24th
Annual Report
2013-2014

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 Fourth Annual General Meeting of the Members of the Company will be held on Thursday, the 25th September, 2014 at 11 AM at the Regd. Office of the company situated at 792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram, Sriperumbudur Taluk, Kancheepuram Distt., Pincode – 602 106, Tamil Nadu to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.

2. To appoint a Director in place of Shri Radesh Rangarajan who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Statutory Auditors

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

"RESOLVED THAT the resignation vide their letter dt.5th August, 2014 of M/s.Sundaram & Narayanan, Chartered Accountants, Chennai ,as the Statutory Auditors of the Company be and is hereby taken note of and approved by the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Prasan & Associates, Chartered Accountants, Chennai (Firm Registration No.014103S with the Institute of Chartered Accountants of India) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the 24th Annual General Meeting until the conclusion of the27th Annual General Meeting to be held in Sept., 2017, on the remuneration to be fixed by the Board of Directors.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to Audit committee or Whole Time Director of the company on such conditions as the Board may prescribe".

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri V.Shankar, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for an independent Director as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th Sept.,2014 upto 24th Sept., 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri Nirmal Kumar Dash, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for an independent Director as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th Sept.,2014 upto 24th Sept., 2019."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

'RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any of the Companies' Act, 2013, the Clause III(A) of Memorandum Association of the Company dealing with Main Objects to be pursued by the Company be amended by adding following objects at Serial No.3 and 4:-

3. To carry on all or any of the business as manufacturers, exporters, importers, dealers and distributors of packing materials like cartons, corrugated boxes, glass bottles and other packing materials.

4. To carry on the business of manufacturers and dealers in all types of pilfer proof caps, embossed pilfer proof caps, printed sheets, container boxes, corrugated boxes, bags, cans, casks, chests, crates, jars, cases and all allied packing materials made out of a) Metal of all kinds, b) Plastic, c) Rubber, d) Paper and Paper Materials, e) Wood and Board f) Fabrics or any other commodities or materials capable of being used in the manufacture of such packing materials.

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be and is hereby authorized, in the best interest of the Company, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any company upto an aggregate amount not exceeding Rs.230.00 Lakhs notwithstanding that the aggregate of the loans so far given or to be given by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem fit, necessary or appropriate."

By Order of the Board
For ASHIANA AGRO INDUSTRIES LTD.
Sd /
E.D.M.Menon
Company Secretary & Compliance Officer

Place: Chennai
Date: 5th August, 2014

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING.
2. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeing.
3. Members/proxies attending the meeting are requested to :
   - Bring their copies of annual report sent to the members, as copies of the annual report shall not be distributed at the Annual General Meeting;
   - Quote their Folio/Client ID and DP ID numbers in all correspondences.
4. The Register of members and share transfer books of the company shall remain closed for a day, i.e., on 23rd Sept., 2014.
5. The members are requested to communicate to the Registrars and Share Transfer Agents, viz., M/s.Link Intime India Pvt.Ltd., change in address, if any at the address given in the Annual Report.
6. Members are requested to preferably send their querries to the Regd. Office seven days before the date of AGM.
7. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
8. Explanatory statement pursuant to Section 102 of the Companies' Act, 2013 in respect of Special Business From Serial No.3 to 7 is annexed hereto and forms an integral part of the Notice.
9. Electronic copy of the Annual Report 2014 will be sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 are being sent in the permitted mode.
10. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report 2014 will also be available on the Company's website www.aail.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also sent requests to the Company's investor email id: info@aail.in

11. Voting through electronic means

I. Persuant to Section 108 of the Companies Act, 2013 and rules of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide its members the facility to exer cise their right to vote at the 24th Annual General Meeting(AGM) by electronic means. The business may be transacted though e-voting services provided by Central Depository Service Limited (CDSL).

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

(A) In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "ASHIANA AGRO INDUSTRIES LTD" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)· • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.· • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.· • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant ASHIANA AGRO INDUSTRIES LTD on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

· Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

· They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

· After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

· The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

· They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

Please follow all steps from Sl. No. (i) to Sl. No. (xvii) above to cast vote.

(C) Other Instructions:

i The voting period begins on September 17, 2014(9.30 a.m.) and ends on September 19, 2014 (5.30 p.m). During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of Aug.22, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii The voting rights of the shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Aug.22, 2014.

iii Mr. Chandra Bhushan Mishra, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and Transparent Manner.

iv The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the vote in the presence of at least two (2) witness not in the employment of the Company and make Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Whole Time Director of the Company.

v The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Reports shall be placed on the Company's website www.aail.in and on website on the CDSL within two (2) days of passing the resolution at the AGM of the Company and communicated to the Stock Exchange.

vi In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email.

ANNEXURE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES' ACT,2013

ITEM NO.3

Appointment of Statutory Auditors

It is hereby informed that M/s Sundaram & Narayanan, Chartered Accountants, Chennai have vide their letter dt. 5th August, 2014 resigned as statutory auditors of the company.

The Board on the recommendation of the Audit Committee has identified M/s. Prasan & Associates, Chartered Accountants, Chennai, for appointment as the statutory auditors of the Company from the conclusion of the 24th Annual General Meeting. M/s. Prasan & Associates, Chartered Accountants, Chennai have confirmed their eligibility and willingness to act as the Statutory Auditors of the Company and have further confirmed that they fulfill the conditions prescribed under section 141 of the Companies' Act, 2013.

The Board at its meeting held on August 5, 2014 has taken note of the resignation of M/s . Sundaram & Narayanan, Chartered Accountants, Chennai as Statutory Auditors of the Company and subject to the approval of shareholders, consented to the appointment of M/s. Prasan & Associates, Chartered Accountants, Chennai, as the Statutory Auditors to hold office from the conclusion of 24th Annual General Meeting until the conclusion of the27th Annual General Meeting to be held in Sept., 2017, on the remuneration to be fixed by the Board of Directors

The resolution is recommended for the approval of Members by way of Ordinary Resolution.

None of the directors and key managerial personnel of your Company nor any of their relatives are interested in the aforesaid resolution, except as a member, if any of the Company.

Item No.4 & 5

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges where the company's shares are listed, appointed Shri Nirmal Kumar Dash and Mr V.Shankar, as Independent Directors at various times in the past, in compliance with the requirements of the clause. Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board has recommended the appointment of these directors as Independent Directors from Sept.25, 2014 upto Sept.24, 2019. Both these directors have given declaration to the Board that they meet the criteria of independent director as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The resolutions are recommended for the approval of Members by way of Ordinary Resolution.

Other than Shri N.K.Dash and V.Shankar, none of the other directors and key managerial personnel of your Company nor any of their relatives are interested in the aforesaid resolution, except as a member, if any of the Company.

ITEM NO.6

Upon Incorporation of the Company in 1990, Your Company was engaged in the manufacture of edible oil. Your Company made profits from the first year of its operations and dividend was also paid. Due to severe competition in the edible oil market, your company could not continue the same performance in the later years. As a result, the company went into losses year after year. The earlier management suspended production and sold away the entire plant and machinery to pay off the term loans of the Financial Institutions. The company was taken over in the Year 2008 by M/s.Serengeti Holdings Pvt.Ltd., Chennai. Since then the new management was on the look out for viable projects which your company can undertake with the limited resources at its disposal. The new management has identified Packaging business as a new area. The new management has the expertise and experience to run this type of business. In order to enable the Company to undertake businesses as above, it is proposed to amend the Main Objects Clause of the Memorandum of Association by adding the objects as mentioned at Serial No.5 of the Notice. By virtue of Section 13 of the Companies' Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014; approval of members by way of Special Resolution is required to amend the objects clause of the Memorandum of Association of the Company and thus your approval is sought for the same. Your Company will comply with the provisions of the Companies' Act, 2013 and directions of the stock exchanges/SEBI/other Government authorities in connection with the alteration of the Objects clause of the Memorandum of Association.

The Directors recommend the Resolution, in the best interest of the Company, for the approval of Members by way of Special Resolution. Approval of shareholders by way of Postal Ballot is also needed for which the Company will be approaching the shareholders in due course.

None of the directors and key managerial personnel of your Company nor any of their relatives are interested in the aforesaid resolution, except as a member, if any of the Company.

ITEM NO.7

As per the provisions of Section 186 of the Companies Act, 2013, 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 per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company. As a measure of achieving greater financial flexibility and to earn revenue pending deployment of funds on other projects , this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for providing loans to other bodies corporates for an amount not exceeding Rs.230.00 Lakhs.

The Directors recommend the Resolution, in the best interest of the Company , for the approval of Members by way of Special Resolution. Approval of shareholders by way of Postal Ballot is also needed for which the Company will be approaching the shareholders in due course.

None of the directors and key managerial personnel of your Company nor any of their relatives are interested in the aforesaid resolution, except as a member, if any of the Company.

By Order of the Board
For ASHIANA AGRO INDUSTRIES LTD.
Sd/
E.D.M.Menon
Company Secretary & Compliance Officer

Place: Chennai
Date: 5th August, 2014

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 24TH ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

At the ensuing AGM Shri Radesh Rangarajan retires by rotation and is eligible for re-election and Shri V.Shankar and Shri Nirmal Kumar Dash are proposed to be re-appointed as Independent Directors.

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

1. Shri Radesh Rangarajan

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

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

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

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

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

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 organizations realize 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 organizations to go with leaner infrastructure requirements using open source, virtualization and using cloud based services thereby supporting the upcoming software as a service (SAAS).

He also is a certified information systems auditor (CISA) and emphasizes 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 and Cisco certifications pertaining to IT infrastructure.

3. Nirmal Kumar Dash

Shri Nirmal Kumar dash is a finance professional with over 14 years of qualitative experience in the areas of finance and 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 system/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 Master in business administration with specialization in finance from Annamalai University.

DIRECTORS' REPORT

To The Members

Your Directors take pleasure in presenting their Twentyfourth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

The summarized financial results for the year ended 31st March 2014 are as follows:-

	(Rupees in Lacs) 2012-2013		**(Rupees in Lacs) 2013-2014**	
Total Income		23.38		**23.23**
Profit Before Interest & Depreciation		5.27		**3.92**
Interest:	-		**-**	
Depreciation:	0.23	(-) 0.23	**0.01**	**(-) 0.01**
Profit for the year		5.04		**3.91**
Less: Tax Expenses		0.96		**2.20**
Profit after Tax		4.08		**1.71**
Balance Loss(-) brought forward from previous year		(-) 206.09		**(-) 202.01**
Balance carried to Balance Sheet (Loss)		(202.01)		**(200.30)**

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 to financial statements, the Auditors have observed that the loan of Rs.150.00 lacs given to M/s.Diadem Enterprises Pvt.Ltd. is in excess of the limit prescribed in Section 372 A of the Companies' Act, 1956. The Shareholders have passed the necessary enabling Special Resolution under Section 372A of the Companies Act, 1956 through Postal Ballot dt.17th September, 2013 authorizing the Board to make loans in excess of the limit laid down under section 372A of the Companies' Act, 1956. The company will comply with the provisions of the Companies' Act, 2013 for violation of Section 186 of the Companies Act, 2013.

The Company is again proposing a Postal Ballot seeking the Shareholders approval by way of Special Resolution to make loans in excess of the limit laid down under Section 186 of the Companies' Act, 2013. Postal Ballot Notice will be issued to the shareholders very shortly.

OPERATIONS

Commercial operations of the company remained suspended during the year under review. The new management has identified Packaging Business as a new area. The new management has the expertise and experience to run this type of business. In order to enable the Company to undertake businesses as above, it is proposed to amend the Main Objects Clause of the Memorandum of Association by adding the objects as mentioned at Serial No.6 of the Notice.

The Company is proposing a Postal Ballot seeking the Shareholders approval by way of Special Resolution to alter the Objects Clause of the Memorandum of Association so as to do the proposed Packaging business Postal Ballot Notice will be issued to the shareholders very shortly.

Your Company will comply with the provisions of the Companies' Act, 2013 and directions of the stock exchanges/SEBI/other Government authorities in connection with the alteration of the Objects clause of the Memorandum of Association.

POSTAL BALLOT

The Company is proposing a Postal Ballot seeking the Shareholders approval by way of Special Resolution to alter the Objects Clause of the Memorandum of Association so as to do the proposed Packaging business and approval by way of Special Resolution to make loans in excess of the limit laid down under Section 186 of the Companies' Act, 2013. Postal Ballot Notice will be issued to the shareholders very shortly.

DIRECTORS

Shri Radesh Rangarajan , Director retires by rotation and is eligible for re-election. Shri V.Shankar and Shri Nirmal Kumar Dash, independent directors on the board of the Company , have furnished a declaration to the company under Section 139(7) of the Companies Act, 2013 saying that they meet the criteria of independent director as laid down under Section 139(6) of the Companies' Act, 2013. Appointment of these directors is recommended for a period of five years.

During the Financial Year ended 31.3.2014, Board Meetings held on 27.5.2013, 5.8.2013, 17.9.2013, 26.9.2013, 6.11.2013 and 10.2.2014. Your Company has a policy of appointing adequately qualified persons only to the Board keeping in view the requirements of listing agreement with the stock exchanges and the Corporate Governance guidelines.

LOAN

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

CORPORATE SOCIAL RESPONSIBILITY

The Company is fully aware of its corporate social responsibility. As your company is not presently involved in any manufacturing/trading activity and has very limited employees, it is not presently involved in any social initiatives.

RISK MANAGEMENT POLICY

The Company will have a risk management policy as and when it restarts its trading/manufacturing operations.

FIXED DEPOSITS

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

AUDITORS

Vide their ltr. dt.5th August, 2014, M/s.Sundaram & Narayanan, Chartered Accountants, Chennai have resigned as Statutory Auditors of the Company. Accordingly, the Board recommended appointment of M/s. Prasan & Associates, Chartered Accountants, Chennai as Statutory Auditors of the company from the conclusion of the 24th AGM until the conclusion of the27th Annual General Meeting to be held in Sept., 2017.

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 Companies(Disclosure of particulars in the Report of Board of Directors) Rules, 1988 as the production activities of the Company remained suspended during the year under review. The company has neither earned nor utilized any foreign exchange during the year under review.

LISTING OF SHARES

At the present the shares of the Company are listed with BSE Ltd., Mumbai, Jaipur Stock Exchange Ltd., Jaipur and Delhi Stock Exchange Assn. Ltd., Delhi. Stock Exchange Regulations are complied with from time to time.

REGISTRARS AND SHARE TRANSFER AGENT.

M/s.Link Intime India Pvt.Ltd., 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi 110028 continue to be Company's Registrar and Share Transfer Agents. All Members are requested to contact them for any kind of share related matters.

IMPLEMENTATION OF THE CORPORATE GOVERNANCE

A detailed report on Corporate Governanace is annexed hereto and forms an integral part of this Report.

CONSTITUTION OF VARIOUS COMMITTEES

Various Committees of the Board have been reconstituted so as to comply with the latest Regulations.

Stake Holders Grievances Committee

This Committee has been reconstituted by the induction of Shri V.Shankar in place of Shri Pavan Kumar Reddy, Whole Time Director. Shri Radesh Rangarajan, Director continues as Chairman. Meeting of Stakeholders Grienvances Committee are being held at regular intervals to sort out all kinds of grievances of stake holders.

Remuneration Committee

Shri Nirmal Kumar Dash has been inducted as Chairman in place of Shri Pavan Kumar Reddy. Shri V.Shankar continues as Member. The Committee will hold meeting as and when required to review the remuneration of Directors and Executive.

Audit Committee

Shri Radesh Rangarajan 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 the listing guidelines. A separate report on corporate governance forms part of this Annual Report.

Prevention and Prohibition of Sexual Harassment of Women at Work Place

Your Company has no woman employee as of now as the company is on the look out for new projects in which it can involve. The company will have adequate mechanism as laid down under the Rules for prevention and prohibition of sexual harassment of women as and when it employs women.

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 standards, referred to in Section 211 (3c) of the Companies' Act, 1956.

2. The Company has followed the said Accounting Standards and has been applying them consistently and has made judgement 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, 2014 and 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

At point No.1 of Notes to financial statements, the Auditors have observed that the loan of Rs.150.00 lacs given to M/s.Diadem Enterprises Pvt.Ltd. is in excess of the limit prescribed in Section 372 A of the Companies' Act, 1956. The Shareholders have passed the necessary Special Resolution under Section 372A of the Companies Act, 1956 through Postal Ballot dt.17th September, 2013 authorizing the Board to make loans in excess of the limit laid down under section 372A of the Companies' Act, 1956. The company will comply with the provisions of the Companies' Act, 1956 for violation of Section 372A of the Companies Act, 1956.

By the Order of the Board of Directors

Sd/- Sd/-

Place: Chennai (RADESH RANGARAJAN) (PAVAN KUMAR REDDY)

Date:5/8/2014 Director 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 26/09/2013	No. of outside Directorship held	No. of membership / Chairmanship in committee	Executive / Non executive / Independent
1.Sh. P. K. Reddy	5	Present	2	-	Executive
2. Sh. R. Rangarajan	5	Present	6	2	Non-Executive
3. Sh. N. K. Dash	5	Present	-	2	Non-Executive & independent
4. Sh. V. Shankar	5	Present	6	2	Non-Executive & independent

Board Meetings held during the Financial Year ended 31st March, 2014

During the Financial Year ended 31.3.2014, Board Meetings held on 27.5.2013, 5.8.2014, 17.9.2013, 26.9.2013, 6.11.2013 and 10.2.2014.

BOARD COMMITTEES

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 the 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.

STAKEHOLDERS GRIEVANCES COMMITTEE

This Committee has been reconstituted by the induction of Shri V.Shankar in place of Shri Pavan Kumar Reddy, Whole Time Director. Shri Radesh Rangarajan, Director continues as Chairman. Meeting of Stakeholders Grienvances Committee are being held at regular intervals to sort out all kinds of grievances of stake holders. 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, 2014 and no such transfer is pending.

REMUNERATION COMMITTEE

Shri Nirmal Kumar Dash has been inducted as Chairman in place of Shri Pavan Kumar Reddy. Shri V.Shankar continues as Member. The Committee will hold meeting as and when required to review the remuneration of Directors and Executive.

Remuneration of Director for the Financial Year ended 31st March, 2014

Name of Director	Remuneration (Amt. Rs.)
Shri Pavan Kumar Reddy	6,60,000.00

ANNUAL GENERAL MEETING

Year	Kind of Meeting	Venue	Date	Time
2011	Annual General Meeting	Easwari Hotel Complex, Bangalore High Road, Sungurvarchatram, Sriperumbudur Taluk Distt.Kancheepuram Tamil Nadu, Pin: 602106	23.9.2011	10.00AM

2012	Annual General Meeting	Easwari Hotel Complex, Bangalore High Road, Sungurvarchatram, Sriperumbudur Taluk Distt.Kancheepuram Tamil Nadu, Pin: 602106	27.9.2012	10.00AM
2013	Annual General Meeting	Easwari Hotel Complex, Bangalore High Road, Sungurvarchatram, Sriperumbudur Taluk Distt.Kancheepuram Tamil Nadu, Pin: 602106	26.9.2013	11.00AM

DISCLOSURES

The related party transactions have been disclosed in Notes on Accounts forming part of the Account for the financial year ended 31st March 2014 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.

The Company will formulate Whistle Blower policy and Risk Management Policy as and when the Company restarts its commercial operations.

OBSERVATION BY AUDITORS ON THE ACCOUNTS

At point No.1 of Notes to financial statements, the Auditors have observed that the loan of Rs.150.00 lacs given to M/s.Diadem Enterprises Pvt.Ltd. is in excess of the limit prescribed in Section 372 A of the Companies' Act, 1956. The Shareholders have passed the necessary Special Resolution under Section 372A of the Companies Act, 1956 through Postal Ballot dt.17th September, 2013 authorizing the Board to make loans in excess of the limit laid down under section 372A of the Companies' Act, 1956. The company will comply with the provisions of the Companies' Act, 1956 for violation of Section 372A of the Companies Act, 1956.

MEANS OF COMMUNICATION

The Audited/Unaudited Financial Results and other Public Notices 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 Mumbai, Jaipur and Delhi where company's shares are listed apart from filing online with BSE Ltd. These also uploaded to the Company's website. All Shareholder information sent to the stock 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.

General Shareholders information

a) Annual General Meeting

Date and Time : 25th September, 2014 at 11.00 AM

Venue : 7792/5, Eswari Hotel Complex, Bangalore High Road, Sunguvarchatram, Sriperumbudur Taluk Kancheepuram Distt., Pincode 602 106 Tamil Nadu

b) Financial Calender (tentative)

Results for the Quarter ending 30.6.14 : First week of August 2014

Results for the Quarter ending 30.9.14 : First week of Nov., 2014

Results for the Quarter ending 31.12.14 : First week of Feb., 2015

Results for the Quarter ending 31.3.15 : Last week of May, 2015

c) Book Closure date : 23rd September, 2014

d) Listing of Equity shares : BSE, Jaipur and Delhi

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 BSE Ltd., Mumbai during April 2013 to March 2014 are as under:-

(Prices in Rupees)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover
Apr., 13	1.73	1.73	1.55	1.55	1,147	7	1,908
May, 13	-	-	-	-	-	-	-
June,13	1.48	1.48	1.45	1.45	300	2	300
July, 13	1.38	1.40	1.30	1.30	1,600	6	2,110
Aug., 13	-	-	-	-	-	-	-
Sept.,13	1.24	1.24	1.20	0.97	200	2	244
Oct., 13	1.20	1.20	0.97	1.11	1,311	15	1.424
Nov., 13	1.10	1.58	1.10	1.58	1,149	10	1,639
Dec.,13	1.51	1.51	1.28	1.28	1,624	12	2,256
Jan., 14	1.22	1.22	1.05	1.05	902	10	981
Feb.,14	1.00	1.00	0.96	0.96	400	4	392
Mar., 14	0.92	0.92	0.70	0.70	3,774	15	3,133

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 31.3.2014:

Sl.No.	Category	No. of Shares	Percentage (%)
1.	Promoters	1175680 *	25.56
2.	Indian Financial Institutions/Banks	700	0.01
3.	Mutual Funds/Foreign Institutional Investors	-	-
4.	NRIs/Overseas Corporate Bodies	10100	0.22
5.	Others	3413520	74.21
Total		4600000	100.00

*Free from all encumberances.

h) Distribution of shareholdings as on 31.3.2014:-

Share holding of Nominal value (Rs.)	Shareholders Number	% to total	Share Amount Amount in Rs.	% to total
Upto 2500	21603	93.649	23267340	50.581
2501- 5000	1064	4.612	4026080	8.752
5001 – 10000	261	1.131	2083150	4.529
10001 – 20000	96	0.416	1372750	2.984
20001 – 30000	16	0.069	404720	0.88
30001 – 40000	7	0.03	244890	0.532
40001 – 50000	3	0.013	140770	0.306
50001 – 100000	9	0.039	809020	1.759
100001 & Above	9	0.039	13651280	29.677
Total	**23068**	**100**	**46000000**	**100**

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

Your Company is a zero liability company. M/s Serengeti Holdings Pvt.Ltd., Chennai have taken over your company duly complying with the SEBI (SAST) Regulations, 1997. They hold 1175680 equity shares constituting 25.56% of the Equity Capital of the Company.

The Board of Directors of the constitutes very able and accomplished persons. Shri Radesh Rangarajan, Promoter's nominee director is an MBA from IIM, Ahmedabad. Shri Pavan Kumar Reddy, another promoter nominee and Whole Time director is a Mechanical Engineer. Shri Nirmal Kumar Dash is an MBA from Annamalai University, specialized 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 qualaified 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.

Your company intends to enter the packaging business for which it is seeking shareholders' approval for altering the Objects clause of the Memorandum of Association. The new management has the necessary expertise and experience in such business activities.

By the Order of the Board of Directors

Sd/- Sd/-

Place: Chennai (RADESH RANGARAJAN) (PAVAN KUMAR REDDY)
Date:5.8.2014 Director Whole Time Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Ashiana Agro Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Ashiana Agro Industries Ltd., for the year ended 31st March 2014, 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 Accounts
Firm Registration No.004204S
Sd/-
K MEENATCHI SUNDARAM
Partner
Membership Number 027073

Place: Chennai
Date: 26.5.2014

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, 2014, 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.

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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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.

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 II(1) as given in Notes to Financial Statements:***

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014

b) in the case of the Profit and Loss Account, of the profit 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.

For SUNDARAM & NARAYANAN
Chartered Accountants
Firm Reg. No: 004204S
Sd/-
(K.Meenatchi Sundaram)
Partner
Membership No: 027073

Place: Chennai
Date: 26.05.2014

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 has 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 31.03.2014

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: 027073

Place: Chennai
Date: 26.05.2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2014
(Pursuant to the Listing Agreements with Stock Exchanges)

	AMOUNT(Rs.)	AMOUNT(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS		391,570
ADJUSTMENTS FOR:		
DEPRECIATION	641	
INTEREST EXPENSE	-	
INTEREST RECEIVED	(2,308,084)	(2,307,443)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-	(1,915,873)
(INCREASE) / DECREASE CURRENT ASSETS	119,669	
INCREASE / (DECREASE) CURRENT LIABILITIES	(3,934)	115,735
CASH GENERATED FROM OPERATIONS		(1,800,138)
DIRECT TAXES (PAID)/ REFUNDED		220,902
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(2,021,040)
EXTRAORDINARY ITEMS		-
NET CASH FROM OPERATING ACTOVITIES		**(2,021,040)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	-	
INTEREST RECEIVED	2,308,084	
PROCEEDS FROM LOANS AND ADVANCES MADE	7,700,000	10,008,084
NET CASH FROM INVESTING ACTIVITIES		**10,008,084**
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUANCE OF SHARE CAPITAL	-	
PROCEEDS FROM LONG TERM BORROWINGS - INTEREST	-	
PROCEEDS FROM LONG TERM BORROWINGS - PRINCIPAL	-	
INTEREST PAID	-	
DIVIDEND PAID	-	-
NET CASH USED IN FINANCING ACTIVITIES		-
NET INCREASE IN CASH & CASH EQUIVALENTS		7,987,044
CASH & CASH EQUIVALENTS AT BEGINNIG OF PERIOD	1,766,821	
CASH & CASH EQUIVALENTS AT END OF PERIOD	9,753,865	7,987,044

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, 2014 and certify that in our opinion and according to the information and explnations given to us, the Cash Flow Statement is in accordance therewith.

For **SUNDARAM & NARAYANAN**
Chartered Accountants

Sd/-
(K.Meenatchi Sundaram)
Partner

Sd/-
(Radesh Rangarajan)
Additional Director

For Ashiana Agro Industries Ltd

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

Sd/-
(EDM Menon)
Company Secretary

Place : Chennai
Dated : 26th May, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31.03.2014 (Rs.)		As at 31.03.2013 (Rs.)	
I. **EQUITY AND LIABILITIES**					
(1) **Shareholders' Funds**					
(a) Share Capital	1	45,859,500		45,859.500	
(b) Reserves & Surplus	2	(20,030,520)		(20,201,188)	
(c) Money Received Against Share Warrants		-	25,828,980	-	25,658,312
(2) Share Application Money Pending Allotment			-		-
(3) Non-Current Liabilities					
(a) Long Term Borrowings		-		-	
(b) Deferred Tax Liabilities (Net)		-		-	
(c) Other Long Term Liabilities		-		-	
(d) Long Term Provisions		-	-	-	-
(4) Current Liabilities					
a) Short Term Borrowings		-		-	
(b) Trade Payables		-		-	
(c) Other Current Liabilities		-		-	
(d) Short-term Provisions	3	40,340	40,340	44,274	44,274
TOTAL			**25,869,320**		**25,702,586**
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	4	4,737		5,378	
(ii) Intangible assets		-		-	
(iii) Capital Work in Progress		-		-	
(iv) Intangible Assets Under Development		-		-	
		4,737		5,378	
(b) Non Current Investments		-		-	
(c) Deferred Tax Assets (Net)		-		-	
(d) Long Term Loans and Advances	5	15,000,000	15,004,737	22,700,000	22,705,378
(e) Other Non Current Assets		-		-	
(2) Current assets					
(a) Current Investments		-		-	
(b) Inventories		-		-	
(c) Trade Receivables		-		-	
(d) Cash and cash equivalents	6	9,753,865		1,766,821	
(e) Short Term Loans and Advances		-		-	
(f) Other current assets	7	1,110,718	10,864,583	1,230,387	2,997,208
TOTAL			**25,869,320**		**25,702,586**

Notes to Financial Statements 12

As per our report of even date Annexed

For **SUNDARAM & NARAYANAN**
Chartered Accountants

For and on behalf of the Board

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

Place : Chennai
Dated : 26th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No.	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
CONTINUING OPERATIONS			
Income			
Revenue from Operatoins			
Other Income	8	2,322,840	2,338,416
Total Revenue		**2,322,840**	**2,338,416**
Expenses			
Cost of Service			
Employee Benefits Expenses	9	1,020,000	1,005,000
Finance Chages		-	-
Depreciation and Amortization Expenses	10	641	23,377
Other Expenses	11	910,629	805,731
Total expenses		**1,931,270**	**1,834,108**
Profit / (Loss) before exceptional and extrodinary items and Tax		391,570	5,04,308
Add / (Less) : Exceptional Items		-	-
Profit / (Loss) before extrodinary items and Tax		391,570	5,04,308
Add / (Less) : Extrodinary Items		-	-
Profit Before Tax		391,570	504,308
Add / (Less) : Tax Expense			
(a) Current Tax		220,902	96,096
(b) Deferred Tax		-	-
Profit / (Loss) For the year from continuing operations - (A)		**170,668**	**408,212**
DISCONTINUING OPERATIONS			
Profit / (Loss) from discontinuing operations (bebore tax)		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations (after tax) - (B)		-	-
PROFIT / (LOSS) FOR THE YEAR (A+B)		**170,668**	**408,212**
Earnings Per Equity Share			
Nominal value of share Rs.1 (PY: Rs.1 per share)			
Basic			
Computed on the basis of profit from continuing operations		0.04	0.09
Computed on the basis of total profit for the year		0.04	0.09
Diluted			
Computed on the basis of profit from continuing operations		0.04	0.09
Computed on the basis of total profit for the year		0.04	0.09
Notes to Financial Statements	12		

As per our report of even date Annexed

For **SUNDARAM & NARAYANAN**
Chartered Accountants

For Ashiana Agro Industries Limited

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

Place : Chennai
Dated : 26th May, 2014

"NOTE" FORMING PART OF THE BALANCE SHEET & STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH,2014

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Note No. - 1		
SHARE CAPITAL		
Authorised Shares		
a) 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
b) 100,000 Preference Shares of Rs.10 each (Previos year 100,000 Preference shares of Rs.10 each)	1,000,000	1,000,000
	50,000,000	**50,000,000**
ISSUED SHARE CAPITAL		
4,600,000 Equity Shares of Rs.10 each	46,000,000	46,000,000
(Previous year 4,600,000 Equity Shares of Rs.10 each)	**46,000,000**	**46,000,000**
SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL		
4,571,900 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
	45,859,500	**45,859,500**

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

	31.03.2014		31.03.2013	
	Nos	Rs.	Nos	Rs.
Outstanding at the beginning of the year	4,585,950	45,859,500	4,585,950	45,859,500
Add : Shares issued during the year	-	-	-	-
Less: Shares bought Back during the year	-	-	-	-
Outstanding at the end of the year	**4,585,950**	**45,859,500**	**4,585,950**	**45,859,500**

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

The Company has one class of Eqity 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 meetintg.

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

	31.03.2014		31.03.2013	
	Nos.	%	Nos.	%
Equity shares of Rs.10 each				
Serengeti Holdings Pvt. Ltd.	**1,175,680**	**25.56%**	**1,175,680**	**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 owerships of shares.

Note No. - 2
Reserves and Surplus

Capital Reserve		
Opening Balance	1,500,000	1,500,000
Add : additions	-	-
Less : Deletions	-	-
Closing Balance	**1,500,000**	**1,500,000**
Surplus / (deficit) in the Statement of Profit & Loss		
Balance at the beginning of the year	(21,701,188)	(22,109,400)
Profit for the Year	170,668	408,212.
Closing Balance	(21,530,520)	(21,701,188)
Total reserves and surplus	**(20,030,520)**	**(20,201,188)**

Note No. - 3
Short - Term Provisions

Audit Fee Payable	28,090	28,090
Directors Sitting Fee	12,250	12,250
Others	-	3,934
Director remuneration Payable	-	-
	40,340	**44,274**

NOTE NO -"4" Fixed Assets Statement Forming Part of Balance Sheet as at 31st March 2014

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2013	Additions	Deletions	Total as on 31.03.2014	As on 31.03.2013	For the year	As on 31.03.2014	As On 31.03.2014	As On 31.03.2013
FAX MACHINE	13,500	-	-	13,500	8,122	641	8,763	4,737	5,378
TOTAL	13,500	-	-	13,500	8,122	641	8,763	4,737	5,378
PREVIOUS YEAR'	517,536	-	-	517,536	488,781	23,377	512,158	5,378	28,755

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Note No. - 5		
Long - Term Loans and Advances		
(Unsecured, Considered good)		
(a) Secured Deposit	-	-
(b) Other Loans	15,000,000	22,700,000
	15,000,000	**22,700,000**
Note No. - 6		
Cash and Cash Equivalents		
Balance with Banks (Including auto sweep account of Rs.9,440,000 (Previous year Rs.1,290,000 and accrued interest of Rs.112,035 (Previous year Rs.25,070)	9,720,131	1,496,935
Casn hand	33,734	269,886
	9,753,865	**1,766,821**

Note No. - 7		
Other Current Assets		
Rental Advance	5,000	5,000
TDS Receivable (net of provisions for income tax)	1,105,718	1,216,877
Others	-	8,510
	1,110,718	**1,230,387**
Note No. - 8		
Other Income		
Interest from Diadem Enterprises (Includes TDS Rs.175,668/- P.Y. 2,27,004/-)	1,756,668	2,270,004
Interest from Bank Deposits	551,416	45,666
Interest on Income Tax Refund	14,756	22,746
	2,322,840	**2,338,416**
Note No. - 9		
Employee Benefits Expenses		
Salary	360,000	3,45,000
Directors Remuneration	660,000	660,000
	1,020,000	**1,005,000**
Note No. - 10		
Depreciation and Amortization Expenses		
Depreciation	641	23,377
Note No. - 11		
Other Expenses		
Audit Fee - Statutory Auditor	28,090	28,090
Advertisement	288,114	369,461
Bank Charges	-	10,372
Listing Fee	42,262	57,675
Miscellaneous Expenses	-	360
Office Maintenance	69,455	33,030
Postage & Courier Charges	233,197	156,285
Printing & Stationery	137,075	26,627
Professional Charges	49,500	47,820
Rates and Taxes	8,760	-
Rent	18,000	18,000
ROC Filing Fees	9,690	-
Share Registrar Charges	20,225	40,450
Telephone Expenses	1,761	13,561
Travelling Expenses	4,500	4,000
	910,629	**805,731**

Note No. "11"- SIGNIFICANT ACCOUNTING POLICIES

I). Accounting Policies

a) 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.

b) 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.

c) 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.

d) Investments : NIL

e) 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 to financial statements

1. The Company has given unsecured loan of Rs.2,27,00,000 in September 2009 to M/s Diadem Enterprises Private Limited. An amount of Rs.77,00,000 has been repaid during the year and the balance as on 31.03.201 is Rs.1,50,00,000. 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 polices 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 Unsecured Loan given an Interest on Fixed deposits are accounted on accrual basis.

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 31.03.2014

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-2014	31-Mar-2013
1	Profit (loss) after Tax as per Profit & Loss Account	170,668	4,08,212
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	0.04	0.09

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 % p.a. and the company has received back an amount of RS.77,00,000 during the financial year 2013-14 whose balance as on 31 March 2014 is Rs.1,50,00,000. 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 in earlier years. 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 rental agreement has expired on 30.06.2013 and the company is in process to renew the agreement.

e) 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.)	
f)	Details of remuneration to Auditors (Inclusive of Service Tax)	31.03.2014	31.03.2013
	a. For Statutory Audit & Review	28,090	28,090

g) 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.

h) Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

Signature to the Balance Sheet as at 31.03.2014, Profit & Loss Account and cash Flow statement for the year ended on that date and Schedules 1 to 12.

For **SUNDARAM & NARAYANAN**
Chartered Accountants

For Ashiana Agro Industries Ltd

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

Place : Chennai
Dated : 26th May, 2014

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	**Registration Details**	
	Registration No.	**5461**
	State Code No.	**17**
	Balance Sheet Date	**31.03.2014**
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	**25869**
	Total Assets	**25869**
	SOURCE OF FUNDS :	
	Paid-up Capital	**45860**
	Reserves & Surplus	**(20031)**
	Secured Loans	**NIL**
	Unsecured Loans	**NIL**
	APPLICATION OF FUNDS :	
	Net Fixed Assets	**5**
	Investments	**15000**
	Net Current Assets	**10825**
	Misc. Expenditure	**NIL**
	Accumulated Losses	**NIL**
IV.	**Performance of Company**	
	Total Turnover & Other Income	**2323**
	Total Expenditure	**1931**
	Profit/(Loss) Before Tax	**392**
	Profit/(Loss) After Tax	**171**
	Earning Per Share in Rs.	**0**
	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/-	**Sd/-**	**Sd/-**	**Sd/-**
(K.Meenatchi Sundaram)	**(Radesh Rangarajan)**	**(Pavan Kr. Reddy)**	**(EDM Menon)**
Partner	**Additional Director**	**Whole Time Director**	**Company Secretary**

Place : Chennai
Dated : 26th May, 2014

BOOK - POST

If undeliveared 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 2014
3. Type of Audit Qualification : Subject to

4. Frequency of qualification : Appeared for the second time for the Financial Year ended 31.3.2014. The same 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 directors report.

   In Note No.II (1) of the Significant accounting policies, the auditors have stated that an Unsecured Loan of Rs.150.00 lacs given to M/sDiadem 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 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. 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 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 186 of the Companies' Act,2013 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 186 of the Companies' Act, 2013.

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

   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. The Company also taken approval of shareholders through Special

ASHIANA AGRO INDUSTRIES LTD. AAIL

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. Bboth these resolutions authorized the Board to make loans to the maximum extent of Rs.230.00 Lacs and Rs.150.00 lacs which is the current loan amount is perfectly within the limit approved by the Shareholders. 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.

ASHIANA AGRO INDUSTRIES LTD. AAIL

PAVAN KUMAR REDDY
WHOLE TIME DIRECTOR
ASHIANA AGRO INDUSTRIES LTD.

For SUNDARAM & NARAYANAN
Chartered Accountants

SUNDARAM & NARAYANAN
CHARTERED ACCOUNTANTS

K. MEENATCHI SUNDARAM
Partner

ASHIANA AGRO INDUSTRIES LTD. AAIL

RADESH RANGARAJAN
CHAIRMAN, AUDIT COMMITTEE
ASHIANA AGRO INDUSTRIES LTD.

Date : 12/08/2014
Place : Chennai