

**ANNUAL REPORT 2018-19****BOARD OF DIRECTORS**

Ashok C. Shah	Managing Director
Shalin A. Shah	Director
Chandrakant N. Chauhan	Independent Director
Daxaben M. Shah	Independent Director

**AUDITORS**

M/s. GMCA & Co.  
101, "Parishram", 5-B, Rashmi Society,  
Nr. L.G. Showroom, Mithakhali Six Roads,  
Navrangpura, Ahmedabad-380009  
Email: gmca1973@gmail.com  
Phone No. 079-40037372

**REGISTERED OFFICE**

7<sup>th</sup> Floor, Ashoka Chambers,  
Opp. HCG Hospital,  
Mithakhali Six Roads,  
Ahmedabad – 380006

**Contact Details:**

Tel Ph: 079 2646 3227  
Email Id: ashnishalimited@gmail.com  
Website: www.ashnisha.in

**REGISTRAR & SHARE TRANSFER AGENTS**

Purva Shareregistry (India) Pvt. Ltd.  
Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt,  
J. R. Boricha Marg, Lower Parel East,  
Mumbai, Maharashtra 400011

**COMPANY SECRETARY**

Ms. Dimpal J. Solanki

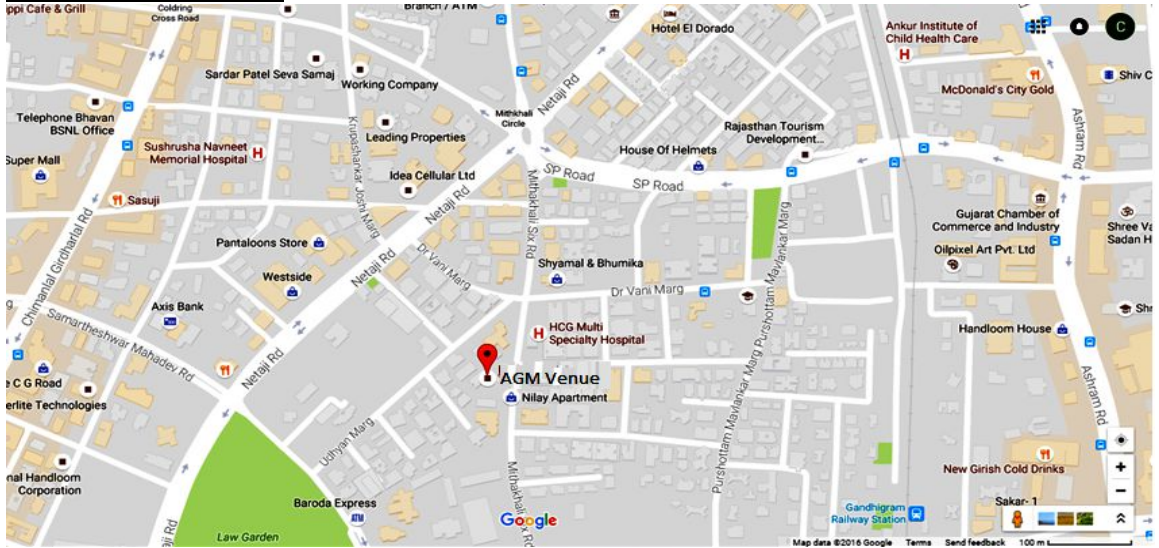
**CHIEF FINANCIAL OFFICER**

Mrs. Payal H. Donga (24/04/2019 – 31/07/2019)

**SECRETARIAL AUDITOR**

Chintan K. Patel  
Practicing Company Secretary  
16, Aarasuri Society,  
Nava Vadaj,  
Ahmedabad – 380013

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**ROAD MAP TO AGM VENUE****Annual General Meeting location**

7<sup>th</sup> Floor, Ashoka Chambers,  
Opp. HCG Hospital,  
Mithakhali Six Roads,  
Ahmedabad - 380006  
Gujarat

**NOTICE**

Notice is hereby given that **Annual General Meeting of Ashnisha Industries Limited** will be held at the registered office of the Company on Saturday, 28<sup>th</sup> Day of September, 2019 at 12:00 noon to transact following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2019 including audited Balance Sheet as at 31<sup>st</sup> March, 2019 and Statement of Profit and Loss and the cash flow statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To re-appoint Mr. Shalin A. Shah (DIN: 00297447), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****3. Approval of Related Party Transaction.**

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

**“RESOLVED THAT**, pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such amendments as may be made therein, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into transactions with Rhetan Rolling Mills Private Limited, the Related Party as defined under the Act for purchase/sale of goods, services and/or any other business activities up to Rs. 15 Crores for the financial year 2019-20.”

**“RESOLVED FURTHER** that Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of the Company be and is hereby authorised to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this resolution.”

**4. Approval of Related Party Transaction.**

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

**“RESOLVED THAT**, pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such amendments as may be made therein, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into transactions with Ashoka Metcast Limited, the Related Party as defined under the Act for purchase/sale of goods, services and/or any other business activities up to Rs. 15 Crores for the financial year 2019-20.”

**“RESOLVED FURTHER** that Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of the Company be and is hereby authorised to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this resolution.”

**5. Approval of Related Party Transaction.**

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

**“RESOLVED THAT**, pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such amendments as may be made therein, the approval of

the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into transactions with Lesha Industries Limited, the Related Party as defined under the Act for purchase/sale of goods, services and/or any other business activities up to Rs. 15 Crores for the financial year 2019-20."

**"RESOLVED FURTHER** that Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of the Company be and is hereby authorised to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this resolution."

**6. Insertion of new object in the object clause of Memorandum of Association of the Company.**

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 and pursuant to the Companies (Incorporation) Rules, 2014 and subject to all the applicable laws and regulations (including any statutory modifications or re-enactment thereof, for the time being in force), the approval of the Members be and is hereby granted for insertion of new objects in the Main Object Clause of the Memorandum of Association of the Company by inserting Clause no. III (A) (5) as under:

5. To carry on the business as manufacturers, formulators, processors, producers, makers, buyers, sellers, re-sellers, importers, exporters, distributors, suppliers, fermentators, distillers, refiners, stockiests, agents, merchants, of and dealers in all types, sizes and kinds of chemical compounds (organic and inorganic) in all forms (solid, liquid and gaseous) and of all kinds of organic heavy chemicals, acids, alkalies, tannin extracts solvents, dye stuffs, dyes, intermediates, bulk drugs and its intermediates colour, chemical auxiliaries, biochemicals, and its related preparations, articles and products either in or outside India.

**"RESOLVED FURTHER** that for the purpose of giving effect to this resolution, any Director of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution."

**7. Divestment of equity shares held by the Company in EZI Ventures Pvt. Ltd.**

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a Special Resolution:

**"RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013, and Regulation 24 (5) of the SEBI (LODR) Regulations, 2015, including any statutory modification or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to dilute the Company's holding of 28,50,000 (64.63%) equity stake in EZI Ventures Private Limited ('the subsidiary Company') in one or more tranches, subject to such other approvals, consents, permissions, sanctions of any authorities as may be necessary to the Company to dilute the Company's equity stake."

**"RESOLVED FURTHER THAT** Mr. Shalin A. Shah, Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary and to file necessary e-Form(s) with Ministry of Corporate Affairs and to execute all such documents, instruments and writings as may be required in this connection for the purpose of giving effect to the aforesaid resolution."

**For and on behalf of the Board**

**Place: Ahmedabad**

**Date: August 14, 2019**

**SD/-**

**Shalin Shah**

**Director**

**DIN: 00297447**

**Annexure to the Notice of Annual General Meeting**  
**Details of Directors seeking Appointment/Reappointment in Annual General Meeting**

Name of the Director	<b>Shalin A. Shah (DIN: 00297447)</b>
Age (Yrs.)	46 Years
Date of Birth	31/08/1973
Date of first appointment on the Board	27 <sup>th</sup> July, 2009
The no. of Meetings of the Board attended during the year	Five
Brief Resume and expertise	He completed his Civil Engineering from L.D. Engineering College, Ahmedabad. He has more than 21 years' experience in various fields like trading, real estate, oil and gas exploration etc. and has vast exposure into the fields of management, economics, bookkeeping, information technology and legal. He has been guiding strength behind the enlargement and business strategy of our Company.
Designation	Director
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Audit Committee and Nomination and Remuneration Committee
No. of Shares held in the Company	398621
Directorship in Other Listed Company	<ul style="list-style-type: none"> <li>• Gujarat Natural Resources Limited</li> <li>• Ashoka Metcast Limited</li> <li>• Lesha Industries Limited</li> </ul>
Related to other directors	Mr. Shalin Shah and Mr. Ashok C. Shah are related as Son-Father. No other directors are related inter se.

**Explanatory Statement as required under Section 102 of the Companies Act, 2013.**

**Item No. 3 to the Notice**

The Audit Committee and the Board of Directors of the Company, at their respective meetings held on 14<sup>th</sup> August, 2019 has approved a proposal for entering into following related party transactions:

Name of Related Party	Rhetan Rolling Mills Private Limited
Name of Related Director or KMP	Mr. Ashok C. Shah, Mr. Shalin A. Shah
Nature of relationship	Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of Ashnisha Industries Limited are also the Directors of Rhetan Rolling Mills Private Limited.
Material terms, monetary value and particulars of the contract or arrangement;	The transaction between the parties will be in the nature of purchase/sale of goods, services and/or any other business activities. The amount of the transaction shall be up to Rs. 15 Crores and the same has to be paid as per the terms agreed by both the parties.
The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the market value of the goods and shall be at arm's length.

Any other information relevant or important for the members to take a decision on the proposed resolution	N.A.
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The transaction is Related Party Transaction and in terms of Section 188 of the Companies Act, 2013 and regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable rules there under requires prior approval of the Shareholders by way of Special Resolution is required.

Accordingly, your directors recommend the resolution at Item No. 3 for approval as Special resolution as set out in the notice of the meeting

Except Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of the Company; Mrs. Leena A. Shah, Relative of Director; Ashoka Metcast Limited, Rhetan Rolling Mills Private Limited and Lesha Ventures Private Limited, Companies in which Director of the Company are Director/Member, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs are concerned or interested in the Resolution.

#### **Item No. 4 of the Notice**

The Audit Committee and the Board of Directors of the Company, at their respective meetings held on 14<sup>th</sup> August, 2019 has approved a proposal for entering into following related party transactions:

Name of Related Party	Ashoka Metcast Limited
Name of Related Director or KMP	Mr. Ashok C. Shah, Mr. Shalin A. Shah
Nature of relationship	Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of Ashnisha Industries Limited are also the Director and Managing Director of Ashoka Metcast Limited respectively.
Material terms, monetary value and particulars of the contract or arrangement;	The transaction between the parties will be in the nature of purchase/sale of goods, services and/or any other business activities. The amount of the transaction shall be up to Rs. 15 Crores and the same has to be paid as per the terms agreed by both the parties.
The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the market value of the goods and shall be at arm's length.
Any other information relevant or important for the members to take a decision on the proposed resolution	N.A.

The transaction is Related Party Transaction and in terms of Section 188 of the Companies Act, 2013 and regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable rules there under requires prior approval of the Shareholders by way of Special Resolution is required.

Accordingly, your directors recommend the resolution at Item No. 4 for approval as Special resolution as set out in the notice of the meeting

Except Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of the Company; Mrs. Leena A. Shah, Relative of Director; Ashoka Metcast Limited, Rhetan Rolling Mills Private Limited and Lesha Ventures Private Limited, Companies in which Director of the Company are Director/Member, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs are concerned or interested in the Resolution.

#### **Item No. 5 of the Notice**

The Audit Committee and the Board of Directors of the Company, at their respective meetings held on 14<sup>th</sup> August, 2019 has approved a proposal for entering into following related party transactions:

Name of Related Party	Lesha Industries Limited
Name of Related Director or KMP	Mr. Ashok C. Shah, Mr. Shalin A. Shah
Nature of relationship	Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of Ashnisha Industries Limited are also the Managing Director and Director of Lesha Industries Limited respectively.
Material terms, monetary value and particulars of the contract or arrangement;	The transaction between the parties will be in the nature of purchase/sale of goods, services and/or any other business activities. The amount of the transaction shall be up to Rs. 15 Crores and the same has to be paid as per the terms agreed by both the parties.
The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the market value of the goods and shall be at arm's length.
Any other information relevant or important for the members to take a decision on the proposed resolution	N.A.

The transaction is Related Party Transaction and in terms of Section 188 of the Companies Act, 2013 and regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable rules there under requires prior approval of the Shareholders by way of Special Resolution is required.

Accordingly, your directors recommend the resolution at Item No. 5 for approval as Special resolution as set out in the notice of the meeting

Except Mr. Ashok C. Shah, Managing Director and Mr. Shalin A. Shah, Director of the Company; Mrs. Leena A. Shah, Relative of Director; Ashoka Metcast Limited, Rhetan Rolling Mills Private Limited and Lesha Ventures Private Limited, Companies in which Director of the Company are Director/Member, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs are concerned or interested in the Resolution.

#### **Item No. 6 of the Notice**

The Company wants to include the objects related to trading of chemicals and other ancillary products in its Main Object Clause of the Memorandum of Association. As per Section 13 of the Companies Act, 2013 and other applicable provisions of the Act if any, consent of the Members is required by way of Special resolution to insert new objects in the Memorandum of the Company.

Accordingly, your directors recommend the resolution at Item No. 6 for approval as Special resolution as set out in the notice of the meeting.

A copy of the amended Memorandum of Association of the Company (MOA) would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturday and Sunday, between 11:00 a.m. to 1:00 p.m.

None of the Directors, Key Managerial Persons or their relatives, are in any way, concerned or interested in the said resolution.

#### **Item No. 7 of the Notice**

The Company had acquired 28,50,000 (64.63%) equity shares of EZI Ventures Pvt. Ltd. The Board of Directors at this instance feels that unlocking of value can help Company to invest in other beneficial ventures/projects. For this reason, the Board of Directors of the Company have proposed the dilution of its equity holding of EZI Ventures Pvt. Ltd. i.e. 64.63% in one or more tranches, subject to the approval of members of the Company as proposed in the resolution.

The Board recommends the resolution as set out in Item No. 7 of the accompanying notice for the approval of the members of the Company to be passed as a Special Resolution.

None of the Directors/ Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in passing the resolution set out at Item No.7 except to the extent of their shareholding in the Company, if any.

**Place: Ahmedabad**  
**Date: August 14, 2019**

**For and on behalf of the Board**

**SD/-**  
**Shalin Shah**  
**Director**  
**DIN: 00297447**

**NOTES:**

1. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of commencement of the meeting.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and share transfer books of the Company will remain closed from 25<sup>th</sup> September, 2019 to 28<sup>th</sup> September, 2019 (both days inclusive).
6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting. Shareholders seeking any information with regards to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
8. Updation of Email Id: The Shareholders are requested to intimate their Email Id to the Company or update their email registered with Depository Participants, if the same is changed.
9. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director, are also annexed.
10. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. [www.ashnisha.in](http://www.ashnisha.in).
11. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/RTA. The registered e-mail address will be used for sending future communications. Members whose email ids are already registered may update the changes therein, if any.



12. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers, etc. to their Depository Participant (DP) only, and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.
13. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address / name, etc. to the Company's Registrar & Share Transfer Agent, quoting their Registered Folio Number.
14. Members holding shares in physical form are requested to consider converting their shareholding in dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Further, SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated no physical shares are allowed to be transferred (except in case of transmission or transposition of Shares) unless the securities are held in the dematerialized form. Shareholders holding shares in physical form are requested to dematerialize their shareholding in the Company to avoid hassle in transfer of shares. Members can contact the Company or the Company's Registrar & Share Transfer Agent for assistance in this regard.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's Registrar & Share Transfer Agent.

**16. Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and in terms of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

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. The voting rights of Members shall be in the proportion of their shareholding in the Company as on Cut-off Date. The Company has appointed Mr. Chintan Patel, Practicing Company Secretary, Ahmedabad, as the Scrutinizer, to scrutinize the entire voting process including remote e-Voting in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on <September 25, 2019, 9:00 a.m.> and ends on < September 27, 2019, 5:00 p.m.> During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 21, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
<p>Dividend Bank Details</p> <p><b>OR</b></p> <p>Date of Birth (DOB)</p>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for **Ashnisha Industries Limited**.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.

#### I. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the Cut-off Date i.e. September 21, 2019, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/she is already registered with CDSL for remote e-Voting then he/she can use his/ her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at the Toll Free No.: 1800-200-5533.
- V. A person, whose name is recorded in the Register of Members or in the list of Beneficial Owners maintained by the Depositories as on Cut-off Date only shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting through Polling Paper.
- VI. The result of voting at the Meeting including remote e-Voting shall be declared after the Meeting but not later than Forty Eight Hours of the conclusion of the Meeting.
- VII. The result declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company [www.ashnisha.in](http://www.ashnisha.in) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed.
17. For any further assistance, you may contact Mr. Shalin A. Shah, Director at Telephone No. (079) 2646 3227 or at E-mail Id: [ashnishalimited@gmail.com](mailto:ashnishalimited@gmail.com). Address: 7<sup>th</sup> Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad - 380006.

To,  
The Members,

Your Directors have pleasure in presenting their **Annual Report** on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2019.

**1. FINANCIAL SUMMARY/HIGHLIGHTS OF PERFORMANCE OF THE COMPANY:**

Particulars	Financial Results		
	Year ended 31/03/2019		Year ended 31/03/2018
	Standalone	Consolidated	Standalone
Total Revenue	2,67,85,500	74,84,82,306	11,83,45,497
Expenditure	2,70,77,723	66,50,79,678	11,82,28,639
Depreciation	1,02,432	4,09,78,083	1,01,594
Profit/(Loss) before Tax	(3,94,655)	4,24,24,545	(65,82,166)
Current Tax	-	53,65,120	-
Deferred Tax	-	31,60,487	-
<b>Profit/(Loss) after Tax</b>	<b>(3,94,655)</b>	<b>4,02,19,912</b>	<b>(65,82,166)</b>

The Company has prepared the Standalone and Consolidated Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

**2. PERFORMANCE:**

The Company has managed to earn reasonable amount of revenue during the year under review. The Management of the Company is incessantly taking efforts for the growth of the Company.

**3. DIVIDEND:**

Due to loss during the year, the Company is not able to declare Dividend.

**4. TRANSFER TO RESERVE:**

Reserves & Surplus at the end of the year stood at Rs. 9,12,46,261/- as compared to Rs. 9,16,40,916 /- at the beginning of the year.

**5. SHARE CAPITAL:**

At present, the Company has only one class of shares – equity shares with face value of Rs.10/- each. The authorized share capital of the company is Rs. 3,07,00,000/- divided into 30,70,000 equity shares of Rs. 10/- each. The paid up share capital of the company as on March 31, 2019 was Rs. 3,01,87,640/- divided into 3018764 equity shares of Rs. 10/- each.

**6. DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

During the period under review, a number of energy conservation initiatives were adopted and were taken by the Company. There are no plans to bring in any sort of technology for the project and hence information regarding its assimilation is not applicable. There was no study activities carried out during the year as well as no foreign exchange proceeds or outgo during the year.

**8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no such material changes occurred ensuing to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the economic position of the Company.

**9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:**

During the year under review, there were no significant material orders passed by the Regulators/courts and no litigation was outstanding as on March 31, 2019, which would impact the going concern status and future operations of your Company.

**10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

During the year, the Company acquired 20,50,000 (46.49%) equity shares of EZI Ventures Pvt. Ltd. which together with existing holding of 8,00,000 (18.14%) equity shares tantamount to holding 28,50,000 (64.63%) equity shares of EZI Ventures Pvt. Ltd. Subsequent to the said acquisition, EZI Ventures Pvt. Ltd. became a subsidiary of the Company.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with Rule 8 (1) of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of your Company's Subsidiary in Form AOC-1 is attached to the Financial Statements.

There are no Joint Ventures/Associate Companies.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:**

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

**12. MEETING OF BOARD OF DIRECTORS:**

During the year under the review, 4 (Four) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder. The Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013. During the financial year 2018-19, 5 (Five) Board Meetings were held on 02/05/2018, 13/08/2018, 16/08/2018, 05/11/2018 and 14/02/2019 and all the directors were present during the said meetings.

Sr. No.	Date of Board Meeting held during the year	Name of Directors attended the Meeting			
1.	02/05/2018	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
2.	13/08/2018	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
3.	16/08/2018	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
4.	05/11/2018	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
5.	14/02/2019	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah

**13. EXTRACTS OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT-9 is attached herewith as ANNEXURE-II.

**14. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company with a Net Worth of Rs. 500 Crores or more or an annual turnover of Rs. 1000 Crores or more or with a net profit of Rs. 5 Crores or more is required to constitute a CSR Committee. At present, the Company is not required to form a CSR Committee in this regards as none of the above referred limits have been triggered.

**15. INSURANCE:**

All the Properties of the Company are adequately insured.

**16. RELATED PARTY TRANSACTIONS:**

There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required.

**17. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Shalin A. Shah (DIN: 00297447) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

The Company had, pursuant to the provisions of Regulation 17 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges, Mrs. Daxaben M. Shah (DIN: 08054390), and Mr. Chandrakant N. Chauhan (DIN: 08057354), as an Independent Directors of the Company during the year under review.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

As required under Section 203 of the Companies Act, 2013, the Company has Mr. Ashok C. Shah (Managing Director) and Ms. Dimpal J. Solanki (Company Secretary) under the key managerial personnel of the Company. Further, Company had appointed Ms. Payal H. Donga as Chief Financial Officer w.e.f. 24<sup>th</sup> April, 2019. Mrs. Payal H. Donga resigned from the post of CFO w.e.f. 31<sup>st</sup> July, 2019.

**18. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

The following were the Evaluation Criteria:

- |                                |   |
|--------------------------------|---|
| (a) For Independent Directors: | (b) For Executive Directors:  |
| - Knowledge and Skills         | - Performance as Team Leader/Member.                                    |
| - Professional conduct         | - Evaluating Business Opportunity and analysis of Risk Reward Scenarios |
| - Duties, Role and functions   | - Key set Goals and achievements  |
|                                | - Professional Conduct, Integrity                                       |
|                                | - Sharing of Information with the Board                                 |

The Directors expressed their satisfaction with the evaluation process.

**19. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director. No remuneration is paid to any of the Directors of the Company.

**20. MANAGERIAL REMUNERATION:**

The Company had not paid any remuneration to Executive Directors or any sitting fees to Non-Executive Directors for attending any meetings during the financial year ended 31<sup>st</sup> March, 2019.

**21. INDEPENDENT DIRECTORS' MEETING**

Independent Director of the Company had met during the year under review. The meeting of the same was held on March 25, 2019.

**22. COMMITTEES OF THE BOARD:**

As per the requirement of the Companies Act, 2013 read with Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 various Board committees have been formed for better governance and accountability viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee.

The terms of reference of each committee are determined by the Board as per the requirement of law and their relevance is reviewed from time to time.

1. **AUDIT COMMITTEE:** As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference of this committee covers matters specified under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

Main areas are deliberated as under.

- To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with IND-AS in all material aspects.
- To consider and review the adequacy of internal control including computerized information system controls an periodically to the Board of Directors on significant activities.

The Constitution of the committee and the attendance of each member of the committee are given below:

The Committee comprises of three Directors. All members of the Audit Committee are financially literate. In the financial year 2018-19, audit committee meetings were held on 13<sup>th</sup> August, 2018; 5<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. Composition of committee as on 31<sup>st</sup> March, 2019 and member's attendance at the meetings during the year are as under:

Sr.	Name & DIN of the Director	Status	Category
1	Mr. Chandrakant N. Chauhan	Chairman	Non-Executive Independent Director
2	Mrs. Daxaben M. Shah	Member	Non- Executive Independent Director
3	Mr. Shalin A. Shah	Member	Non-Executive Director

**Attendance of each member of the Audit Committee:**

Committee Members	Meetings held	Meetings attended
Mr. Chandrakant N. Chauhan	3	3
Mrs. Daxaben M. Shah	3	3
Mr. Shalin A. Shah	3	3

2. **NOMINATION AND REMUNERATION COMMITTEE:**

The Company is having a Nomination and Remuneration Committee comprising of following Directors:

Sr.	Name & DIN of the Director	Status	Category
1	Mrs. Daxaben M. Shah	Chairperson	Non- Executive Independent Director
2	Mr. Shalin A. Shah	Member	Non- Executive Director
3	Mr. Chandrakant N. Chauhan	Member	Non- Executive Independent Director

**Attendance of each member of the Nomination and Remuneration Committee:**

Committee Members	Meetings held	Meetings attended
Mrs. Daxaben M. Shah	1	1
Mr. Shalin A. Shah	1	1
Mr. Chandrakant N. Chauhan	1	1

**3. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company is having a Stakeholders Relationship Committee comprising of following Directors:

Sr.	Name & DIN of the Director	Status	Category
1	Mrs. Daxaben M. Shah	Chairperson	Non- Executive Independent Director
2	Mr. Ashok C. Shah	Member	Non- Executive Director
3	Mr. Chandrakant N. Chauhan	Member	Non- Executive Independent Director

**Attendance of each member of the Stakeholders Relationship and Share Transfer Committee:**

Committee Members	Meetings held	Meetings attended
Mrs. Daxaben M. Shah	4	4
Mr. Ashok C. Shah	4	4
Mr. Chandrakant N. Chauhan	4	4

**23. AUDITORS:****A. Statutory Auditors**

In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014 as amended, M/s. GMCA & Co., Chartered Accountants, Ahmedabad (Firm Registration No.109850W) was appointed as Statutory Auditors of the Company for a consecutive period of 5 (Five) years from the conclusion of Annual General Meeting in the year 2017 till the conclusion of the Annual General Meeting to be held in the year 2022.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. GMCA & Co., Chartered Accountants as the Auditors of the Company, by the Members at the ensuing AGM.

The Company has received a certificate from M/s. GMCA & Co., Chartered Accountants, confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

The Report given by the M/s. GMCA & Co., Auditors on the financial statements for March 2019 of the Company is part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**B. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Chintan K. Patel, Practicing Company Secretary, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is self-explanatory and therefore do not call for any further comments and annexed herewith as **Annexure IV**.

**24. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:**

In terms of Section 134 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditors report to the Audit Committee of the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system, its compliance with operating systems, accounting procedures and policies in the Company. Based on the report of internal audit function, process owners undertake counteractive action in their respective areas and thereby further strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee from time to time. The Company has in place adequate internal financial



controls commensurate with the size and scale of the operations of the Company. During the period under review, such controls were tested and no reportable material weakness in the design or operations were observed. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

**25. RISK MANAGEMENT:**

The Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation and Technological Changes. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

**26. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

In accordance with Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

**27. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has assigned the responsibilities to Audit Committee. During the year, no complaint with allegations of sexual harassment was filed with the Company.

**28. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Report on Management Discussion and Analysis Report as required under SEBI (LODR) Regulations, 2015 is included in this Report. Certain statements in the said report may be forward looking. Many aspects may affect the actual results, which could be different from what the Directors predict in terms of the future performance and outlook.

**29. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

The Company has adopted and amended Code of Conduct for prevention of Insider Trading pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from 14<sup>th</sup> February, 2019.

**30. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that-

- i. In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2019 and of the profit and loss of the company for that period;
- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- iv. The directors had prepared the annual accounts on a going concern basis;
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**31. CORPORATE GOVERNANCE:**

The compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V shall not apply for the financial year 2018-19 to the listed entity as the paid up equity share capital does not exceed rupees ten crore and the net worth does not exceed rupees twenty five crore, as on the last day of the previous financial year i.e. on 31<sup>st</sup> March, 2019. Therefore, at present, the Company is not required to comply with Corporate Governance regulations as the above referred limits have not been triggered.

**32. CORPORATE GOVERNANCE CERTIFICATE – NON APPLICABILITY:**

The Certificate of the non applicability of submission of Report on Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the report on Corporate Governance, herewith attached as **Annexure V**.

**33. GENERAL SHAREHOLDER INFORMATION:**

General Shareholder Information is given in Report part of the Annual Report.

**i. Annual General Meeting:**

Date: 28<sup>th</sup> September, 2019

Time: 12:00 noon

Address: 7<sup>th</sup> Floor, Ashoka Chambers, Opp. HCG Hospital, Mithakhali Six Roads, Ahmedabad – 380006

**ii. Calendar of Financial year ended 31<sup>st</sup> March, 2019**

First quarter results: 13<sup>th</sup> August, 2018

Second quarter and half yearly results: 5<sup>th</sup> November, 2018

Third quarter results: 14<sup>th</sup> February, 2019

Fourth quarter results: 22<sup>nd</sup> May, 2019

**iii. Tentative calendar for financial year ending 31<sup>st</sup> March, 2020**

Unaudited results for the quarter ended 30/06/2019	Second week of August, 2019
Unaudited results for the quarter ended 30/09/2019	Second week of November, 2019
Unaudited results for the quarter ended 31/12/2019	Second week of February, 2020
Audited results for the quarter ended 31/03/2020	Fourth week of May, 2020
Annual general meeting for the year ended 31 <sup>st</sup> March, 2020	September, 2020

**iv. Date of Book Closure:**

25<sup>th</sup> September, 2019 to 28<sup>th</sup> September, 2019 (both days inclusive) for Annual General Meeting

**v. Registered Office:**

7<sup>th</sup> Floor, Ashoka Chambers, Opp. HCG Hospital, Mithakhali Six Roads, Ahmedabad – 380006

**vi. Equity shares of the Company are listed on BSE Limited**

**Scrip Code:** 541702(BSE), **Scrip ID:** ASHNI, **ISIN:** INE694W01016

**vii. Share Transfer System:**

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, shareholders are requested to take action to dematerialize the equity shares of the Company on time.

viii. Shareholding Pattern as on 31.03.2019 is given below:

Sr. No.	Category	No. of Shares	% of holding
1	Promoters	1083911	35.91
2	Person acting in concert	-	-
3	Government Institutions	-	-
4	FIIIs	95	0
5	NRIs	1356	0.04
6	Bodies Corporate	715563	23.70
7	Others	1217839	40.35
8	<b>Grand Total</b>	<b>3018764</b>	<b>100</b>

ix. **Dematerialisation of Shares and liquidity:**

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that delivery in the Company's shares against Stock Exchange trades became compulsory in demat format. As on 31<sup>st</sup> March, 2019, 2870699 equity shares (95.09%) of the total number of shares have been dematerialized. 100% promoter's shareholding are held in dematerialized form.

x. **Outstanding GDRs/ADRs/Warrants or Conversion instruments, Conversion date and like impact on equity – Not Applicable.**

xi. **Investor's Correspondence:**

For transfer/dematerialization of shares, change of address, change of status of investors, payment of dividend on shares and other query relating to the equity shares of the company:

Purva Sharegistry (India) Private Limited, Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra 400011.

Tel No.:- 022 2301 2518/8261

Email: support@purvashare.com

xii. **Compliance officer of the Company:** Ms. Dimpal J. Solanki, Company Secretary

xiii. **List of all credit rating obtained by the entity during the financial year:** Not Applicable.

**34. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:**

There are no shares lying in the demat suspense account or unclaimed suspense account.

**35. ACKNOWLEDGEMENT:** Your Directors take this opportunity to articulate their appreciation for the generous commitment, dedication, hard work and noteworthy contribution made by employees at all levels in ensuring sustained growth of the Company. Your Directors also earnestly thank to all the stakeholders, customers, vendors, bankers, business associates, government, other statutory bodies and look forward to their persistent assistance, co-operation and support.

**Place: Ahmedabad**  
**Date: August 14, 2019**

**For and on behalf of the Board**

**SD/-**  
**Ashok Shah**  
**Managing Director**  
**DIN: 02467830**

**SD/-**  
**Shalin Shah**  
**Director**  
**DIN: 00297447**

➤ **INDUSTRIAL STRUCTURE AND DEVELOPMENT:**

Steel industry in the country is coming out of the recession and the prospects are very bright for the steel sector in the country. India's economic growth is contingent upon the growth of the Indian steel industry. Robust industrialization and increase in the population have led to the demand for housing, properties, and other commercial developments. On the same note, the government is striving to improve infrastructures like railway, road, and communication. Due to this rise in demand for steel for all these developments, India's Steel Industry is not going down anytime soon. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. India was the third-largest steel producer in the world in 2016 and it is expected to become the second largest steel producer in the world by 2020. The Government has released the National Steel Policy, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The Company is in business of trading of steel products, electronics goods. However Competition in the industry is perpetually escalating and management is taking steps to maintain in the budding high tech market.

➤ **OVERVIEW:**

The Financial Statements have been prepared in compliance with the Indian Accounting Standards (IND-AS) issued by the Institute of Chartered Accountants of India (ICAI) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('IND AS Rules'), of the Companies Act, 2013. The management of the Company accepts responsibility for the integrity and objectivity of these financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profit for the year.

➤ **OPPORTUNITY & THREATS:**

**Opportunities:**

The National Steel Policy 2017 and Domestically Manufactured Iron & Steel Products Policy 2017, has led to huge growth in both production and consumption of steel. The per capita consumption has risen from 69 kgs in 2017-18 to 89 kgs in 2018-19. India has produced 103 Million Tonnes of steel in 2017-18 and will soon become the second largest producer of steel in the world. The capacity of steel production has increased from 138 Million Tonnes in 2017-18 to 158 Million Tonnes in 2018-19. The Government of India's emphasis and commitment to building infrastructure, Make-in-India and Smart City Mission has led to the consumption of steel growing dramatically. These will generate a lot of opportunities for the Company which will ultimately lead to achieve the organisation's set goals.

**Threats:**

In spite of clear signals of recovery today, it is important to keep in mind challenges of the past that plagued the industry. Over the past few years, the global steel industry has been reeling under the pressure of overcapacities, especially on account of those existing in China. With the growth in steel consumption slowing down in China in recent times, the Chinese steel producers have had no option but to rely on exports. This in turn has had an impact on high growth centres of steel consumption in "steel-non-mature" nations such as India. Additionally, depreciation of major currencies has led to a spurt in export by several countries like Russia and Ukraine. It was for these reasons that India saw an influx of imports beginning 2014-15 from several countries, including China. The surge in imports impacted the sentiment of the domestic steel market, with declining capacity utilisation rates of both the primary and secondary steel players. Additionally, erosion of margins, coupled with sluggish demand growth, made the Indian steel investors wary of returns on their investment. However, the Government of India came out proactively to provide a level playing field to Indian companies through imposition of anti-dumping and safeguard duties as well as minimum import prices, wherever injury to the industry was noteworthy.

The Indian Steel Association has continued to highlight the long term distortions that high level of cheap imports bring into the domestic market. Under the new global circumstances that pervade the trade scenario, imposition of Quality Control Order(s) is a step in the right direction by the Ministry of Steel to control imports of seconds and defectives into India, which jeopardise the safety of the Indian end-consumer.

➤ **COMPETITION:**

Competition in the market has strengthened and forced the players to adopt hostile marketing strategy and promotional campaigns to capture and protect their market shares, The Company has the plans to penetrate better in to world market, especially through the patrons retention and business enlargement in the regions which have not been tapped.

Sharp oscillation in value of the Indian Rupee and the increasing inventory prices have put strain on the effectiveness of the Company.

➤ **SEGMENT WISE AND PRODUCT WISE PERFORMANCE:**

Details on segment wise performance of the Company is provided separately in Notes to Accounts.

➤ **RISK AND CONCERN:**

The company has vigorous Risk Management framework that identifies and evaluates business risks and opportunities to guard the interest of stakeholders and shareholders with a view to achieve the business objective successfully. The Risk Management System in the company is a fundamental part of the broad planning, controlling and reporting systems. Risk assessment is undertaken based on probability of occurrence and possible impact on the operation of the company. It reviews, assesses the quality, integrity and effectiveness of the Risk Management plan and systems and ensures that the risk policies and strategies are effectively managed by the management.

However, the changes in the tax laws, Government policies and regulatory requirement might affect the company's business. Uncontrolled variation in price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through price increase and / or could have a negative impact on the demand in the market.

The company closely scrutinize the potential risks and opportunities that arise from Political, Economic & Regulatory environment, Technology Changes, Environment and Competition. We also countered the economic risks with proactive production planning, structural alteration and cost liveness.

➤ **INITIATIVES BY THE COMPANY:**

The Company has taken the following initiatives:

- Concentration on lessening of costs by undertaking precise exercise in diverse fields.
- Concentration on Operational Efficiency and tactical extension.
- Concentration in Increase of Shareholders affluence and revenue of the Company.

The Company is quite convinced that the overall productivity, profitability would improve in a sustainable manner, as an outcome of this strategy.

➤ **OUTLOOK:**

In the recent years, the steel industry has seen crucial precariousness. The profit margins in the industry are under pressure. However, the Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development, productivity improvement and cost reduction exercise. The market outlook is expected to progress, but with a sluggish growth.

➤ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company places significant emphasis and efforts on the internal control systems. The Company has appointed an independent firm of Chartered Accountant for the same with such powers and responsibilities that are required to ensure the adequacy of the internal Control System.

➤ **HUMAN RESOURCE:**

The Company recognizes the value and input of its employees and solemnly gratitude to create a responsive organization with emphasis on performance with responsibility and answerability. Continuous evaluation of the competencies of the personnel in line with job needs is carried out to aid higher levels of output and productivity. Developing skills and capabilities of workforce to improve manpower deployment and labour yield is a key thrust area of Human Resource Management (HRM) in the Company

➤ **HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION:**

Your Company has complied with all the applicable environmental laws and labour laws. The Company has been complying with the pertinent laws and has taking all essential measures to protect the environment. Various programmes have been taken to reduce environmental footprint and enhancement of operational efficiency have led to noteworthy augmentation in environmental parameters as well as techno-economic efficiency

➤ **CAUTIONARY STATEMENT**

The statements in the "Management Discussion and Analysis Report" section portrays the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the connotation of the applicable laws and regulations. The yearly results can be at variance materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other supplementary factors.

➤ **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

In terms of performance, FY 2018-19 has been a reasonable year. Company is focussed on the task on hand in terms of better reliability of operations and more focussed market efforts. Our financial performance reflected the pragmatic operational performance. Although the entity had incurred losses of 3.94 Lakhs, the company had earned Rs. 2.67 crores as revenue from operations. Cash and cash equivalents at the end of year stood at Rs. 12.49 Lakhs.

➤ **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR:**

(i) Debtors Turnover ratio: lower by 72.64%

Explanation: Majorly due to credit policies of the company.

(ii) Debt Equity ratio: lower by 45.44%

Explanation: Majorly due to augmentation of trade payables.

➤ **DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:**

Even though the Company has rational retribution but due to adjustment of past year's losses, your Company fall short to earn significant sum as return on Net Worth. Nevertheless, there was intensification in return on net worth by 99.94% in the financial year 2018-19 as the loss was diminished to some extent.

➤ **DISCLOSURE OF ACCOUNTING TREATMENT**

The Financial statements have been prepared in compliance with the Indian Accounting Standards (Ind AS) issued by The Institute of Chartered Accountants of India (ICAI) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules'), of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

**Place: Ahmedabad**

**Date: August 14, 2019**

**For and on behalf of the Board**

**SD/-**  
**Ashok Shah**  
**Managing Director**  
**DIN: 02467830**

**SD/-**  
**Shalin Shah**  
**Director**  
**DIN: 00297447**

**ANNEXURE – I TO THE DIRECTORS REPORT****FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	<b>2018-19</b>	<b>2017-18</b>
Foreign Exchange Earning	<b>Nil</b>	<b>Nil</b>
Foreign Exchange out go	<b>Nil</b>	<b>Nil</b>

**Place: Ahmedabad**  
**Date: August 14, 2019**

**For and on behalf of the Board**

**SD/-**  
**Ashok Shah**  
**Managing Director**  
**DIN: 02467830**

**SD/-**  
**Shalin Shah**  
**Director**  
**DIN: 00297447**

**ANNEXURE – II TO THE DIRECTORS REPORT**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U74110GJ2009PLC057629
2.	Registration Date	27 <sup>th</sup> July, 2009
3.	Name of the Company	Ashnisha Industries Limited
4.	Category/Sub-category of the Company	Company limited by shares and Indian Non-Government Company
5.	Address of the Registered office & contact details	7 <sup>th</sup> Floor, Ashoka Chambers, Opp. HCG Hospital, Mithakhali Six Roads, Ahmedabad-380006.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Pvt. Ltd. Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra 400011 Contact No. : 022 2301 8261/6761

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Trading of Steel	46620	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NO HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	EZI Ventures Private Limited	U64204GJ2008PTC054950	Subsidiary	64.63%	2 (87)(ii)



## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

## A) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year as on 1 <sup>st</sup> April, 2018				No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	643530	NIL	643530	21.32	643530	NIL	643530	21.32	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	440381	NIL	440381	14.59	440381	NIL	440381	14.59	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other Foreign Individual	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>1083911</b>	<b>NIL</b>	<b>1083911</b>	<b>35.91</b>	<b>1083911</b>	<b>NIL</b>	<b>1083911</b>	<b>35.91</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	NIL	95	95	0.00	NIL	95	95	0.00	NIL
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>95</b>	<b>95</b>	<b>0.00</b>	<b>NIL</b>	<b>95</b>	<b>95</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	632981	2743	635724	21.06	712820	2743	715563	23.70	2.64
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	547023	164750	711773	23.58	522638	145226	667864	22.12	(1.46)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	567927	NIL	567927	18.81	537757	NIL	537757	17.81	(1.00)

c) Others (specify) NR/OCB	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHERS													
Non Resident Indians	1346	NIL	1346	0.04		1356		NIL	1356	0.04		NIL	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-
Clearing Members	0	1	1	0.00		10		1	11	0.00		0.00	
Hindu Undivided Family	17987	NIL	17987	0.60		12207		NIL	12207	0.40		(0.20)	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1767264	167494	1934758	64.09		1786788		147970	1934758	64.09		64.09	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1767264	167589	1934853	64.09		1786788		148065	1934853	64.09		64.09	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-		-		-	-	-		-	
Grand Total (A+B+C)	2851175	167589	3018764	100		2870699		148065	3018764	100		-	

## B) SHAREHOLDING OF PROMOTER

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 1 <sup>st</sup> April, 2018		No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2019		% change in shareholding during the year	
		No. of Shares	% of total Shares of the co.	No. of Shares	% of total Shares of the co.		
1	Leena Ashok Shah	92508	3.06	92508	3.06	NIL	NIL
2	Ashok Chinubhai Shah	152401	5.05	152401	5.05	NIL	NIL
3	Shalin Ashok Shah	398621	13.20	398621	13.20	NIL	NIL
4	Ashoka Metcast Ltd ( Formerly Tanya Estates Private Limited)	165197	5.47	165197	5.47	NIL	NIL
5	Rhetan Rolling Mills Private Limited (Formerly Shree Ghantakarna Rolling Mills Private Limited)	145584	4.82	145584	4.82	NIL	NIL
6	Lesha Ventures Private Limited (Formerly Lesha Agro Foods Private Limited)	129600	4.29	129600	4.29	NIL	NIL

**C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)**

There was no change in the shareholding of Promoter during the Financial Year March 31, 2019.

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2019:  
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRS):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	Hitesh Jagdish Panara	285120	9.44	Nil	NA	285120	9.44
2	Max Stock Broking Pvt. Ltd.	-	-	Increase	Market purchase	150233	4.98
3	Midrina Oil And Gas Services Pvt. Ltd.	134352	4.45	Nil	NA	134352	4.45
4	Suryaja Infrastructure Pvt. Ltd.	134352	4.45	Nil	NA	134352	4.45
5	Tiw Systems Pvt. Ltd	134352	4.45	Nil	NA	134352	4.45
6	Advanced Energy Resources & Management Pvt. Ltd.	45792	1.52	Nil	NA	45792	1.52
7	Janak B. Patel	36124	1.20	Nil	NA	36124	1.20
8	Shaurya Organics Private Limited	134352	4.45	Decrease	Market sale	34352	1.14
9	Kintu Manojbhai Raichura	27239	0.90	Nil	NA	27239	0.90
10	Lakshmi M	-	-	Increase	Market purchase	25000	0.83

**E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Shalin A. Shah</b>				
2	At the beginning of the year	398621	13.20	398621	13.20
3	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / sweat equity etc.):	NA			
4	At the end of the year			398621	13.20
5	<b>Mr. Ashok C. Shah</b>				
6	At the beginning of the year	57150	5.05	152401	5.05

7	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA			
8	At the end of the year			152401	5.05
9	<b>Mr. Chandrakant N. Chauhan</b>				
10	At the beginning of the year	17254	0.57	17254	0.57
11	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / sweat equity etc.):	Market Sale as on 21/09/2018			
12	At the end of the year			6932	0.23
13	<b>Mrs. Daxaben M. Shah</b>				
14	At the beginning of the year	35617	1.18	35617	1.18
15	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / sweat equity etc.):	Market Sale as on 21/09/2018			
16	At the end of the year			42	0.001

**V. INDEBTEDNESS –**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.00	16748246.00	0.00	16748246.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	16748246.00		16748246.00
<b>Change in Indebtedness during the financial year</b>				
* Addition	0.00	0.00	0.00	0.00
* Reduction	0.00	(748246)	0.00	(748246)
<b>Net Change</b>	0.00	(748246)	0.00	(748246)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	16000000.00	0.00	16000000.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	16000000.00	0.00	16000000.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name of Director		
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify 1. PF Contribution 2. Gratuity Accrued for the year (Payable at Retirement/resignation)	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Companies Act 2013		5%

## B. REMUNERATION TO OTHER DIRECTORS

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	NIL			
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration				NIL
	Overall Ceiling as per the Companies Act 2013				1%

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CS	CEO	CFO	Total
		Dimpal Solanki			
1	Gross salary	1,20,000			1,20,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	Others specify...				
5	Others, please specify				
	<b>Total</b>	<b>1,20,000</b>			<b>1,20,000</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

Place: Ahmedabad  
Date: August 14, 2019

For and on behalf of the Board

SD/-  
Ashok Shah  
Managing Director  
DIN: 02467830

SD/-  
Shalin Shah  
Director  
DIN: 00297447

**ANNEXURE-III TO THE DIRECTORS REPORT****1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- i. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2018-19 and
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

(Rs. In Lacs)

Sr. No.	Name of Director/KMP and its Designation	Remuneration to the Director / KMP for the Financial Year 2018-19	Remuneration to the Director / KMP for the Financial Year 2017-18	Percentage increase / decrease in remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Shalin Shah (Director)	Nil	Nil	Nil	Nil
2	Mr. Ashok Shah (Director)	Nil	Nil	Nil	Nil
3	Mr. Chandrakant N. Chauhan (Independent Director)	Nil	Nil	Nil	Nil
4	Mrs. Daxaben M. Shah (Independent Director)	Nil	Nil	Nil	Nil
5.	Dimpal J. Solanki (Company Secretary)	1.2	0.40	NA	NA

- iii. Median Remuneration of Employees (MRE) of the Company is Rs. 1.2 Lakhs for the Financial Year 2018-19.
  - iv. There was one permanent employee on the rolls of the Company during the year ended 31<sup>st</sup> March, 2019.
  - v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was Nil. Average percentage increase made in the salary of the managerial personnel in the last Financial Year—**N.A.**
  - vi. Affirmed that the remuneration as per the Nomination Policy of the Company – **N.A.**
- 2. There were no employees covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014**

Place: Ahmedabad  
Date: August 14, 2019

For and on behalf of the Board

SD/-  
Ashok Shah  
Managing Director  
DIN: 02467830

SD/-  
Shalin Shah  
Director  
DIN: 00297447

**ANNEXURE – IV TO THE DIRECTORS REPORT****FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Ashnisha Industries Limited.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ashnisha Industries Limited** (hereinafter called the Company) (CIN:U74110GJ2009PLC057629) having its registered office at **7<sup>th</sup> Floor, Ashoka Chambers, opp. HCG Hospital, Mithakhali Six Roads, Ahmedabad-380006**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Ashnisha Industries Limited** (the Company) for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (upto 8th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. 9th November, 2018); [Not Applicable to the Company during the Audit Period]
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not Applicable to the Company during the Audit Period]
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and [Not Applicable to the Company during the Audit Period]



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (w.e.f. 11th September, 2018); [Not Applicable to the Company during the Audit Period]
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
  - (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.
- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
  - B) The Directors have signed against their respective names after the meeting has been held.
  - C) The Company had not received any proxy forms for the Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2018.
  - D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - F) The Company has obtained all necessary approvals under the various provisions of the Act;
  - G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

**During the year under review the Company had not complied with the provisions of the section 203 of the Companies Act, 2013 for appointment of Chief Financial Officer.**

**As explained by the Management, the Company had already appointed Mr. Ashok C. Shah as Managing Director and Ms. Dimpal Solanki as Company Secretary to comply with the provision of section 203 of the Companies Act, 2013. The Company was looking for the suitable candidate to be appointed as CFO, and the Management had appointed Mrs. Payal H. Donga as CFO with effect from 24/04/2019 although she resigned with effect from 31/07/2019.**

**The Company had complied with the all provisions of the section 186 of the Companies Act, 2013, except the non charging of interest as per section 186 (7) in respect of some of the loans granted by the Company.**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;

- B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Company has no other major / specific events, actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- ii. Redemption / buy-back of securities
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

**Place: Ahmedabad**

**Date: August 14, 2019**

**SD/-**

**Chintan K. Patel**

**Practicing Company Secretary**

**Mem. No.: A31987**

**COP No.: 11959**

**ANNEXURE - A to the Secretarial Audit Report**

**To,  
The Members,  
Ashnisha Industries Limited**

Our report of even date is to be read along with this letter.

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**Place: Ahmedabad**

**Date: August 14, 2019**

**SD/-**

**Chintan K. Patel**

**Practicing Company Secretary**

**Mem. No.: A31987**

**COP No.: 11959**

**DECLARATION**

Pursuant to the schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the company has received the affirmations on compliance with the code of conduct for the financial year ended March 31, 2019 from all the Board Members and Senior Management Personnel.

Place: Ahmedabad  
Date: August 14, 2019

For and on behalf of the Board

SD/-  
Shalin A. Shah  
Director  
DIN: 00297447

**ANNEXURE – V TO THE DIRECTORS REPORT****NON APPLICABILITY OF SUBMISSION OF REPORT ON CORPORATE GOVERNANCE AS PER EXEMPTION GIVEN IN  
REGULATION 15 (2) (A) OF CHAPTER IV OF SEBI (LODR) REGULATIONS, 2015**

To the Members of the **ASHNISHA INDUSTRIES LIMITED**

This is to certify that in order to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with, Regulation 15 (2) (a) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Paid up capital of the Company Ashnisha Industries Limited is not exceeding Rs. 10 Crores i.e. Rs. 3,01,87,640/- (Rupees Three Crore One Lacs Eighty Seven Thousand Six Hundred Forty only) and the Networth is less than Rs. 25 Crores i.e. Rs. 12,18,28,556/- (Rupees Twelve Crore Eighteen Lakhs Twenty Eight Thousand Five Hundred Fifty Six Only) as on the last day of the previous financial year i.e. 31<sup>st</sup> March, 2018. Therefore it is not required to submit Report on Corporate Governance.

Place: Ahmedabad  
Date: August 14, 2019

For and on behalf of the Board

SD/-  
Shalin A. Shah  
Director  
DIN: 00297447

**ANNEXURE – VI TO THE DIRECTOR’S REPORT**

Disclosures under regulation 34(3) read with Schedule V of Listing Regulations

<b>Sr. No.</b>	<b>Disclosure of Loans/Advances/Investments/Outstanding during the year</b>	<b>As at 31<sup>st</sup> March, 2019</b>	<b>Maximum amount during the year</b>
1	Loans and Advances in the nature of loans to subsidiary	Nil	Nil
2	Loans and Advances in the nature of loans to associate	Nil	Nil
3	Loans and Advances in the nature of loans to Firms/Companies in which directors are interested	Nil	Nil

For details of transactions of the Company with the person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, if any, kindly refer to “Related Party Transaction” provided in notes to financial statements.

**Place: Ahmedabad**  
**Date: August 14, 2019**

**For and on behalf of the Board**

**SD/-**  
**Shalin A. Shah**  
**Director**  
**DIN: 00297447**

## Part "A": Subsidiaries

1	Name of the subsidiary	EZI Ventures Private Limited
2	The date since when subsidiary was acquired	August 16,2018
3	Reporting period for the subsidiary	2018-19
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year	INR (Rs. in lacs)
5	Share capital	441.00
6	Reserves & surplus	(286.05)
7	Total assets	7698.17
8	Total Liabilities	7543.22
9	Investments	-
10	Turnover	7216.97
11	Profit/(loss) before taxation	428.19
12	Provision for taxation	22.05
13	Profit/(loss) after taxation	406.15
14	Proposed Dividend	Nil
15	% of shareholding	64.63% held by Ashnisha Industries Limited

2. Names of subsidiaries which are yet to commence operations - None

3. Names of subsidiaries which have been liquidated or sold during the year. - NA

## Part "B": Associates and Joint Ventures

There are no Associates of the Company.

**CEO CERTIFICATION**

**To,  
The Board of Directors,  
Ashnisha Industries Limited  
Ahmedabad**

We hereby certify that:

- i. We have reviewed the financial statements and the cash flow statement of the Financial Year 2018-19 and that to the best of our knowledge and belief.
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violated of the Company's code of conduct.
- iii. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we hereby disclose to the Auditors and the Audit Committee that there have been no inefficiencies in the design or operation of internal controls, prevailing in the company.
- iv. We hereby certify that :
  - a. There have been no significant changes in internal control during the year.
  - b. There have been no significant changes in accounting policies during the year and
  - c. No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

**Place: Ahmedabad  
Date: August 14, 2019**

**For and on behalf of the Board**

**SD/-  
Shalin A. Shah  
Director  
DIN: 00297447**

## Independent Auditors' Report

To,  
The Members,  
**Ashnisha Industries Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Ashnisha Industries Limited**. ("The Company"), which comprise the Balance Sheet as at **March 31, 2019**, 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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

### 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31/03/2019;
- (b) In case Statement of Profit and Loss Account, of the **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 31/03/2019 -

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;
  - c. 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;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.
  - e. On the basis of written representations received from the directors as on **31/03/2019** and taken on record by the Board of Directors, none of the directors are disqualified as on **31/03/2019**, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

**For, G M C A & Co.**  
Chartered Accountants  
Frn No.:109850W

**Mitt S. Patel**  
Partner  
Membership No. 163940

Place : Ahmedabad  
Date : 22/05/2019



**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2019**

To,  
The Members,  
**Ashnisha Industries Limited**

**(1) In Respect of Fixed Assets**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) Yes, The Title deeds of Immovable Properties are held in the name of the Company.

**(2) In Respect of Inventories**

As explained to us, the inventories (excluding inventories with third parties) were physically verified during the year by the Management at reasonable intervals.

**(3) Compliance under section 189 of The Companies Act, 2013**

The Company has not granted any loan to the parties covered in the register maintained u/s 189 of the companies Act, 2013.

- (a) As there is no such loan, question of prejudicially does not arise.
- (b) As there is no such loan, question of repayment terms & conditions also does not arise.
- (c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013.

**(4) Compliance under section 185 and 186 of The Companies Act , 2013**

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.

**(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits**

According to information and explanations given to us, the Company has not accepted any deposits from public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

**(6) Maintenance of cost records**

The Company is not required to maintain cost Records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

**(7) Deposit of Statutory Dues**

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Goods and Services Tax, Wealth Tax, Service Tax, Duty of customs, Duty of excise, Value added tax, Cess and any other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Goods and Services Tax, Customs Duty and Excise Duty were in arrears, as of 31st March, 2019 for a period of more than six months from the date they became payable.

**(8) Repayment of Loans and Borrowings**

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders during the year.

**(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised**

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. However money raised by way of term loans have been applied for the purposes for which they have been obtained.

**(10) Reporting of Fraud During the Year**

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

**(11) Managerial Remuneration**

Managerial Remuneration has not been provided by the Company

**(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

As per information and records available with us The company is not Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

**(13) Related party compliance with Section 177 and 188 of companies Act - 2013**

Yes, All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

**(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**(15) Compliance under section 192 of Companies Act – 2013**

The company has not entered into any non-cash transactions with directors or persons connected with him.

**(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

**For, G M C A & Co.**

Chartered Accountants

Frm No.:109850W

**CA. Mitt S. Patel**

Partner

Membership No. 163940

Place : Ahmedabad

Date : 22/05/2019

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s Ashnisha Industries Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019.

**For, G M C A & Co.**

Chartered Accountants

Frn No.:109850W

**CA. Mitt S. Patel**

Partner

Membership No. 163940

Place : Ahmedabad

Date : 22/05/2019

Balance Sheet as At 31<sup>st</sup> March, 2019

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>ASSETS</b>				
<b>1 Non-current Assets</b>				
(a) Property, Plant and Equipment	1	4,67,927	4,77,138	-
(b) Other Intangible assets		-	-	-
(c) Capital work in progress		-	-	-
(d) Intangible assets under development		-	-	-
(e) Financial Assets:				
i) Investments	2	4,21,73,345	2,16,73,345	2,09,36,500
ii) Loans		-	-	-
iii) Other Financial Assets		-	-	-
(f) Deferred tax assets (Net)		-	-	-
(g) Other non-current assets	3	15,18,000	-	-
<b>Total Non-current Assets</b>		<b>4,41,59,272</b>	<b>2,21,50,483</b>	<b>2,09,36,500</b>
<b>2 Current Assets</b>				
(a) Inventories		-	-	-
(b) Financial Assets :				
i) Investments				
ii) Trade Receivables	4	8,38,31,900	10,02,07,190	30,37,847
iii) Cash & Cash Equivalents	5	12,49,982	3,74,751	1,56,397
iii) Loans	6	2,72,38,975	3,03,78,114	4,73,000
iii) Other Financial Assets				
(c) Other Current Assets	7	7,88,000	7,88,000	-
<b>Total - Current Assets</b>		<b>11,31,08,857</b>	<b>13,17,48,055</b>	<b>36,67,244</b>
<b>Total Assets</b>		<b>15,72,68,129</b>	<b>15,38,98,538</b>	<b>2,46,03,744</b>
<b>I. Equity &amp; Liabilities</b>				
<b>1. Equity</b>				
(a) Share Capital	8	3,01,87,640	3,01,87,640	5,00,000
(b) Other Equity	9	9,12,46,261	9,16,40,916	(2,26,006)
<b>Total Equity</b>		<b>12,14,33,901</b>	<b>12,18,28,556</b>	<b>2,73,994</b>
<b>2. Liabilities</b>				
A) Non Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	10	1,60,00,000	1,67,48,246	2,12,42,816
(b) Deferred Tax Liabilities (Net)		-	-	-
(c) Other Non Current Liabilities		-	-	-
<b>Total Non- Current Liabilities</b>		<b>1,60,00,000</b>	<b>1,67,48,246</b>	<b>2,12,42,816</b>
B) Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	11	1,15,000	-	-
ii) Trade Payables	12	1,23,66,228	1,52,62,011	30,47,184
iii) Other Financial Liabilities		-	-	-
(b) Other Current Liabilities	13	73,53,000	59,725	39,750
(c) Short Term Provisions		-	-	-
<b>Total Current Liabilities</b>		<b>1,98,34,228</b>	<b>1,53,21,736</b>	<b>30,86,934</b>
<b>Total Equity &amp; Liabilities</b>		<b>15,72,68,129</b>	<b>15,38,98,538</b>	<b>2,46,03,744</b>
Contingent Liabilities & Commitments	Nil			

For Ashnisha Industries Ltd.

For, G M C A &amp; Co.

Chartered Accountants

FRN : 109850W

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

**Shalin A. Shah**  
Director  
DIN : 00297447

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

Place : Ahmedabad  
Date : 22/05/2019

**Dimpal J. Solanki**  
Company Secretary

## Statement of Profit &amp; Loss Account For The Period From 01-04-2018 To 31-03-2019

Particulars		Note No.	2018-19	2017-18
<b>I</b>	Revenue From Operations	14	2,67,73,275	11,81,27,784
<b>II</b>	Other Income	15	12,225	2,17,713
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>2,67,85,500</b>	<b>11,83,45,497</b>
<b>IV</b>	<b>Expenses</b>			
	Purchase of Stock in Trade	16	2,67,18,148	11,78,89,505
	Changes in Inventories		-	-
	Employee Benefit Expenses	17	1,20,000	20,000
	Finance Costs		-	-
	Depreciation & Amortisation Expenses	18	1,02,432	1,01,594
	Other Expenses	19	2,39,575	3,19,134
	<b>Total Expenses</b>		<b>2,71,80,155</b>	<b>11,83,30,233</b>
<b>V</b>	<b>Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>(3,94,655)</b>	<b>15,264</b>
<b>VII</b>	Exceptional Items		-	-
<b>VIII</b>	<b>Profit Before Extraordinary Items &amp; Tax</b>		<b>(3,94,655)</b>	<b>15,264</b>
	Extraordinary Items		-	(65,97,430)
<b>IX</b>	<b>Profit Before Tax</b>		<b>(3,94,655)</b>	<b>(65,82,166)</b>
<b>X</b>	<b>Tax Expenses</b>			
	Current Tax/ Interest on Income Tax/ Deferred Tax			-
<b>XI</b>	<b>Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>(3,94,655)</b>	<b>(65,82,166)</b>
<b>XII</b>	<b>Profit/(Loss) from Discontinuing Operations</b>			
<b>XIII</b>	Tax Expense of Discontinuing Operations			
<b>XIV</b>	<b>Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)</b>		-	-
<b>XV</b>	<b>Profit/(Loss) for the Period(XI+XIV)</b>		<b>(3,94,655)</b>	<b>(65,82,166)</b>
	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss		-	-
	<b>Total comprehensive income for the year, net of tax</b>		<b>(3,94,655)</b>	<b>(65,82,166)</b>
<b>XVI</b>	<b>Earning Per Equity Share</b>			
	Basic		(0.13)	(2.62)
	Diluted		(0.13)	(2.62)

The Notes referred to above form an integral part of the Balance Sheet

For **Ashnisha Industries Ltd.**

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

**Shalin A. Shah**  
Director  
DIN : 00297447

Place : Ahmedabad  
Date : 22/05/2019

**Dimpal J. Solanki**  
Company Secretary

For, **G M C A & Co.**  
Chartered Accountants  
FRN : 109850W

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

Cashflow Statement for the year ended on 31<sup>st</sup> March, 2019

Particulars	2018-19	2017-18
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	(3,94,655)	(65,82,166)
Adjustments for:		
Add : Depreciation	1,02,432	1,01,594
Less : Dividend Income	-	-
Add : Long Term Capital Gain	-	65,97,430
Less : Short Term Capital Gain (Mutual Fund)	-	(2,17,713)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>(2,92,223)</b>	<b>(1,00,855)</b>
Adjustments for:		
Increase/(Decrease) in Trade Payables	(28,95,783)	1,22,14,827
Increase/(Decrease) in Short term Borrowing	1,15,000	-
Increase/(Decrease) in Provisions	72,93,275	19,975
(Increase)/Decrease in Trade Receivables	1,63,75,290	(9,71,69,342)
(Increase)/Decrease in short term loans & advances	31,39,139	(2,99,05,114)
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in other current assets	-	(7,88,000)
<b>Cashflow generated from Operating Activities</b>	<b>2,37,34,698</b>	<b>(11,57,28,509)</b>
Income Tax Paid ( Net of Refund)	-	-
<b>Net Cashflow generated from Operating Activities A</b>	<b>2,37,34,698</b>	<b>(11,57,28,509)</b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Property , Plant and Equipment	(93,221)	(5,78,732)
Sale of Property , Plant and Equipment	-	-
Sale of Investments	-	2,67,74,496
Purchase of Investments	(2,05,00,000)	(3,38,91,058)
Share Application Money Received Back	-	-
Dividend Income	-	-
<b>Net Cashflow generated from Investments Activities B</b>	<b>(2,05,93,221)</b>	<b>(76,95,294)</b>
<b>C Cash flow from Financing Activities</b>		
Interest Expenses	-	-
Issue of shares (with Security Premium)	-	12,81,36,729
(Increase)/Decrease in other non-current assets	(15,18,000)	-
(Increase)/Decrease in Long term loans & advances	-	-
Increase/(Decrease) in non current liabilities	(7,48,246)	(44,94,570)
<b>Net Cashflow generated from Financing Activities C</b>	<b>(22,66,246)</b>	<b>12,36,42,159</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>8,75,231</b>	<b>2,18,355</b>
Opening Cash & Cash Equivalents	3,74,751	1,77,844
<b>Closing Cash &amp; Cash Equivalents</b>	<b>12,49,982</b>	<b>3,74,751</b>

For Ashnisha Industries Ltd.

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

Place : Ahmedabad  
Date : 22/05/2019

**Shalin A. Shah**  
Director  
DIN : 00297447

**Dimpal J. Solanki**  
Company Secretary

For, G M C A &amp; Co.

Chartered Accountants  
FRN : 109850W

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

Statement of Changes in Equity for the Period Ended 31<sup>st</sup> March, 2019**A. Equity Share Capital**

Amount in Rs.

Particulars	2018-19		2017-18	
	No. Shares	Amount	No. Shares	Amount
<b>i) Opening Balance at the beginning of Financial Year</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>50,000</b>	<b>5,00,000</b>
Shares cancelled during the year	-	-	(50,000)	(5,00,000)
Shares issued during the year	-	-	30,18,764	3,01,87,640
<b>Closing Balance at the end of Financial Year</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>30,18,764</b>	<b>3,01,87,640</b>

**B. Other Equity**

Amount in Rs.

Particulars	Reserves and Surplus		Total
	General reserve	Retained Earnings	
<b>Balance as at 1<sup>st</sup> April, 2017</b>	0	(2,26,006)	(2,26,006)
Change during the Year	9,84,49,089	(65,82,166)	9,18,66,922
<b>Balance as at March 31, 2018</b>	<b>9,84,49,089</b>	<b>(68,08,172)</b>	<b>9,16,40,916</b>
Change during the Year	-	(3,94,655)	(3,94,655)
Other comprehensive income	-	-	-
Total Comprehensive Income / (loss) for the year	-	(3,94,655)	(3,94,655)
<b>Balance as at March 31, 2019</b>	<b>9,84,49,089</b>	<b>(72,02,827)</b>	<b>9,12,46,261</b>

See accompanying notes to the financial statements

**In terms of our report attached**For **Ashnisha Industries Ltd.**

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

Place : Ahmedabad  
Date : 22/05/2019

**Shalin A. Shah**  
Director  
DIN : 00297447

**Dimpal J. Solanki**  
Company Secretary

For, **G M C A & Co.**  
Chartered Accountants  
FRN : 109850W

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940



## ➤ Significant Accounting Policies

### Company Overview

Ashnisha Industries Limited ("the company") is a listed company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of trading of various steel products and electronic items. The company is listed on Bombay Stock Exchange.

### Basis for Preparation of Financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017. The comparative figures in the Balance Sheet as at March 31, 2018 and April 1, 2017 and Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2018 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

### • Property, plant and Equipment

Property, plant and equipment are stated at acquisition cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognized impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalized along with respective asset.

Depreciation is recognized based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 for year 2018-19.

Asset	Useful Life
Office equipment	5 Years
Furniture	10 Years
Office Premise	60 Years
Vehicle	10 Years
Plant & Machinery	15 Years

### Transition to Ind AS

For transition to Ind AS, the Company has opted to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial assets****Initial recognition and measurement**

All financial assets, are recognized initially at fair value.

**Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

All financial liabilities are measured at amortized cost using the effective interest method or at FVTPL.

**Financial liabilities at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Trade and other payables are recognized at the transaction cost, which is its fair value.

**Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

### **Revenue recognition**

The Company has adopted Ind AS 115 from 1st April, 2018 and opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application. The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

Performance obligation:

The revenue is recognized on fulfilment of performance obligation.

Sale of products:

The Company earns revenue primarily from sale of Steel Product.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision.

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title to the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

### **Taxation**

Tax on Income comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

### **Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

**Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**First Time Adoption of Ind AS**

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

**1. Mandatory exceptions to retrospective application of other Ind AS****(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

**(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)**

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

**(c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)**

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

- (d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

The borrowings of the Company outstanding as at the transition date, consists of loans whose disbursements have taken place in multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans are variable in nature and drawl of the loans have been made in multiple instalments with each drawl to be treated as a separate transaction for the purpose of computing the amortised cost. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has considered the fair value of the financial liability at the date of transition to Ind AS as new amortised cost of that financial liability at the date of transition to Ind AS i.e. 1 April 2017.

## 2. Optional exemptions

- (a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Company has opted to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

- (b) Investments in subsidiaries, joint ventures and associates

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, joint ventures and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109.

Accordingly, the Company has opted to measure such investments at cost in accordance with Ind AS27.

- (c) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement contains a lease on the basis of facts and circumstances existing at the transition date.

The Company has leases of land. The classification of each land as finance lease or operating lease at the date of transition to Ind AS is done based on the basis of facts and circumstances existing as at that date.

## 1 Property, Plant and Equipment

Amount in Rs.

Particulars	Gross Block				Depreciation			Net Block	
	As at 01/04/2018	Addition due to Demerger	Addition	Deduction	As at 31/03/2019	Depre- ciation Charge	Deduction	As at 31/03/2018	As at 31/03/2019
Office Equipments	1,14,855	-	93,221	-	2,08,076	10,164	-	1,05,682	1,88,739
Tower	38,949	-	-	-	38,949	1,696	-	37,253	35,557
Furniture & Fixtures	3,82,624	-	-	-	3,82,624	86,964	-	2,95,660	2,08,696
Mobile	15,566	-	-	-	15,566	948	-	14,618	13,670
Printer	616	-	-	-	616	-	-	463	463
Grundfos System (Pump)	26,122	-	-	-	26,122	2,660	-	23,462	20,802
<b>Total Tangible Assets</b>	<b>5,78,732</b>	<b>-</b>	<b>93,221</b>	<b>-</b>	<b>6,71,953</b>	<b>1,02,432</b>	<b>-</b>	<b>4,77,138</b>	<b>4,67,927</b>
<b>Previous Year</b>	<b>-</b>	<b>4,77,560</b>	<b>1,01,172</b>		<b>5,78,732</b>	<b>1,01,594</b>		<b>-</b>	<b>4,77,138</b>

**2 Non Current Investments**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>(1) Investment in Equity Shares</b>			
Lesha Industries Ltd (4,14,450 Shares)	-	-	76,75,000
Vivanta Industries Ltd (8,07,112 Shares)	78,19,306	78,19,306	-
Ashoka Metcast Ltd (100 Shares)	2,000	2,000	-
Gujarat Natural Resources Ltd	29,09,845	29,09,845	-
India Infraspaces Ltd (3,01,322 Shares)	29,42,194	29,42,194	1,07,61,500
<b>(2) Unquoted Investment</b>			
Birla sun life cash manger-1	-	-	10,00,000
Ezi Ventures Pvt Ltd	2,85,00,000	80,00,000	-
Birla sun life cash manger-2	-	-	15,00,000
<b>Total</b>	<b>4,21,73,345</b>	<b>2,16,73,345</b>	<b>2,09,36,500</b>
<b>Market Value of the Quoted Shares</b>	<b>80,26,014</b>	<b>1,39,14,653</b>	<b>1,80,47,667</b>
<b>Market Value of the Un Quoted Shares</b>	<b>2,85,00,000</b>	<b>80,00,000</b>	<b>25,00,000</b>

**3 Other Non-Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>Security Deposit</b>	-	-	-
Unsecured, Considered Good	-	-	-
<b>Other Long Term Loans &amp; Advances</b>	<b>15,18,000</b>	-	-
Other Advances	15,18,000	-	-
Capital Advances	-	-	-
Advance to Suppliers	-	-	-
Balance with Government Authorities	-	-	-
<b>Total</b>	<b>15,18,000</b>	-	-

**4 Trade Receivables**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Outstanding for less than 6 months from the due date	3,53,11,563	-	-
Unsecured, considered good			
Outstanding for more than 6 months from the due date	4,85,20,337	10,02,07,190	30,37,847
Unsecured, considered good			
<b>Total</b>	<b>8,38,31,900</b>	<b>10,02,07,190</b>	<b>30,37,847</b>

**5 Cash & Cash Equivalents**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Balances with Banks	1,30,477	54,788	26,433
Cash on Hand	11,19,505	3,19,963	1,29,964
<b>Total</b>	<b>12,49,982</b>	<b>3,74,751</b>	<b>1,56,397</b>

**6 Current Loans**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>Other Loans &amp; Advances</b>			
<b>Unsecured, Considered good</b>			
Loan to Corporate Bodies	15,68,439	15,68,439	4,53,000
Other Loans	2,55,13,000	2,86,76,000	-
Deposits	20,000	20,000	20,000
Balance with govt	1,37,536	1,13,675	-
<b>Total</b>	<b>2,72,38,975</b>	<b>3,03,78,114</b>	<b>4,73,000</b>

**7 Other Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Preliminary Expenses	7,88,000	7,88,000	-
Pre-Operative Expenses	-	-	-
Other Statutory Advances	-	-	-
<b>Total</b>	<b>7,88,000</b>	<b>7,88,000</b>	<b>-</b>

**8 Share Capital****8.1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>						
Equity Shares of Rs. 10 Each	30,70,000	3,07,00,000	30,70,000	3,07,00,000	50,000	5,00,000
<b>Total</b>						
<b>Issued Share Capital</b>						
Equity Shares of Rs. 10 Each	30,18,764	3,01,87,640	30,18,764	3,01,87,640	50,000	5,00,000
<b>Total</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>50,000</b>	<b>5,00,000</b>
<b>Subscribed &amp; Fully Paid</b>						
Equity Shares of Rs. 10 Each	30,18,764	3,01,87,640	30,18,764	3,01,87,640	50,000	5,00,000
<b>Total</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>50,000</b>	<b>5,00,000</b>

**8.2 Details of the Shares for the Preceding Five Years**

Particulars	01-04-2014 to 31-03-2019
Number Of Equity Shares Bought Back	50,000
Number Of Preference Shares Redeemed	-
Number of Equity Share Issue as Bonus Share	-
Number of Preference Share Issue as Bonus Share	-
Number of Equity Shares Allotted For Contracts	-
Without Payment Received In Cash	30,18,764
Number of Preference Shares Allotted For Contracts	-
Without Payment Received In Cash	-



**8.3 Reconciliation of Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares (Face Value Rs. 10.00)</b>						
Shares Outstanding at the Beginning of the Year	30,18,764	30187640	50,000	5,00,000	50,000	5,00,000
Shares issued during the year	-	-	30,18,764	3,01,87,640	-	-
Shares cancelled during the year	-	-	50,000	5,00,000	-	-
<b>Shares Outstanding at the End of the Year</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>50,000</b>	<b>5,00,000</b>

**8.4 Share Holders Holding More than 5% Share**

Name of the Share Holders	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shalin A. Shah	3,98,621	13.20	398621	13.20	20,000	40.00
Ashok C. Shah	1,52,401	5.05	152401	5.05	5,000	10.00
Hitesh J. Panara	2,85,120	9.44	285120	9.44	-	0.00
Shalin A. Shah (HUF)	-	-	-	-	5,000	10.00
Payal S. Shah	-	-	-	-	5,000	10.00
Leena A. Shah	-	-	-	-	5,000	10.00
Ashoka Metcast Limited	1,65,197	5.47	165197	5.47	5,000	10.00
Shree Ghantakarna Rolling Mills Pvt. Ltd.		-		-	5,000	10.00

**9 Other Equity**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>General Reserve</b>			
Opening balance	9,84,49,089	-	-
(-) Adjustment during the year on account of Demerger	-	9,84,49,089	
+ Adjustment in pursuant to the scheme of Demerger		-	-
<b>Closing Balances</b>	<b>9,84,49,089</b>	<b>9,84,49,089</b>	<b>-</b>
<b>Profit &amp; Loss A/c</b>			
Opening balance	(68,08,172)	(2,26,006)	(90,514)
(-) Transfer of Current Year Loss	(3,94,655)	(65,82,166)	(1,35,492)
<b>Closing balance</b>	<b>(72,02,827)</b>	<b>(68,08,172)</b>	<b>(2,26,006)</b>
<b>Total</b>	<b>9,12,46,261</b>	<b>9,16,40,916</b>	<b>(2,26,006)</b>

**10 Non Current Borrowing**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Loan from Corporate Body	-	77,50,000	1,15,52,000
Loan from Directors	-	4,98,246	36,40,816
Loan From Others	1,60,00,000	85,00,000	60,50,000
<b>Total</b>	<b>1,60,00,000</b>	<b>1,67,48,246</b>	<b>2,12,42,816</b>

**11 Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Unsecured Loans repayable on Demand</b>			
Loan from Directors & Relatives	-	-	-
Loan From Body Corporate	1,15,000	-	-
<b>Total</b>	<b>1,15,000</b>	<b>-</b>	<b>-</b>

**12 Trade Payables**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>Due to Micro &amp; Small Enterprises</b>			
Trade Payables For Goods	1,23,25,128	1,52,12,004.00	29,95,865.00
Trade Payables For Expenses	41,100	50,007.00	51,318.70
<b>Total</b>	<b>1,23,66,228</b>	<b>1,52,62,011</b>	<b>30,47,184</b>

The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosure as required under section 22 of The Micro, Small and Medium Enterprise regarding:

- Amount due and outstanding to suppliers as at the end of the accounting year;
- interest paid during the year;
- interest payable at the end of the accounting year;
- interest accrued and unpaid at the end of the accounting year; have not been given, the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

**13 Other Current Liabilities**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Unpaid Audit Fees	20,000	17,700	18,625
Unpaid Legal Fees	10,000	32,025	21,125
Other	73,23,000	10,000	-
<b>Total</b>	<b>73,53,000</b>	<b>59,725</b>	<b>39,750</b>

**14 Revenue from Operations**

Particulars	2018-19	2017-18
(1) Sale of Steel Products	2,67,73,275	11,81,27,784
<b>Total</b>	<b>2,67,73,275</b>	<b>11,81,27,784</b>

**15 Other Income**

Particulars	2018-19	2017-18
Dividend Income	-	-
Miscellaneous Income	12,225	-
Capital Gain	-	2,17,713
<b>Total</b>	<b>12,225</b>	<b>2,17,713</b>

**16 Purchase of Stock in Trade**

Particulars	2018-19	2017-18
<b>(A) Purchase of Products</b>		
(1) Purchase of Steel	2,67,18,148	11,78,89,505
<b>Total</b>	<b>2,67,18,148</b>	<b>11,78,89,505</b>

**17 Employee Benefit Expenses**

Particulars	2018-19	2017-18
Salary & Wages	1,20,000	20,000
<b>Total</b>	<b>1,20,000</b>	<b>20,000</b>

**18 Depreciation & Amortization Expenses**

Particulars	2018-19	2017-18
Depreciation	1,02,432	1,01,594
<b>Total</b>	<b>1,02,432</b>	<b>1,01,594</b>

**19 Other Expenses**

Particulars	2018-19	2017-18
Payment to Auditors *	20,000	17,700
Rates & Taxes (Excluding Income-Tax)	-	-
<b>Miscellaneous Expenses</b>	<b>2,19,575</b>	<b>3,01,434</b>
Preliminary Expenses Write Off		1,97,000
Telephone Exps	-	-
Legal & Professional Charges	16,000	29,775
Annual Custody Fees	16,578	-
Office Exp	8,700	-
Share Transfer Exp	55,100	18,000
ROC Exp	3,600	18,844
Listing Processing Exps	20,000	-
Other Miscellaneous Expenses	99,597	37,815
<b>Total</b>	<b>2,39,575</b>	<b>3,19,134</b>
* Payment to Auditors		
For Audit Fees	20,000	17,700
For Others		-

**20. Notes on Accounts**➤ **Contingent Liabilities**

There is no contingent liability as informed by management.

➤ **Capital Expenditure Commitments: Nil**➤ **Related Party Transactions:-**

As per Indian Accounting Standard (Ind AS-24) issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name	Relationship
1	Shalin Ashok Shah	Director
2	Ashok Chinubhai Shah	Managing Director
3	Payalben Hiteshkumar Donga	CFO
4	Daxaben Mahendrakumar Shah	Independent Director
5	Chandrakant Natubhai Chauhan	Independent Director
6	Dimpal Jignesh Solanki	Company Secretary
7	Lesha Industries Ltd	Director have significant influence
8	Gujarat Natural Resources Ltd	Director have significant influence

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2018 to March 31, 2019 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
1	Shalin A. Shah	Loan Taken	50,000
		Loan Repaid	5,18,246
		Closing Balance	Nil
2	Ashok Chinubhai Shah	Loan Taken	40,000
		Loan Repaid	70,000
		Closing Balance	Nil
3	DimpalJignesh Solanki	Salary Payable	1,20,000
		Salary Paid	1,20,000
		Closing Balance	10,000

➤ **Payment to the Auditors**

Particulars	2018-19	2017-18
Audit Fees	20000	17700
Others	0	0
<b>Total</b>	<b>20,000</b>	<b>17,700</b>

➤ **Earnings per Share:-**

The earning considered in ascertaining the company's EPS comprises the profit available for shareholders i.e. profit after tax and statutory/regulatory appropriations. The number of shares

used in computing Basic EPS is the weighted average number of shares outstanding during the year as per the guidelines of IndAS-33.

Particulars	31-03-2019	31-03-2018
Net Profit Attributable to share holders	(3,94,655)	(65,82,166)
Weighted average number of equity shares (Nos.)	30,18,764	25,14,481
Basic and diluted earnings per share (Rs.)	(0.13)[NO EPS]	(2.62)[NO EPS]
Nominal value of equity share (Rs.)	10	10

➤ **Details of loan made during the year 2018-19 as per section 186(4) of The Companies Act 2013**  
(Amount in Rs.)

Name of the Entity	Nature of Transaction	Amount	Purpose of Loan	Period
Ardent Venture LLP	Loan Given	57,50,000	Business	Short Term Advances – On Demand

➤ **Capital Management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
- Total equity attributable to the equity share holders of the company	3,01,87,640	3,01,87,640	5,00,000
- As percentage of total capital	67.00%	64.83%	2.32%
- Current loans and borrowings	1,15,000	0	0
- Non-current loans and borrowings	1,60,00,000	1,67,48,246	2,12,42,816
- <b>Total loans and borrowings</b>	<b>1,61,15,000</b>	<b>1,67,48,246</b>	<b>2,12,42,816</b>
- Cash and cash equivalents	12,49,982	3,74,751	1,56,397
- Net loans & borrowings	1,48,65,018	1,63,73,495	2,10,86,419
- As a percentage of total capital	33.00%	35.17%	97.68%
<b>Total capital (loans and borrowings and equity)</b>	<b>4,50,52,658</b>	<b>4,65,61,135</b>	<b>2,15,86,419</b>

## ➤ Fair Value measurements

**A. Financial instruments by category**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2017		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>									
Investment	-	42,173,345	-	-	21,673,345	-	-	20,936,500	-
Loans	27,238,975	-	-	30,378,114	-	-	473,000	-	-
Trade receivables	83,831,900	-	-	100,207,190	-	-	3,037,847	-	-
Cash & Cash Equivalents	12,49,982	-	-	374,751	-	-	156,397	-	-
Other Financial Asset	-	-	-	-	-	-	-	-	-
<b>Total Financial Asset</b>	<b>112,320,857</b>	<b>-</b>	<b>-</b>	<b>130,960,055</b>	<b>29,09,845</b>	<b>-</b>	<b>3,667,244</b>	<b>20,936,500</b>	<b>-</b>
<b>Financial Liabilities</b>									
Borrowings	16,000,000	-	-	16,748,246	-	-	21,242,816	-	-
Trade Payables	12,366,228	-	-	15,262,011	-	-	3,047,184	-	-
Short Term Borrowing	115,000	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>28,481,228</b>	<b>-</b>	<b>-</b>	<b>32,010,257</b>	<b>-</b>	<b>-</b>	<b>24,290,000</b>	<b>-</b>	<b>-</b>

\* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

**Fair value hierarchy**

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**B. Fair value hierarchy for assets****Financial assets measured at fair value at March 31, 2019**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment	13,673,345	-	-	13,673,345

**Financial assets measured at fair value at March 31, 2018**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment	13,673,345	-	8,000,000	21,673,345

**Financial assets measured at fair value at April 1, 2017**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment	18,436,500	-	2,500,000	20,936,500

**Notes:**

Level 1 - hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 - hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 - if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**C. Fair value of financial assets and liabilities measured at amortized cost**

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortized cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**➤ Financial risk management**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management of risk</b>
Credit Risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities

**(a) Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

**Trade Receivables**

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors

For trade receivables, provision is provided by the company as per the below mentioned policy :

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
Considered for Goods				
0-12 Months	33,804,570	0	0	33,804,570
More than 1 Year	50,027,330	0	0	50,027,330
<b>Total</b>	<b>83,831,900</b>	<b>0</b>	<b>0</b>	<b>83,831,900</b>

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Liquidity Table**

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**As at March 31, 2019**

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	-	16,000,000	16,000,000
<b>Current financial liabilities</b>			
Borrowings	115,000	-	115,000
Trade Payables	12,366,228	-	12,366,228
Other Financial Liability	-	-	-
	<b>12,481,228</b>		<b>12,481,228</b>
<b>Total financial liabilities</b>	<b>12,481,228</b>	<b>16,000,000</b>	<b>28,481,228</b>



**As at March 31, 2018**

<b>Financial Liabilities</b>	<b>Payable within 0 to 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>Non-current financial liabilities</b>			
Borrowings	-	16,748,246	16,748,246
<b>Current financial liabilities</b>			
Borrowings	-	-	-
Trade Payables	15,262,011	-	15,262,011
Other Financial Liability	0	-	0
	<b>15,262,011</b>		<b>15,262,011</b>
<b>Total financial liabilities</b>	<b>15,262,011</b>	<b>16,748,246</b>	<b>32,010,257</b>

**(c) Market Risk**

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities

**- Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company's borrowings are Interest free, So there has been no exposure arise regarding Interest Rate Risk.

**(d) Price Risk****Exposure**

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

**➤ Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as on March 31, 2018**

<b>Particulars</b>	<b>Amount as per IGAAP*</b>	<b>Effects of transition to Ind AS</b>	<b>Amount as per Ind AS</b>
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	477,138	0	477,138
(b) Other Intangible assets	0	0	0

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
(c) Capital work in progress	0	0	0
(d) Intangible assets under development	0	0	0
(e) Financial Assets :			
i) Investments	21,673,345	0	21,673,345
ii) Loans	0	0	0
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	0	0	0
<b>2 Current Assets</b>			
(a) Inventories	0	0	0
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	100,207,190	0	100,207,190
iii) Cash & Cash Equivalents	374,751	0	374,751
iii) Loans	30,378,114	0	30,378,114
iii) Other Financial Assets	0	0	0
(c) Other Current Assets	788,000	0	788,000
<b>Total Assets</b>	<b>153,898,538</b>	<b>-</b>	<b>153,898,538</b>
<b>I. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	30,187,640	0	30,187,640
(b) Other Equity	91,640,916	0	91,640,916
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	16,748,246	0	16,748,246
(b) Deferred Tax Liabilities (Net)	0	0	0
(c) Other Non Current Liabilities	0	0	0
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	0	0	0
ii) Trade Payables	15,262,011	0	15,262,011
iii) Other Financial Liabilities	0	0	0
(b) Other Current Liabilities	59,725	0	59,725
<b>Total Equity &amp; Liabilities</b>	<b>153,898,538</b>	<b>-</b>	<b>153,898,538</b>

## Reconciliation of equity as on April 1, 2017

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	0	0	0
(b) Other Intangible assets	0	0	0
(c) Capital work in progress	0	0	0
(d) Intangible assets under development	0	0	0
(e) Financial Assets :			
i) Investments	20,936,500	0	20,936,500
ii) Loans	0	0	0
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	0	0	0
<b>2 Current Assets</b>			
(a) Inventories	0	0	0
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	3,037,847	0	3,037,847
iii) Cash & Cash Equivalents	156,397	0	156,397
iii) Loans	473,000	0	473,000
iii) Other Financial Assets	0	0	0
(c) Other Current Assets	0	0	0
<b>Total Assets</b>	<b>24,603,744</b>	<b>0</b>	<b>24,603,744</b>
<b>I. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	500,000	0	500,000
(b) Other Equity	(226,006)	0	(226,006)
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	21,242,816	0	21,242,816
(b) Deferred Tax Liabilities (Net)	0	0	0
(c) Other Non Current Liabilities	0	0	0
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	0	0	0
ii) Trade Payables	3,047,184	0	3,047,184
iii) Other Financial Liabilities	0	0	0
<b>(b) Other Current Liabilities</b>	<b>39,750</b>	<b>0</b>	<b>39,750</b>
<b>Total Equity &amp; Liabilities</b>	<b>24,603,744</b>	<b>0</b>	<b>24,603,744</b>

**Reconciliation of total comprehensive income for the period March 31, 2017**

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue From Operations	118,127,784	0	118,127,784
Other Income	217,713	0	217,713
<b>Total Revenue</b>	<b>118,345,497</b>	<b>0</b>	<b>118,345,497</b>
<b>Expenses</b>			
Purchase of Stock in Trade	117,889,505	0	117,889,505
Changes in Inventories	0	0	0
Employee Benefit Expenses	20,000	0	20,000
Finance Costs	0	0	0
Depreciation & Amortisation Expenses	101,594	0	101,594
Other Expenses	319,134	0	319,134
<b>Total Expenses</b>	<b>118,330,233</b>	<b>0</b>	<b>118,330,233</b>
<b>Profit Before Exceptional &amp; Extraordinary Items &amp; Tax</b>	<b>15,264</b>	<b>0</b>	<b>15,264</b>
Exceptional Items	0	0	0
<b>Profit Before Extraordinary Items &amp; Tax</b>	<b>15,264</b>	<b>0</b>	<b>15,264</b>
Extraordinary Items	(6,597,430)	0	(6,597,430)
<b>Profit Before Tax</b>	<b>(6,582,166)</b>	<b>0</b>	<b>(6,582,166)</b>
<b>Tax Expenses</b>			
Current Tax/ Interest on Income Tax/ Deferred Tax	0	0	0
<b>Profit/(Loss) for the period from Continuing Operations</b>	<b>(6,582,166)</b>	<b>0</b>	<b>(6,582,166)</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss	0	0	0
<b>Total comprehensive income for the year, net of tax</b>	<b>(6,582,166)</b>	<b>0</b>	<b>(6,582,166)</b>

**Notes to reconciliation between Indian GAAP and Ind AS****(i) Revenue Recognition**

Under Indian GAAP revenue is disclosed net of excise duty. However under Ind AS revenue is disclosed including excise duty.

**(ii) Amortisation of processing charges**

Under Indian GAAP ancillary cost of borrowing is recognised as expense or capitalized ( in case of qualifying asset) in the year in which it is incurred. Under Ind AS the ancillary cost of borrowing is expensed or capitalised at effective interest rate over the period of loan.

**➤ Others**

- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company are not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- As per National Company Law Tribunal, Ahmedabad Bench Order Dated 29/05/2017 T.P. No. 38/ NCLT/AHM/2017, New segment of Trading & Investment Business has been added (Demerged from Lesha Industries Ltd).
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**For Ashnisha Industries Ltd.**

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

Place : Ahmedabad  
Date : 22/05/2019

**Shalin A. Shah**  
Director  
DIN : 00297447

**Dimpal J. Solanki**  
Company Secretary

**For, G M C A & Co.**  
Chartered Accountants  
FRN : 109850W

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

## Independent Auditors' Report

To,  
The Members,  
**Ashnisha Industries Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Ashnisha Industries Limited** ("the company"), and its Subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss, and also the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as Consolidated Financial Statements)

### Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. The respective Board of the Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for the ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

### 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 Act in the manner so required and give a true and fair view

in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31/03/2019;
- (b) In case Statement of 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 31/03/2019 -

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors as on **31/03/2019** and taken on record by the Board of Directors, none of the directors are disqualified as on **31/03/2019**, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

**For, G M C A & Co.**

Chartered Accountants  
Frn No.:109850W

**Mitt S. Patel**

Partner

Membership No. 163940

Place : Ahmedabad  
Date : 22/05/2019

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Ashnisha Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, G M C A & Co.**

Chartered Accountants

Frn No.:109850W

**Mitt S. Patel**

Partner

Membership No. 163940

Place : Ahmedabad

Date : 22/05/2019

Consolidated Balance Sheet as At 31<sup>st</sup> March, 2019

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>ASSETS</b>				
<b>1 Non-current Assets</b>				
(a) Property, Plant and Equipment	1	24,25,547	4,77,138	-
(b) Other Intangible assets	1	8,39,79,573	-	-
(c) Capital work in progress		-	-	-
(d) Goodwill	1	5,90,98,354	-	-
(e) Financial Assets:				
i) Investments	2	1,36,73,345	2,16,73,345	2,09,36,500
ii) Loans	3	39,49,12,257	-	-
iii) Other Financial Assets		-	-	-
(f) Deferred tax assets (Net)		48,89,368	-	-
(g) Other non-current assets	4	2,38,79,688	-	-
<b>Total Non-current Assets</b>		<b>58,28,58,132</b>	<b>2,21,50,483</b>	<b>2,09,36,500</b>
<b>2 Current Assets</b>				
(a) Inventories		5,93,16,175	-	-
(b) Financial Assets :				
i) Investments				
ii) Trade Receivables	5	23,44,16,634	10,02,07,190	30,37,847
iii) Cash & Cash Equivalents	6	15,06,480	3,74,751	1,56,397
iii) Loans	7	7,87,98,084	3,03,78,114	4,73,000
iii) Other Financial Assets				
(c) Other Current Assets	8	7,88,000	7,88,000	-
<b>Total - Current Assets</b>		<b>37,48,25,373</b>	<b>13,17,48,055</b>	<b>36,67,244</b>
<b>Total Assets</b>		<b>95,76,83,505</b>	<b>15,38,98,538</b>	<b>2,46,03,744</b>
<b>I. Equity &amp; Liabilities</b>				
<b>1. Equity</b>				
(a) Share Capital	9	3,01,87,640	3,01,87,640	5,00,000
(b) Other Equity	10	13,18,60,828	9,16,40,916	(2,26,006)
(c) Non Controlling Interest	11	54,79,166	-	-
<b>Total Equity</b>		<b>16,75,27,634</b>	<b>12,18,28,556</b>	<b>2,73,994</b>
<b>2. Liabilities</b>				
A) Non Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	12	1,60,00,000	1,67,48,246	2,12,42,816
(b) Deferred Tax Liabilities (Net)		-	-	-
(c) Other Non Current Liabilities		-	-	-
<b>Total Non- Current Liabilities</b>		<b>1,60,00,000</b>	<b>1,67,48,246</b>	<b>2,12,42,816</b>
B) Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	13	68,31,80,705	-	-
ii) Trade Payables	14	5,81,60,214	1,52,62,011	30,47,184
iii) Other Financial Liabilities		-	-	-
(b) Other Current Liabilities	15	2,27,90,930	-	-
(c) Short Term Provisions	16	1,00,24,022	59,725	39,750
<b>Total Current Liabilities</b>		<b>77,41,55,871</b>	<b>1,53,21,736</b>	<b>30,86,934</b>
<b>Total Equity &amp; Liabilities</b>		<b>95,76,83,505</b>	<b>15,38,98,538</b>	<b>2,46,03,744</b>
Contingent Liabilities & Commitments	Nil			

For Ashnisha Industries Ltd.

For, G M C A &amp; Co.

Chartered Accountants

FRN : 109850W

**Ashok C. Shah**

Managing Director

DIN : 02467830

**Shalin A. Shah**

Director

DIN : 00297447

**CA. Mitt S. Patel**

Partner

Membership No. 163940

Place : Ahmedabad

Date : 22/05/2019

**Dimpal J. Solanki**

Company Secretary

**Consolidated Statement of Profit & Loss Account For The Period From 01-04-2018 to 31-03-2019**

Particulars		Note No.	2018-19	2017-18
<b>I</b>	Revenue From Operations	17	74,20,52,275	11,81,27,784
<b>II</b>	Other Income	18	64,30,031	2,17,713
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>74,84,82,306</b>	<b>11,83,45,497</b>
<b>IV</b>	<b>Expenses</b>			
	Purchase of Stock in Trade	19	57,29,24,228	11,78,89,505
	Changes in Inventories	20	6,77,37,654	-
	Employee Benefit Expenses	21	15,44,801	20,000
	Finance Costs	22	68,82,854	-
	Depreciation & Amortisation Expenses	23	4,09,78,083	1,01,594
	Other Expenses	24	1,59,90,141	3,19,134
	<b>Total Expenses</b>		<b>70,60,57,761</b>	<b>11,83,30,233</b>
<b>V</b>	<b>Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>4,24,24,545</b>	<b>15,264</b>
<b>VII</b>	Exceptional Items		-	-
<b>VIII</b>	<b>Profit Before Extraordinary Items &amp; Tax</b>		<b>4,24,24,545</b>	<b>15,264</b>
	Extraordinary Items		-	(65,97,430)
<b>IX</b>	<b>Profit Before Tax</b>		<b>4,24,24,545</b>	<b>(65,82,166)</b>
<b>X</b>	<b>Tax Expenses</b>			
	Current Tax		53,65,120	
	Deferred Tax		31,60,487	-
<b>XI</b>	<b>Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>4,02,19,912</b>	<b>(65,82,166)</b>
<b>XII</b>	Profit/(Loss) from Discontinuing Operations			
<b>XIII</b>	Tax Expense of Discontinuing Operations			
<b>XIV</b>	<b>Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)</b>		-	-
<b>XV</b>	<b>Profit/(Loss) for the Period(XI+XIV)</b>		<b>4,02,19,912</b>	<b>(65,82,166)</b>
	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss		-	-
	<b>Total comprehensive income for the year, net of tax</b>		<b>4,02,19,912</b>	<b>(65,82,166)</b>
<b>XVI</b>	<b>Earning Per Equity Share</b>			
	Basic		13.32	(2.62)
	Diluted		13.32	(2.62)

The Notes referred to above form an integral part of the Balance Sheet  
For **Ashnisha Industries Ltd.**

For, **G M C A & Co.**  
Chartered Accountants  
FRN : 109850W

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

**Shalin A. Shah**  
Director  
DIN : 00297447

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

Place : Ahmedabad  
Date : 22/05/2019

**Dimpal J. Solanki**  
Company Secretary

Consolidated Cashflow Statement for the year ended on 31<sup>st</sup> March, 2019

Particulars	2018-19	2017-18
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	4,24,24,545	(65,82,166)
Adjustments for:		
Add : Depreciation	4,09,78,083	1,01,594
Less : Interest Income	(64,17,806)	-
Add : Long Term Capital Gain	-	65,97,430
Less : Short Term Capital Gain (Mutual Fund)	-	(2,17,713)
Less : Consolidation Adjustment	(1,59,32,496)	-
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>6,10,52,326</b>	<b>(1,00,855)</b>
Adjustments for:		
Increase/(Decrease) in Trade Payables	4,28,98,203	1,22,14,827
Increase/(Decrease) in Short term Borrowing	68,31,80,705	-
Increase/(Decrease) in Provisions	99,64,297	19,975
Increase/(Decrease) in Other Current Liability	2,27,90,930	-
(Increase)/Decrease in Trade Receivables	(13,42,09,444)	(9,71,69,342)
(Increase)/Decrease in short term loans & advances	(4,84,19,970)	(2,99,05,114)
(Increase)/Decrease in inventories	(5,93,16,175)	-
(Increase)/Decrease in other current assets	-	(7,88,000)
<b>Cashflow generated from Operating Activities</b>	<b>57,79,40,872</b>	<b>(11,57,28,509)</b>
Income Tax Paid ( Net of Refund)	-	-
<b>Net Cashflow generated from Operating Activities A</b>	<b>57,79,40,872</b>	<b>(11,57,28,509)</b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Property , Plant and Equipment	(25,84,962)	(5,78,732)
Change in Intangible Asset	(14,66,81,298)	-
Sale of Property , Plant and Equipment	-	-
Sale of Investments	-	2,67,74,496
Purchase of Investments	(2,05,00,000)	(3,38,91,058)
Share Application Money Received Back	-	-
Interest Income	64,17,806	-
<b>Net Cashflow generated from Investments Activities B</b>	<b>(16,33,48,454)</b>	<b>(76,95,294)</b>
<b>C Cash flow from Financing Activities</b>		
Interest Expenses	-	-
Non Controlling Interest	54,79,166	-
Goodwill	-	-
Issue of shares (with Security Premium)	-	12,81,36,729
(Increase)/Decrease in other non-current assets	(2,38,79,688)	-
(Increase)/Decrease in Long term loans & advances	(39,49,12,257)	-
Increase/(Decrease) in non current Borrowing	(7,48,246)	(44,94,570)
<b>Net Cashflow generated from Financing Activities C</b>	<b>(41,40,61,025)</b>	<b>12,36,42,159</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>5,31,393</b>	<b>2,18,355</b>
Opening Cash & Cash Equivalents	9,75,087	1,77,844
<b>Closing Cash &amp; Cash Equivalents</b>	<b>15,06,480</b>	<b>3,74,751</b>

For Ashnisha Industries Ltd.

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

Place : Ahmedabad  
Date : 22/05/2019

**Shalin A. Shah**  
Director  
DIN : 00297447

**Dimpal J. Solanki**  
Company Secretary

For, G M C A &amp; Co.

Chartered Accountants  
FRN : 109850W

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

Consolidated Statement of Changes in Equity for the Period Ended 31<sup>st</sup> March, 2019**A. Equity Share Capital**

Amount in Rs.

Particulars	2018-19		2017-18	
	No. Shares	Amount	No. Shares	Amount
<b>i) Opening Balance at the beginning of Financial Year</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>50,000</b>	<b>5,00,000</b>
Shares cancelled during the year	-	-	(50,000)	(5,00,000)
Shares issued during the year	-	-	30,18,764	3,01,87,640
<b>Closing Balance at the end of Financial Year</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>30,18,764</b>	<b>3,01,87,640</b>

**B. Other Equity**

Amount in Rs.

Particulars	Reserves and Surplus		Total
	General reserve	Retained Earnings	
<b>Balance as at 1<sup>st</sup> April, 2017</b>	0	(2,26,006)	(2,26,006)
Change during the Year	9,84,49,089	(65,82,166)	9,18,66,922
<b>Balance as at March 31, 2018</b>	<b>9,84,49,089</b>	<b>(68,08,172)</b>	<b>9,16,40,916</b>
Change during the Year	-	4,02,19,912	4,02,19,912
Other comprehensive income	-	-	-
Total Comprehensive Income / (loss) for the year	-	4,02,19,912	4,02,19,912
<b>Balance as at March 31, 2019</b>	<b>9,84,49,089</b>	<b>3,34,11,740</b>	<b>13,18,60,828</b>

See accompanying notes to the financial statements

**In terms of our report attached**For **Ashnisha Industries Ltd.**

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

Place : Ahmedabad  
Date : 22/05/2019

**Shalin A. Shah**  
Director  
DIN : 00297447

**Dimpal J. Solanki**  
Company Secretary

For, **G M C A & Co.**  
Chartered Accountants  
FRN : 109850W

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

## ➤ Significant Accounting Policies

### Company Overview

Ashnisha Industries Limited ("the company") is a listed company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of trading of various steel products and electronic items. The company is listed on Bombay Stock Exchange.

### Basis for Preparation of Financial statements

The Consolidated Financial Statements of the Group have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements comprises of Ashnisha Industries Limited and all its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

### Principles of Consolidation

- (a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (c) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (d) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (e) The Financial statements of the current financial year are consolidated financial statements, whereas the comparative information is standalone financial statement of preceding financial year.

### • Property, plant and Equipment

Property, plant and equipment are stated at acquisition cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognized impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalized along with respective asset.

Depreciation is recognized based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 for year 2018-19.

Asset	Useful Life
Office equipment	5 Years
Furniture	10 Years
Office Premise	60 Years
Vehicle	10 Years
Plant & Machinery	15 Years

### Transition to Ind AS

For transition to Ind AS, the Company has opted to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Financial Instruments**

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial assets****Initial recognition and measurement**

All financial assets, are recognized initially at fair value.

**Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

All financial liabilities are measured at amortized cost using the effective interest method or at FVTPL.

**Financial liabilities at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Trade and other payables are recognized at the transaction cost, which is its fair value.

**Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

**Revenue recognition**

The Company has adopted Ind AS 115 from 1st April, 2018 and opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application. The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

**Performance obligation:**

The revenue is recognized on fulfilment of performance obligation.

**Sale of products:**

The Company earns revenue primarily from sale of Steel Product.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision.

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title to the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**Taxation**

Tax on Income comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.



**Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

**Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**First Time Adoption of Ind AS**

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

**1. Mandatory exceptions to retrospective application of other Ind AS****(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

**(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)**

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

- (c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

- (d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

The borrowings of the Company outstanding as at the transition date, consists of loans whose disbursements have taken place in multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans are variable in nature and drawl of the loans have been made in multiple instalments with each drawl to be treated as a separate transaction for the purpose of computing the amortised cost. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has considered the fair value of the financial liability at the date of transition to Ind AS as new amortised cost of that financial liability at the date of transition to Ind AS i.e. 1 April 2017.

## 2. Optional exemptions

- (a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Company has opted to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

- (b) Investments in subsidiaries, joint ventures and associates

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, joint ventures and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109.

Accordingly, the Company has opted to measure such investments at cost in accordance with Ind AS 27.

- (c) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement contains a lease on the basis of facts and circumstances existing at the transition date.

The Company has leases of land. The classification of each land as finance lease or operating lease at the date of transition to Ind AS is done based on the basis of facts and circumstances existing as at that date.

**1 Property, Plant and Equipment**

Amount in Rs.

Particulars	Gross Block				Depreciation			Net Block	
	As at 01/04/2018	Addition due to Demerger	Addition	Deduc- tion	As at 31/03/2019	Depre- ciation Charge	Deduc- tion	As at 31/03/2018	As at 31/03/2019
Office Equipments	1,14,855	-	93,221	-	2,08,076	10,164	-	1,05,682	1,88,739
Tower	38,949	-	-	-	38,949	1,696	-	37,253	35,557
Furniture & Fixtures	4,62,018	-	-	-	4,62,018	88,567	-	3,01,243	2,12,676
Mobile	15,566	-	-	-	15,566	948	-	14,618	13,670
Computer & Peripherals	70,63,514	-	94,726	-	71,58,240	60,150	-	3,04,340	3,38,916
Grundfos System(Pump)	26,122	-	-	-	26,122	2,660	-	23,462	20,802
Plant & Machinery	74,61,250	-	-	-	74,61,250	3,88,212	-	18,31,863	14,43,651
Vehicles	22,97,294	-	-	-	22,97,294	84,156	-	2,55,692	1,71,536
<b>Total Tangible Assets</b>	<b>1,74,79,568</b>	<b>-</b>	<b>1,87,947</b>	<b>-</b>	<b>1,76,67,515</b>	<b>6,36,553</b>	<b>-</b>	<b>28,74,153</b>	<b>24,25,547</b>
<b>Previous Year</b>	<b>-</b>	<b>4,77,560</b>	<b>1,01,172</b>		<b>5,78,732</b>	<b>1,01,594</b>		<b>-</b>	<b>4,77,138</b>
<b>Intangible Asset</b>									
Software	1,47,74,202	-	-	-	1,47,74,202	23,65,325	-	43,44,898	19,79,573
Network	4,52,60,000	-	-	-	4,52,60,000	63,36,400	-	63,36,400	-
E-platform Service	16,00,00,000	-	7,00,00,000	-	23,00,00,000	5,40,00,000	-	6,60,00,000	8,20,00,000
<b>Total</b>	<b>22,00,34,202</b>	<b>-</b>	<b>70000000</b>	<b>-</b>	<b>290034202</b>	<b>62701725</b>	<b>-</b>	<b>76681298</b>	<b>83979573</b>

**Note:** Company holds 64.64% Shares in subsidiary company, So company is eligible for 64.64% of total depreciation in Profit and Loss Account.

**2 Non Current Investments**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>(1) Investment in Equity Shares</b>			
Lesha Industries Ltd (4,14,450 Shares)		-	76,75,000
Vivanta Industries Ltd (8,07,112 Shares)	78,19,306	78,19,306	-
Ashoka Metcast Ltd (100 Shares)	2,000	2,000	-
Gujarat Natural Resources Ltd	29,09,845	29,09,845	-
India Infraspaces Ltd (3,01,322 Shares)	29,42,194	29,42,194	1,07,61,500
<b>(2) Unquoted Investment</b>			
Birla sun life cash manger-1		-	10,00,000
Ezi Ventures Pvt Ltd	-	80,00,000	-
Birla sun life cash manger-2		-	15,00,000
<b>Total</b>	<b>1,36,73,345</b>	<b>2,16,73,345</b>	<b>2,09,36,500</b>
<b>Market Value of the Quoted Shares</b>	<b>80,26,014</b>	<b>1,39,14,653</b>	<b>1,80,47,667</b>
<b>Market Value of the Un Quoted Shares</b>	<b>-</b>	<b>80,00,000</b>	<b>25,00,000</b>

**3 Non-Current Loans & Advances**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Other Advances	39,33,12,257	-	-
Loan to Related Party	16,00,000	-	-
Balance with Government Authorities	-	-	-
<b>Total</b>	<b>39,49,12,257</b>	<b>-</b>	<b>-</b>

**4 Other Non-Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Other Advances	15,18,000	-	-
Balance with Government Authorities	2,23,61,688	-	-
<b>Total</b>	<b>2,38,79,688</b>	<b>-</b>	<b>-</b>

**5 Trade Receivables**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Outstanding for less than 6 months from the due date	5,58,32,913	-	-
Unsecured, considered good			
Outstanding for more than 6 months from the due date	17,85,83,721	10,02,07,190	30,37,847
Unsecured, considered good			
<b>Total</b>	<b>23,44,16,634</b>	<b>10,02,07,190</b>	<b>30,37,847</b>

**6 Cash & Cash Equivalents**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Balances with Banks	3,64,098	54,788	26,433
Cash on Hand	11,42,382	3,19,963	1,29,964
<b>Total</b>	<b>15,06,480</b>	<b>3,74,751</b>	<b>1,56,397</b>

**7 Current Loans**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>Other Loans &amp; Advances</b>			
<b>Unsecured, Considered good</b>			
Loan to Corporate Bodies	15,68,439	15,68,439	4,53,000
Other Loans	2,55,13,000	2,86,76,000	-
Deposits	20,000	20,000	20,000
Advance to Supplier	5,15,59,109	-	-
Balance with govt	1,37,536	1,13,675	-
<b>Total</b>	<b>7,87,98,084</b>	<b>3,03,78,114</b>	<b>4,73,000</b>

**8 Other Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Preliminary Expenses	7,88,000	7,88,000	-
Pre-Operative Expenses	-	-	-
Other Statutory Advances	-	-	-
<b>Total</b>	<b>7,88,000</b>	<b>7,88,000</b>	<b>-</b>

**9 Share Capital****8.1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>						
Equity Shares of Rs. 10 Each	30,70,000	3,07,00,000	30,70,000	3,07,00,000	50,000	5,00,000
<b>Total</b>						
<b>Issued Share Capital</b>						
Equity Shares of Rs. 10 Each	30,18,764	3,01,87,640	30,18,764	3,01,87,640	50,000	5,00,000
<b>Total</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>50,000</b>	<b>5,00,000</b>
<b>Subscribed &amp; Fully Paid</b>						
Equity Shares of Rs. 10 Each	30,18,764	3,01,87,640	30,18,764	3,01,87,640	50,000	5,00,000
<b>Total</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>30,18,764</b>	<b>3,01,87,640</b>	<b>50,000</b>	<b>5,00,000</b>

**8.2 Details of the Shares for the Preceding Five Years**

Particulars	01-04-2014 to 31-03-2019
Number Of Equity Shares Bought Back	50,000
Number Of Preference Shares Redeemed	-
Number of Equity Share Issue as Bonus Share	-
Number of Preference Share Issue as Bonus Share	-
Number of Equity Shares Allotted For Contracts	-
Without Payment Received In Cash	30,18,764
Number of Preference Shares Allotted For Contracts	-
Without Payment Received In Cash	-

**8.3 Reconciliation of Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1st April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares (Face Value Rs. 10.00)</b>						
Shares Outstanding at the Beginning of the Year	30,18,764	30187640	50,000	5,00,000	50,000	5,00,000
Shares issued during the year	-	-	30,18,764	3,01,87,640	-	-
Shares cancelled during the year	-	-	50,000	5,00,000	-	-
Shares Outstanding at the End of the Year	30,18,764	3,01,87,640	30,18,764	3,01,87,640	50,000	5,00,000

**8.4 Share Holders Holding More than 5% Share**

Name of the Share Holders	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1st April, 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shalin A. Shah	3,98,621	13.20	398621	13.20	20,000	40.00
Ashok C. Shah	1,52,401	5.05	152401	5.05	5,000	10.00
Hitesh J. Panara	2,85,120	9.44	285120	9.44	-	0.00
Shalin A. Shah (HUF)	-	-	-	-	5,000	10.00
Payal S. Shah	-	-	-	-	5,000	10.00
Leena A. Shah	-	-	-	-	5,000	10.00
Ashoka Metcast Limited	1,65,197	5.47	165197	5.47	5,000	10.00
Shree Ghantakarna Rolling Mills Pvt. Ltd.		-		-	5,000	10.00

**10 Other Equity**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>General Reserve</b>			
Opening balance	9,84,49,089	-	-
(-) Adjustment during the year on account of Demerger	-	9,84,49,089	
+ Adjustment in pursuant to the scheme of Demerger		-	-
Closing Balances	<b>9,84,49,089</b>	<b>9,84,49,089</b>	-
<b>Profit &amp; Loss A/c</b>			
Opening balance	(68,08,172)	(2,26,006)	(90,514)
(-) Transfer of Current Year Loss	4,02,19,912	(65,82,166)	(1,35,492)
Closing balance	<b>3,34,11,740</b>	<b>(68,08,172)</b>	<b>(2,26,006)</b>
<b>Total</b>	<b>13,18,60,828</b>	<b>9,16,40,916</b>	<b>(2,26,006)</b>

**11 Non Controlling Interest**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Non Controlling Interest	54,79,166	-	-
<b>Total</b>	<b>54,79,166</b>	-	-

**12 Non Current Borrowing**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>Deferred Payment Credit</b>			
Loan from Corporate Body	-	77,50,000	1,15,52,000
Loan from Directors	-	4,98,246	36,40,816
Loan From Others	1,60,00,000	85,00,000	60,50,000
<b>Total</b>	<b>1,60,00,000</b>	<b>1,67,48,246</b>	<b>2,12,42,816</b>

**13 Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>Unsecured Loans repayable on Demand</b>			
Loan from Others	68,30,65,705	-	-
Loan From Body Corporate	1,15,000	-	-
<b>Total</b>	<b>68,31,80,705</b>	-	-

**14 Trade Payables**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>Due to Micro &amp; Small Enterprises</b>			
Trade Payables For Goods	5,81,19,114	1,52,12,004.00	29,95,865.00
Trade Payables For Expenses	41,100	50,007.00	51,318.70
<b>Total</b>	<b>5,81,60,214</b>	<b>1,52,62,011</b>	<b>30,47,184</b>

The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosure as required under section 22 of The Micro, Small and Medium Enterprise regarding:

- Amount due and outstanding to suppliers as at the end of the accounting year;
- interest paid during the year;
- interest payable at the end of the accounting year;
- interest accrued and unpaid at the end of the accounting year; have not been given , the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

**15 Other Current Liabilities**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Duties & Taxes	1,01,43,078	-	-
Advance from Customer	53,37,852	-	-
Other	73,10,000	-	-
<b>Total</b>	<b>2,27,90,930</b>	<b>-</b>	<b>-</b>

**16 Short Term Provision**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
Unpaid Professional Fees	10,20,000	17,700	18,625
Unpaid Legal Fees	10,000	32,025	21,125
Other	6,94,022	10,000	-
Income tax Payable	83,00,000	-	-
<b>Total</b>	<b>1,00,24,022</b>	<b>59,725</b>	<b>39,750</b>

**17 Revenue from Operations**

Particulars	2018-19	2017-18
(1) Sale of Steel Products	2,67,73,275	11,81,27,784
(2) Sale of Traded Goods	71,52,79,000	-
<b>Total</b>	<b>74,20,52,275</b>	<b>11,81,27,784</b>

**18 Other Income**

Particulars	2018-19	2017-18
Interest Income	64,17,806	-
Miscellaneous Income	12,225	-
Capital Gain	-	2,17,713
<b>Total</b>	<b>64,30,031</b>	<b>2,17,713</b>



**19 Purchase of Stock in Trade**

Particulars	2018-19	2017-18
<b>(A) Purchase of Products</b>		
(1) Purchase of Steel	2,67,18,148	11,78,89,505
(1) Purchase of Traded Goods	54,62,06,080	
<b>Total</b>	<b>57,29,24,228</b>	<b>11,78,89,505</b>

**20 Purchase of Stock in Trade**

Particulars	2018-19	2017-18
Opening Stock	12,70,53,829	
Closing Stock	5,93,16,175	
<b>Total</b>	<b>6,77,37,654</b>	<b>-</b>

**21 Employee Benefit Expenses**

Particulars	2018-19	2017-18
Salary & Wages	15,44,801	20,000
<b>Total</b>	<b>15,44,801</b>	<b>20,000</b>

**22 Finance Cost**

Particulars	2018-19	2017-18
Interest Expense	68,82,854	-
<b>Total</b>	<b>68,82,854</b>	<b>-</b>

**23 Depreciation & Amortization Expenses**

Particulars	2018-19	2017-18
Depreciation	4,09,78,083	1,01,594
<b>Total</b>	<b>4,09,78,083</b>	<b>1,01,594</b>

**24 Other Expenses**

Particulars	2018-19	2017-18
Payment to Auditors*	2,45,000	17,700
Rates & Taxes (Excluding Income-Tax)	3,73,800	-
<b>Miscellaneous Expenses</b>	<b>1,53,71,341</b>	<b>3,01,434</b>
Preliminary Expenses Write Off		1,97,000
Legal & Professional Charges	16,000	29,775
Annual Custody Fees	16,578	-
Office Exp	40,416	-
Share Transfer Exp	55,100	18,000
ROC Exp	3,600	18,844
Listing Processing Exps	20,000	-
Sundry Balance Written Off	1,51,20,050	-
Other Miscellaneous Expenses	99,597	37,815
<b>Total</b>	<b>1,59,90,141</b>	<b>3,19,134</b>
*Payment to Auditors		
For Audit Fees	2,45,000	17,700
For Others		-

**25. Notes on Accounts**➤ **Contingent Liabilities**

There is no contingent liability as informed by management.

➤ **Capital Expenditure Commitments: Nil**➤ **Related Party Transactions:-**

As per Indian Accounting Standard (Ind AS-24) issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name	Relationship
1	Shalin Ashok Shah	Director
2	Ashok Chinubhai Shah	Managing Director
3	Payalben Hiteshkumar Donga	CFO
4	Daxaben Mahendrakumar Shah	Independent Director
5	Chandrakant Natubhai Chauhan	Independent Director
6	Dimpal Jignesh Solanki	Company Secretary
7	Ezi Ventures Pvt Ltd	Subsidiary Company
8	Lesha Industries Ltd	Director have significant influence
9	Gujarat Natural Resources Ltd	Director have significant influence

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2018 to March 31, 2019 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
1	Shalin A. Shah	Loan Taken	50,000
		Loan Repaid	5,18,246
		Closing Balance	Nil
2	Ashok Chinubhai Shah	Loan Taken	40,000
		Loan Repaid	70,000
		Closing Balance	Nil
3	Dimpal Jignesh Solanki	Salary Payable	1,20,000
		Salary Paid	1,20,000
		Closing Balance	10,000

➤ **Payment to the Auditors**

Particulars	2018-19	2017-18
Audit Fees	245000	17700
Company Matter	0	0
Income Tax Fees	0	0
Others	0	0
<b>Total</b>	<b>245000</b>	<b>17,700</b>

➤ **Segment Reporting:**

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has four principal operating and reporting segments;

- Steel
- Trading of Software, Electronic and IT Product.
- Others

(Amount in Rs.)

Particulars	Steel	Trading of Software, Electronic and IT	Others	Total
	2018-19	2018-19	2018-19	2018-19
<b>Segment Revenue</b>	<b>267.73</b>	<b>7152.79</b>	<b>-</b>	<b>7420.52</b>
External Turnover	267.73	7152.79	-	-
Inter Segment Turnover	-	-	-	-
<b>Gross Turnover</b>	<b>267.73</b>	<b>7152.79</b>	<b>-</b>	<b>7420.52</b>
Less: Service Tax Recovered	-	-	-	-
<b>Gross Turnover</b>	<b>267.73</b>	<b>7152.79</b>	<b>-</b>	<b>7420.52</b>
<b>Segment Results before Interest &amp; Taxes</b>	<b>0.55</b>	<b>1013.36</b>	<b>64.30</b>	<b>1078.21</b>
Less: Finance Cost & Other un-allocable Expenditure	-			(653.96)
<b>Net Profit / (Loss) before Tax</b>	<b>-</b>			<b>424.25</b>

➤ **Earnings per Share:-**

The earning considered in ascertaining the company's EPS comprises the profit available for shareholders i.e. profit after tax and statutory/regulatory appropriations. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year as per the guidelines of IndAS-33.

Particulars	31-03-2019	31-03-2018
Net Profit Attributable to share holders	4,02,19,912	(65,82,166)
Weighted average number of equity shares (Nos.)	30,18,764	25,14,481
Basic and diluted earnings per share (Rs.)	<b>13.32</b>	<b>(2.62)[NO EPS]</b>
Nominal value of equity share (Rs.)	10	10

➤ **Details of loan made during the year 2018-19 as per section 186(4) of The Companies Act 2013**

(Amount in Rs.)

Name of the Entity	Nature of Transaction	Amount	Purpose of Loan	Period
Ardent Venture LLP	Loan Given	57,50,000	Business	Short Term Advances – On Demand

➤ **Capital Management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the

debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
- Total equity attributable to the equity share holders of the company	3,01,87,640	3,01,87,640	5,00,000
- As percentage of total capital	4.15%	64.83%	2.32%
- Current loans and borrowings	68,31,80,705	0	0
- Non-current loans and borrowings	1,60,00,000	1,67,48,246	2,12,42,816
- <b>Total loans and borrowings</b>	<b>69,91,80,705</b>	<b>1,67,48,246</b>	<b>2,12,42,816</b>
- Cash and cash equivalents	15,06,480	3,74,751	1,56,397
- Net loans & borrowings	69,76,74,225	1,63,73,495	2,10,86,419
- As a percentage of total capital	95.85%	35.17%	97.68%
<b>Total capital (loans and borrowings and equity)</b>	<b>72,78,61,865</b>	<b>4,65,61,135</b>	<b>2,15,86,419</b>

➤ **Fair Value measurements**

**A. Financial instruments by category**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2017		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>									
Investment	-	13,673,345	-	-	21,673,345	-	-	20,936,500	-
Non Current Loans	394,912,257	-	-	-	-	-	-	-	-
Trade receivables	234,416,634	-	-	100,207,190	-	-	3,037,847	-	-
Cash & Cash Equivalents	1,506,480	-	-	374,751	-	-	156,397	-	-
Current Loans	78,798,084	-	-	30,378,114	-	-	473,000	-	-
<b>Total Financial Asset</b>	<b>709,633,455</b>	-	-	<b>130,960,055</b>	<b>29,09,845</b>	-	<b>3,667,244</b>	<b>20,936,500</b>	-
<b>Financial Liabilities</b>									
Non Current Borrowings	16,000,000	-	-	16,748,246	-	-	21,242,816	-	-
Trade Payables	58,160,214	-	-	15,262,011	-	-	3,047,184	-	-
Short Term Borrowing	683,180,705	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>757,340,919</b>	-	-	<b>32,010,257</b>	-	-	<b>24,290,000</b>	-	-

\* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

**Fair value hierarchy**

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**B. Fair value hierarchy for assets****Financial assets measured at fair value at March 31, 2019**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b> Investment	13,673,345	-	-	13,673,345

**Financial assets measured at fair value at March 31, 2018**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b> Investment	13,673,345	-	8,000,000	21,673,345

**Financial assets measured at fair value at April 1, 2017**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b> Investment	18,436,500	-	2,500,000	20,936,500

**Notes:**

Level 1 - hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 - hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 - if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**C. Fair value of financial assets and liabilities measured at amortized cost**

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortized cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**➤ Financial risk management**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities. The Company's risk

management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management of risk</b>
Credit Risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities

**(a) Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

**Trade Receivables**

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors

For trade receivables, provision is provided by the company as per the below mentioned policy :

<b>Particulars</b>	<b>Gross Carrying Amount</b>	<b>Expected credit losses rate (%)</b>	<b>Expected Credit Losses</b>	<b>Carrying amount of Trade Receivable</b>
Considered for Goods				
0-12 Months	55,832,913	0	0	55,832,913
More than 1 Year	178,583,72	0	0	178,583,721
<b>Total</b>	<b>234,416,634</b>	<b>0</b>	<b>0</b>	<b>234,416,634</b>

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Liquidity Table**

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**As at March 31, 2019**

<b>Financial Liabilities</b>	<b>Payable within 0 to 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>Non-current financial liabilities</b>	-	16,000,000	16,000,000
Borrowings			
<b>Current financial liabilities</b>			
Borrowings	683,180,705	-	683,180,705
Trade Payables	58,160,214	-	58,160,214
Other Financial Liability	-	-	-
	<b>741,340,919</b>		<b>741,340,919</b>
<b>Total financial liabilities</b>	<b>741,340,919</b>	<b>16,000,000</b>	<b>757,340,919</b>

**As at March 31, 2018**

<b>Financial Liabilities</b>	<b>Payable within 0 to 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>Non-current financial liabilities</b>			
Borrowings	-	16,748,246	16,748,246
<b>Current financial liabilities</b>			
Borrowings	-	-	-
Trade Payables	15,262,011	-	15,262,011
Other Financial Liability	-	-	-
	<b>15,262,011</b>		<b>15,262,011</b>
<b>Total financial liabilities</b>	<b>15,262,011</b>	<b>16,748,246</b>	<b>32,010,257</b>

**(c) Market Risk**

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities

**- Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company's borrowings are Interest free, So there has been no exposure arise regarding Interest Rate Risk.

**(d) Price Risk**

**Exposure**

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

➤ **Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as on March 31, 2018**

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	477,138	0	477,138
(b) Other Intangible assets	0	0	0
(c) Capital work in progress	0	0	0
(d) Intangible assets under development	0	0	0
(e) Financial Assets :			
i) Investments	21,673,345	0	21,673,345
ii) Loans	0	0	0
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	0	0	0
<b>2 Current Assets</b>			
(a) Inventories	0	0	0
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	100,207,190	0	100,207,190
iii) Cash & Cash Equivalents	374,751	0	374,751
iii) Loans	30,378,114	0	30,378,114
iii) Other Financial Assets	0	0	0
(c) Other Current Assets	788,000	0	788,000
<b>Total Assets</b>	<b>153,898,538</b>	<b>-</b>	<b>153,898,538</b>



Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>I. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	30,187,640	0	30,187,640
(b) Other Equity	91,640,916	0	91,640,916
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	16,748,246	0	16,748,246
(b) Deferred Tax Liabilities (Net)	0	0	0
(c) Other Non Current Liabilities	0	0	0
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	0	0	0
ii) Trade Payables	15,262,011	0	15,262,011
iii) Other Financial Liabilities	0	0	0
(b) Short Term Provisions	59,725	0	59,725
<b>Total Equity &amp; Liabilities</b>	<b>153,898,538</b>	<b>-</b>	<b>153,898,538</b>

**Reconciliation of equity as on April 1, 2017**

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	0	0	0
(b) Other Intangible assets	0	0	0
(c) Capital work in progress	0	0	0
(d) Intangible assets under development	0	0	0
(e) Financial Assets :			
i) Investments	20,936,500	0	20,936,500
ii) Loans	0	0	0
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	0	0	0

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>2 Current Assets</b>			
(a) Inventories	0	0	0
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	3,037,847	0	3,037,847
iii) Cash & Cash Equivalents	156,397	0	156,397
iii) Loans	473,000	0	473,000
iii) Other Financial Assets	0	0	0
(c) Other Current Assets	0	0	0
<b>Total Assets</b>	<b>24,603,744</b>	<b>0</b>	<b>24,603,744</b>
<b>I. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	500,000	0	500,000
(b) Other Equity	(226,006)	0	(226,006)
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	21,242,816	0	21,242,816
(b) Deferred Tax Liabilities (Net)	0	0	0
(c) Other Non Current Liabilities	0	0	0
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	0	0	0
ii) Trade Payables	3,047,184	0	3,047,184
iii) Other Financial Liabilities	0	0	0
<b>(b) Short Term Provisions</b>	<b>39,750</b>	<b>0</b>	<b>39,750</b>
<b>Total Equity &amp; Liabilities</b>	<b>24,603,744</b>	<b>0</b>	<b>24,603,744</b>

**Reconciliation of total comprehensive income for the period March 31, 2018**

<b>Particulars</b>	<b>Amount as per IGAAP*</b>	<b>Effects of transition to Ind AS</b>	<b>Amount as per Ind AS</b>
Revenue From Operations	118,127,784	0	118,127,784
Other Income	217,713	0	217,713
<b>Total Revenue</b>	<b>118,345,497</b>	<b>0</b>	<b>118,345,497</b>
<b>Expenses</b>			
Purchase of Stock in Trade	117,889,505	0	117,889,505
Changes in Inventories	0	0	0
Employee Benefit Expenses	20,000	0	20,000
Finance Costs	0	0	0
Depreciation & Amortisation Expenses	101,594	0	101,594
Other Expenses	319,134	0	319,134
<b>Total Expenses</b>	<b>118,330,233</b>	<b>0</b>	<b>118,330,233</b>
<b>Profit Before Exceptional &amp; Extraordinary Items &amp; Tax</b>	<b>15,264</b>	<b>0</b>	<b>15,264</b>
Exceptional Items	0	0	0
<b>Profit Before Extraordinary Items &amp; Tax</b>	<b>15,264</b>	<b>0</b>	<b>15,264</b>
Extraordinary Items	(6,597,430)	0	(6,597,430)
<b>Profit Before Tax</b>	<b>(6,582,166)</b>	<b>0</b>	<b>(6,582,166)</b>
<b>Tax Expenses</b>			
Current Tax/ Interest on Income Tax/ Deferred Tax	0	0	0
<b>Profit/(Loss) for the period from Continuing Operations</b>	<b>(6,582,166)</b>	<b>0</b>	<b>(6,582,166)</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss	0	0	0
<b>Total comprehensive income for the year, net of tax</b>	<b>(6,582,166)</b>	<b>0</b>	<b>(6,582,166)</b>

**Notes to reconciliation between Indian GAAP and Ind AS****(i) Revenue Recognition**

Under Indian GAAP revenue is disclosed net of excise duty. However under Ind AS revenue is disclosed including excise duty.

**(ii) Amortisation of processing charges**

Under Indian GAAP ancillary cost of borrowing is recognised as expense or capitalized (in case of qualifying asset) in the year in which it is incurred. Under Ind AS the ancillary cost of borrowing is expensed or capitalised at effective interest rate over the period of loan.

➤ **Others**

- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company are not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- As per National Company Law Tribunal, Ahmedabad Bench Order Dated 29/05/2017 T.P. No. 38/ NCLT/AHM/2017, new segment of Trading & Investment Business has been added (Demerged from Lesha Industries Ltd).
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For **Ashnisha Industries Ltd.**

**Ashok C. Shah**  
Managing Director  
DIN : 02467830

Place : Ahmedabad  
Date : 22/05/2019

**Shalin A. Shah**  
Director  
DIN : 00297447

**Dimpal J. Solanki**  
Company Secretary

For, **G M C A & Co.**  
Chartered Accountants  
FRN : 109850W  
  
**CA. Mitt S. Patel**  
Partner  
Membership No. 163940

**ASHNISHA INDUSTRIES LIMITED****Regd. Office: 7<sup>th</sup> Floor, Ashoka Chambers, Opp. HCG Hospital, Nr. Mithakhali Six Roads, Ahmedabad – 380 006****CIN: U74110GJ2009PLC057629****ATTENDANCE SLIP**

Name of the attending Shareholder/Proxy : \_\_\_\_\_  
 Shareholder's Folio No./Client ID : \_\_\_\_\_  
 No. of Shares held : \_\_\_\_\_

I/We hereby record my/our presence at the Annual General Meeting held on Saturday, September 28, 2019 at the Registered Office of the Company at 12:00 noon

Signature of the Attending Shareholder/Proxy: \_\_\_\_\_

- Notes : 1. Share holder/Proxy holder wishing to attend the meeting must bring the attendance slip to the Meeting and hand it over at the entrance duly signed.
2. Share holder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting

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**ASHNISHA INDUSTRIES LIMITED****Regd. Office: 7<sup>th</sup> Floor, Ashoka Chambers, Opp. HCG Hospital, Nr. Mithakhali Six Roads, Ahmedabad – 380 006****CIN: U74110GJ2009PLC057629****PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**CIN: U74110GJ2009PLC057629**Name of the company: **ASHNISHA INDUSTRIES LIMITED**Registered office: **7<sup>th</sup> Floor, Ashoka Chambers, Opp. HCG Hospital, Mithakhali Six Roads, Ahmedabad-380006.**

Name of the member (s): \_\_\_\_\_ Folio No/ Client Id: \_\_\_\_\_  
 Registered address: \_\_\_\_\_ DP ID: \_\_\_\_\_  
 \_\_\_\_\_ E-mail Id: \_\_\_\_\_

I/We, \_\_\_\_\_ being the member (s) of ..... shares of the above named Company, hereby appoint

- |                                 |                                 |                  |
|---------------------------------|---------------------------------|------------------|
| 1. Name: _____                  | 2. Name: _____                  | 3. Name: _____   |
| Address: _____                  | Address: _____                  | Address: _____   |
| E-mail Id: _____                | E-mail Id: _____                | E-mail Id: _____ |
| Signature:....., or failing him | Signature:....., or failing him | Signature:.....  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 28<sup>th</sup> Day of September, 2019 at 12:00 noon at 7<sup>th</sup> Floor, Ashoka Chambers, Opp. HCG Hospital, Mithakhali Six Roads, Ahmedabad-380006 and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

Signed this \_\_\_\_ Day of \_\_\_\_ 2019

Signature \_\_\_\_\_

Signature of Proxy Holder(s) \_\_\_\_\_

Affix Revenue Stamp
---------------------------

**Notes:**

1. Proxy need not be a member.
2. Alterations, if any made in the form of proxy should be initialled;
3. Proxy must be deposited at the Registered Office of Ashnisha Industries Limited not later than 48 hours before the time for holding the meeting.
4. In case of multiple proxies, proxy later in time shall be accepted.
5. A form of appointment naming a proxy and a list of individuals who would be willing to act as Proxies will be made available on receipt of request in writing to the Company.

To,

*If undelivered please return to:*

**ASHNISHA INDUSTRIES LIMITED**

7<sup>th</sup> Floor, Ashoka Chambers,

Opp. HCG Hospital,

Near Mithakhali Six Roads,

Ahmedabad – 380 006, Gujarat, India

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