 Equity shares of Rs.10 each)	49,000,000	49,000,000
1,00,000 Preference Shares of Rs.10 each (Previous year 100,000 Preference shares of Rs.10 each)	1,000,000	1,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED SHARE CAPITAL		
46,00,000 Equity Shares of Rs.10 each (Previous year 4,600,000 Equity Shares of Rs.10 each)	<u>46,000,000</u>	<u>46,000,000</u>
SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL		
45,71,900 Equity Shares of Rs. 10 Each (Previous Year 4,571,900 Equity shares of Rs.10 each)	45,719,000	45,719,000
SUBSCRIBED AND NOT FULLY PAID UP SHARE CAPITAL		
28,100 Equity Shares of Rs. 10 Each, Partly paid up Rs.5 / share. Fully called up shares	140,500	140,500
	<u>45,859,500</u>	<u>45,859,500</u>

A. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Equity shares	No.	Rs.
Outstanding at the beginning of the year	46,00,000	46,00,000
Add : Shares issued during the year	-	-
Less: Shares bought Back during the year	-	-
Outstanding at the end of the year	<u>46,00,000</u>	<u>46,00,000</u>

B. The rights, preference, and restrictions attaching to each class of shares including restriction on the distribution of dividends and the repayment of capital

The Company has one class of Equity shares having par value of Rs.10 per share and one class of preference shares (not yet issued & subscribed). Each holder of equity share is entitled vote. The dividend, if any, proposed by the Board is subject to the approval of the shareholders in ensuring Annual General meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Details of shareholders holding more than 5% of shares in the company

	31.03.2013		31.03.2012	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs.10 each Serengeti Holdings Pvt. Ltd.	11,75,680	25.56	11,75,680	25.56

As per record of the company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



Note No. - 2

Reserves and Surplus

Capital Reserve

Opening Balance	1,500,000	1,500,000
Add : additions	-	-
Deduct : Deletions	-	-
Closing Balance	<u>1,500,000</u>	<u>1,500,000</u>

(b) Surplus / (deficit) in the Statement of Profit & Loss

Balance at the beginning of the year	(22,109,400)	(22,871,057)
Profit for the Year	<u>408,212</u>	<u>761,657</u>
Closing Balance	<u>(21,701,188)</u>	<u>(22,109,400)</u>
Total reserves and surplus	<u>(20,201,188)</u>	<u>(20,609,400)</u>

Note No. - 3

Short - Term Provisions

Audit Fee Payable	28,090	16,836
Directors Sitting Fee	12,250	12,250
Others	3,934	197
Director remuneration Payable	-	44,950
	<u>44,274</u>	<u>74,233</u>

NOTE NO -"4" Fixed Assets Statement Forming Part of Balance Sheet as at 31st March 2013

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2012	Additions	Deletions	Total as on 31.03.2013	As on 31.03.2012	For the year	As on 31.03.2013	As On 31.03.2013	As On 31.03.2012
COMPUTER	504,036	-	-	504,036	481,300	22,736	504,036	-	22,736
FAX MACHINE	13,500	-	-	13,500	7,481	641	8,122	5,378	6,019
Current Year's Figures TOTAL	517,536	-	-	517,536	488,781	23,377	512,158	5,378	28,755
PREVIOUS YEAR'S Figure TOTAL	517,536	-	-	517,536	478,179	10,602	488,781	28,755	39,357

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
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Note No. - 5

**Long - Term Loans and Advances
(Unsecured considered good)**

(a) Secured Deposit	-	-
(b) Other Loans	22,700,000	22,700,000
	<u>22,700,000</u>	<u>22,700,000</u>

Note No. - 6

Cash and Cash Equivalents

(a) Balance with Banks	1,471,865	1,181,426
(b) Cash on hand	269,886	58,985
	<u>1,741,751</u>	<u>1,240,411</u>

**Note No. - 7****Other Current Assets**

Accrued Interest	25,070	-
Rental Advance	5,000	-
TDS Receivable (net of provisions for income tax)	1,216,877	1,355,167
Others	8,510	-
	1,255,457	1,355,167

Note No. - 8**Other Income**

(a) Interest Income (Include TDS Rs.2,27,004/- P.Y. 2,27,004/-)	2,270,004	2,270,004
(b) Interest from Bank Deposits	45,666	-
(c) Interest on Income Tax Refund	22,746	-
	2,338,416	2,270,004

Note No. - 9**Employee Benefits Expenses**

Salary	3,45,000	315,000
Directors Remuneration	660,000	645,000
	1,005,000	960,000

Note No. - 10**Other Expenses**

Audit Fee - Statutory Auditor	28,090	16,836
Advertisement	369,461	181,532
Bank Charges	10,372	17,206
Directors Sitting Fee	-	6,000
Listing Fee	57,675	22,845
Miscellaneous Expenses	360	48,837
Office Maintenance	33,030	-
Postage & Courier Charges	156,285	75,585
Printing & Stationery	26,627	25,141
Professional Charges	47,820	96,708
Rent	18,800	18,000
ROC Filing Fees	-	5,000
Share Registrar Charges	40,450	2,321
Telephone Expenses	13,561	21,734
Travelling Expenses	4,000	-
	805,731	537,745

Note No. "11"- SIGNIFICANT ACCOUNTING POLICIES**I). Accounting Policies**

- The books of account are maintained under mercantile system of accounting and financial statements are prepared in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India.
- Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation.
- Depreciation is provided on "Straight Line method", at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation is being provided on assets sold, discarded, demolished or scrapped during the year upto date of its last use.
- Investments : NIL
- Retirement Benefits : The provision 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 Acts are not applicable to the company, since the company employees less than the minimum number of persons prescribed under the above acts.

II) Notes on Accounts

- The Company has given unsecured loan of Rs.2,27,00,000 in September 2009 to M/s Diadem Enterprises Private Limited and this is in excess of the limit prescribed in Section 372A of the Companies Act, 1956. Since this is a non compliance to the requirements of section 372A, it has no specific effect in the financial statements.

AS – 1: Disclosure of accounting policies

The accounts are prepared on accrual basis as a going concern. But since the company has sold entire Plant & machinery and other ancillary equipments pertaining to its edible vegetable oil refinery plant and has not manufactured any product for the past 3 financial years, the company's ability to continue as a going concern is doubted in the foreseeable future.

AS – 2: Valuation of Inventories

The Company does not deal with inventories.



AS – 3: Cash flow Statements

The Company has complied with AS-3 and prepared Cash flow statements, as attached in Annexure I.

AS – 4: Events occurring after the Balance Sheet Date

No significant event has occurred after the Balance Sheet Date.

AS – 5: Net profit or loss for the period, prior period items and changes in accounting policies:

No change in accounting policies during the year.

AS – 6: Depreciation Accounting

Depreciation is provided on Straight Line Method, at the rates specified in Schedule XIV to the Companies Act, 1956.

AS – 7: Construction Contracts

This Accounting Standard is not applicable.

AS – 8: Research & Development

This Accounting Standard has been withdrawn.

AS – 9: Revenue Recognition

Income from Loan Interest and Fixed deposit Interest is accounted as they are accrued.

AS – 10: Accounting for Fixed Assets

Fixed assets are valued at cost including expenditure incurred in bringing them to usable condition less depreciation.

AS – 11: Accounting for effects of changes in foreign exchange rates

No Forex transactions in the current year.

AS -12: Accounting for Government Grants

The Company has not received any grants.

AS – 13: Accounting for Investments

The company has not made any investments during the current year and does not have any investments as on 31.03.2013

AS – 14: Accounting for amalgamations

No amalgamation during the year.

AS – 15: Accounting for Employee Benefits

This accounting standard is applicable and the same is followed in an consistent manner.

AS – 16: Borrowing Cost

During the year, the Company has not dealt with any borrowings.

AS – 17: Segment reporting

(a) Business segment: The Company has considered business segment as the primary segment for disclosure. As reported the Company has sold its entire plant & machinery and other ancillary equipments pertaining to its edible vegetable oil refinery plant, The Company has not undertaken manufacturing activity during the year. The Company is presently engaged in financing activity. The Company is in the process of identifying new trading business venture. Hence there is no distinguishable component of any product or services that can be report.

(b) Geographical Segment: The conditions prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

AS – 18: Related Party Disclosure

A. Related Parties

Name Of the Related Party	Relationship
Serengeti Holdings Private Limited	Associate company
Mr. Radesh Rangarajan	Director
Mr. Pavan Kumar Reddy	Whole Time Director
Mr. Nirmal Kumar Das	Director
Mr. Shankar Venkatakrishnan	Additional Director

B. Nature of Transaction

Name Of the Related Party	Nature of Transaction	Amount (Rs)
Mr. Pavan Kumar Reddy	Salary	Rs. 6,60,000

AS – 19: Accounting for Leases

The Company has one operating lease and is accounted as par AS-19.

AS – 20: Earnings per share

S.No	Particulars	31-Mar-2013	31-Mar-2012
1	Profit (loss) after Tax as per Profit & Loss Account	4,08,212	7,61,657
2	Weighted average number of equity shares of Rs.10/ share outstanding during the year	45,85,950	45,85,950



3	Earnings per share - -Basic & Diluted	0.09	0.17
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AS – 21: Consolidated Financial Statements

AS 21 is not applicable.

AS – 22: Accounting for taxes on Income

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). On evaluation of reasonable certainty and as per the AS -22, deferred tax liabilities / assets are nil as the company believes that such liabilities / assets are not likely to be reversed in the future years.

AS – 23: Accounting for investments in associates

This standard is not applicable to the Company.

AS – 24: Discontinuing Operation

During the year the Company has not discontinued any of its operations.

AS – 25: Interim Financial Reporting

This standard is not applicable to the Company.

AS – 26: Accounting for Intangible Assets

This standard is not applicable to the company.

AS – 27: Financial reporting of interests in Joint Venture

This standard is not applicable to the Company.

AS – 28: Impairment of Assets

As on the Balance Sheet date, the carrying amounts of the assets are considered not less than the recoverable amount of those assets. Hence, no impairment loss is considered.

AS – 29: Provisions, Contingent Liabilities and Contingent Assets

No contingent Liabilities or assets exists for the company.

Other Notes to Accounts

- a) The Company has extended an unsecured loan to Daidem Enterprises Private Limited for Rs. 2,27,00,000 at an interest rate of 10 % . TDS is deducted on such interest received. There is no loan agreement for the loan given to M/s Diadem Enterprises Private Limited, but there are various communications with M/s Diadem Enterprises Private Limited to confirm the loan.
- b) Lending money with or without interest or security to any person as is specified in the Memorandum of Association under the ancillary objects clause and not under the main objects clause.
- c) The Company has sold its entire plant & machinery and other ancillary equipments pertaining to its edible vegetable oil refinery plant. The Company has not undertaken manufacturing activity during the year and hence additional information pursuant to part II of Schedule VI to the Companies Act are not applicable to the Company.
- d) The accounts have been prepared on going concern assumption. However in view of the sale of entire plant & machinery, other ancillary equipments pertaining to its edible vegetable oil refinery plant and land & building, the company has not undertaken manufacturing activity during the year. 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 companies ability to continue as a going concern in the foreseeable future.

(Amount in Rs.)

- | | | |
|--|------------|------------|
| e) Details of remuneration to Auditors | 31.03.2013 | 31.03.2012 |
| (Inclusive of Service Tax) | | |
| a. For Statutory Audit & Review | 28,090 | 16,836 |
- f) As per the information available with the Company, there is no amount due to the Enterprises mentioned in the Micro Small Medium Enterprises Development Act, 2006 as on the date of Balance Sheet.
 - g) Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

Signature to the Balance Sheet as at 31.03.2013, Profit & Loss Account and cash Flow statement for the year ended on that date and Schedules 1 to 11.

For **SUNDARAM & NARAYANAN**
Chartered Accountants

For and on behalf of the Board

Sd/-
(K.Meenatchi Sundaram)
Partner

Sd/-
(Radesh Rangarajan)
Additional Director

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

Sd/-
(EDM Menon)
Company Secretary

Place : Chennai
Dated : 27th May, 2013



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details	
Registration No.	5461
State Code No.	17
Balance Sheet Date	31.03.2013
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	25659
Total Assets	25659
SOURCE OF FUNDS :	
Paid-up Capital	45860
Reserves & Surplus	-20201
Secured Loans	NIL
Unsecured Loans	NIL
APPLICATION OF FUNDS :	
Net Fixed Assets	5
Investments	22700
Net Current Assets	2954
Misc. Expenditure	NIL
Accumulated Losses	NIL
IV. Performance of Company	
Total Turnover & Other Income	2338
Total Expenditure	1834
Profit/(Loss) Before Tax	504
Profit/(Loss) After Tax	408
Earning Per Share in Rs.	0.09
Dividend Rate %	NIL
V. Generic Name of Principal Products of Company	
Product Description	
Item Code No.	
Product Description	

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 **SUNDARAM & NARAYANAN**
Chartered Accountants

For and on behalf of the Board

Sd/-
(K.Meenatchi Sundaram)
Partner

Sd/-
(Radesh Rangarajan)
Additional Director

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

Sd/-
(EDM Menon)
Company Secretary

Place : Chennai

Dated : 27th May, 2013

BOOK - POST

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

FORM B

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1. Name of the Company: ASHIANA AGRO INDUSTRIES LTD.
2. Annual financial statements for the year ended : 31st March 2013
3. Type of Audit Qualification: Subject to Qualification
4. Frequency of qualification : Appeared for the first time for the Financial Year ended 31.3.2013.
5. Draw attention to relevant notes in the Annual Financial statements and management's responses to the qualification in the director's report.

In Note No.II (1) of the Significant accounting policies, the auditors have stated that an Unsecured Loan of Rs.227.00 lacs given to M/s Diadem Enterprises Pvt. Ltd. is in excess of the limit prescribed under section 372A of the Companies Act, 1956. They have further stated that this is a non-compliance to the requirements of Section 372A and that it has no specific effect in the financial statements.

In the Directors Report and in the Report on Corporate Governance, the company has maintained that it is taking steps to call back the excess loan granted to M/s Diadem Enterprises Pvt. Ltd. and also remedy the violation of Section 372 A of the Companies' Act, 1956. The company has further stated that approval of the shareholders is sought by Special Resolution for granting loans in excess of the limit laid down under section 372A of the Companies' Act, 1956 in the ensuing AGM. The company has also stated that approval of shareholders by Special Resolution through Postal Ballot will also be sought for granting loans in excess of the prescribed limit under section 372A of the Companies' Act, 1956.

6. Additional comments from the Board/audit committee chair:

The Company has already received back the loan granted in excess of the limit prescribed under Section 372A of the Companies' act, 1956 from Diadem Enterprises Pvt. Ltd. The amount of Rs.77.00 lacs have been credited to Company's A/c on 06th August, 2013. The Company has received shareholders' approval vide Special Resolution passed in AGM on 26th Sept., 2013 for granting loan in excess of the limit prescribed under Section 372 of the Companies 'Act, 1956.


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The Company also taken approval of shareholders through Special Resolution passed through Postal Ballot on 17th September, 2013, vide Notice dt.5th August, 2013, for granting loan in excess of the limit prescribed under Section 372 of the Companies 'Act, 1956.. The Company is also moving the appropriate authorities of Company Law administration to compound the offence committed under Section 372A of the Companies' Act, 1956.




PAVAN KUMAR REDDY
WHOLE TIME DIRECTOR
ASHIANA AGRO INDUSTRIES LTD.

For SUNDARAM & NARAYANAN
Chartered Accountants
Firm Reg. No. 0042045


81.12.2013
K.MEENATCHI SUNDARAM
Partner
Membership No. 027073

SUNDARAM & NARAYANAN
CHARTERED ACCOUNTANTS



RADESH RANGARAJAN
CHAIRMAN, AUDIT COMMITTEE
ASHIANA AGRO INDUSTRIES LTD.

