

# ASHNISHA INDUSTRIES LIMITED

September 8, 2020

To,  
Department of Corporate Services  
BSE Limited  
25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir/Madam,

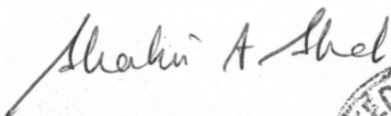
**Sub: Annual Report for the Year 2019-20**

In compliance with Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Year 2019-20 along with the notice of Annual General Meeting of the Company scheduled to be held on Wednesday, September 30, 2020 at 2:30 p.m. through Video Conferencing (VC)/other Audio-Visual Means (OAVM).

Kindly find the same and take on your records.

Thanking you,

Yours faithfully,  
**For, Ashnisha Industries Limited**



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



Encl: As above

**ANNUAL REPORT 2019-20****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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**NOTICE**

Notice is hereby given that **11<sup>th</sup> Annual General Meeting** for the F.Y. 2019-20 of the Members of **Ashnisha Industries Limited** will be held on Wednesday, 30<sup>th</sup> Day of September, 2020 at 2:30 p.m. through Video Conferencing (VC)/other Audio-Visual Means (OAVM) to transact the 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, 2020 including audited Balance Sheet as at 31<sup>st</sup> March, 2020 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. 100 Crores for each of the financial year 2020-21 and 2021-22.”

**“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. 100 Crores for each of the financial year 2020-21 and 2021-22.”

**“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 Leshia 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. 100 Crores for each of the financial year 2020-21 and 2021-22.”

“**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. 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 Gujarat Natural Resources Limited, the Related Party as defined under the Act for purchase/sale of goods, services and/or any other business activities up to Rs. 100 Crores for each of the financial year 2020-21 and 2021-22.”

“**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.”

#### **7. 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) (6) as under:

6. To carry on in India or elsewhere, either alone or jointly with one or more persons, government, local or other bodies, the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, test, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist, and to act as civil engineer, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turnkey contractor and manager of all types of constructions and developmental work in all its branches such as roads, ways, culverts, dams, bridges, railways, tramways, water distribution and filtration systems, docks, harbours, piers, irrigation works, foundation works, flyovers, airports, runways, rock drilling, aquaducts, stadiums, hydraulic units, sanitary work, power supply works, power stations, hotels, hospitals, dharmashalas, multi-stories, colonies, complexes, housing projects and other similar works and for the purpose acquire, handover, purchase, sell, own, cut to size, develop, distribute, or otherwise to deal in all sorts of lands and buildings and to carry on all or any of the foregoing activities of building materials, goods, plants,

machineries, equipments, accessories, parts, tools, fittings, articles, materials and facilities of whatsoever nature.

**“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.”

**8. To approve investment limit up to Rs. 30 crores.**

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

**“RESOLVED THAT** pursuant to Section 186 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as amended from time to time and subject to such approvals as may be necessary; the consent of Company be and is hereby accorded to the Board of Directors of the Company (including any Committee which the Board may have constituted or hereinafter constitute to exercise the power conferred by this Resolution) to make investment and acquire by way of subscription, purchase or otherwise, securities of any bodies corporate or to make investment in Mutual Fund, provided that the total amount of such investments shall not exceed Rs. 30 Crores at any time.

**“RESOLVED FURTHER THAT** the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions while making investment, within the aforesaid limits including with the power to transfer and dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and expedient for implementing and giving effect to this resolution.”

**9. To approve borrowing limits of the Company**

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

**“RESOLVED THAT,** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Companies Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 30 crore.”

**“RESOLVED FURTHER THAT,** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

**10. Removal of objects from 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 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 removal of objects no. (3) and (4) of Clause III [A] of Memorandum of Association of the Company which is produced hereunder:

3. To finance industrial enterprise and to lend and advance money to entrepreneurs promoters and industrial concerns, (whether directly or indirectly).
4. To acquire and hold shares, stocks, debentures or other securities and to carry on the activities of Investment Company.

“**RESOLVED FURTHER** that incidental and ancillary changes be made in the Memorandum of Association of the Company viz, re-numbering of objects in Clause III [A] etc. as may be required to give effect to this resolution.”

“**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.”

**Place: Ahmedabad**

**Date: September 4, 2020**

**For and on behalf of the Board**

**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.)	47 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 22 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	<ul style="list-style-type: none"><li>• Member of Audit Committee and Nomination and Remuneration Committee of the Company</li><li>• Member of Audit Committee of Ashoka Metcast Limited</li><li>• Member of Audit Committee and Nomination and Remuneration Committee and Chairman of Stakeholders' Relationship Committee of Lesha Industries Limited</li><li>• Member of Stakeholders' Relationship Committee of Gujarat Natural Resources Limited</li></ul>
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 4<sup>th</sup> September, 2020 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. 100 Crores for each of the financial year 2020-21 and 2021-22 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. 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 4<sup>th</sup> September, 2020 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. 100 Crores for each of the financial year 2020-21 and 2021-22 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	The pricing is commensurate with the market value of the goods and shall be at arm's length.



contract and not considered as part of the contract	
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 4<sup>th</sup> September, 2020 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. 100 Crores for each of the financial year 2020-21 and 2021-22 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 Audit Committee and the Board of Directors of the Company, at their respective meetings held on 4<sup>th</sup> September, 2020 has approved a proposal for entering into following related party transactions:

Name of Related Party	Gujarat Natural Resources 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 Gujarat Natural Resources 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. 100 Crores for each of the financial year 2020-21 and 2021-22 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. 6 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 Leshya 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. 7 of the Notice**

The Company wants to include the objects related to construction activities 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. 7 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 electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect the MOA can send an email to [ashnishalimited@gmail.com](mailto:ashnishalimited@gmail.com)

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

**Item No. 8 of the Notice**

With a view to expand the business and in the interest of growth and development of the Company, the Company has decided to make investments in other bodies corporate. In this regards, Board of Directors has decided to

seek approval of shareholders to make investment exceeding sixty per cent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account whichever is more. However, the total amount of such investments shall not exceed Rs. 30 Crores at any time.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

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

**Item no. 9 of the Notice**

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company. Keeping in view of enhanced requirement of funds and also the legal requirement that Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution. Hence, the Special Resolution at Item No. 9 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs. 30 crores is intended for this purpose.

The Directors recommends the resolution for members' approval as a Special Resolution.

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

**Item No. 10 of the Notice**

Upon the instructions given by the Registrar of Companies, Gujarat, the Company has given an undertaking that as the Company has not generated any revenue by object no. (3) and (4) of Clause III [A] of Memorandum of Association of the Company since the inclusion of such objects in the Memorandum of Association of the Company and does not intend to enter into any future business transaction related to business as mentioned in object no. (3) and (4) of Clause III [A] of Memorandum of Association of the Company, the Company will consider and propose to the shareholders of the Company to remove such objects form the Memorandum of Association of the Company by passing a special resolution in the upcoming general meeting of the Company.

In order to comply with the same, consent of the Members is required by way of Special resolution to remove such objects from the Memorandum of the Company.

Accordingly, your directors recommend the resolution at Item No. 10 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 electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect the MOA can send an email to [ashnishalimited@gmail.com](mailto:ashnishalimited@gmail.com)

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

**Place: Ahmedabad**  
**Date: September 4, 2020**

**For and on behalf of the Board**

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

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.ashnisha.in](http://www.ashnisha.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Purva Sharegistry (India) Private Limited for assistance in this regard.
9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Purva Sharegistry (India) Private Limited in case the shares are held by them in physical form.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA Purva Sharegistry (India) Private Limited in case the shares are held by them in physical form.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.ashnisha.in](http://www.ashnisha.in) and website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).

12. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.

13. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the Company will be closed from 27<sup>th</sup> September, 2020 to 30<sup>th</sup> September, 2020 both days inclusive.

14. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.

15. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding Physical shares can submit their PAN to the Company/Purva Sharegistry (India) Private Limited.

16. Since AGM will be held through VC/OAVM, the Route Map is not annexed in the Notice.

17. Instruction for E-Voting and joining AGM are as follows:

### **EVOTING INSTRUCTIONS**

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on (Sunday, 27<sup>th</sup> September, 2020 at 09:00 A.M.) and ends on (Tuesday, 29<sup>th</sup> September, 2020 at 05:00 P.M.) The remote e-voting module shall be disabled by NSDL for voting thereafter. And cut of Date for E-voting is 25<sup>th</sup> September, 2020.

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

#### **Details on Step 1 is mentioned below:**

##### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

#### 5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

#### c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

#### 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:****How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cschintanpatel@gmail.com](mailto:cschintanpatel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:****In case shares are held in physical mode:**

Please update your email id by providing the required details on web link provided as "REGISTER YOUR EMAIL ID" on the website of the company [www.ashnisha.in](http://www.ashnisha.in)

**In case shares are held in demat mode:**

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote evoting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed.  
Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance at least 10 days before the AGM mentioning their name, demat account number/folio number, email id, mobile number at [ashnishalimited@gmail.com](mailto:ashnishalimited@gmail.com). The same will be replied by the company suitably.
6. Shareholders who would like to express their views or have questions may send their questions in advance, mentioning their Name, Demat account number, Folio Number, mobile number and e-mail address at [ashnishalimited@gmail.com](mailto:ashnishalimited@gmail.com) from September 21, 2020 (9:00 a.m. IST) to September 24, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



## Directors' Report

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, 2020.

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

Particulars	Financial Results			
	Year ended 31/03/2020		Year ended 31/03/2019	
	Standalone	Consolidated	Standalone	Consolidated
Total Revenue	2,15,26,110	27,20,35,150	2,67,85,500	74,84,82,306
Expenditure	2,17,56,256	28,47,34,703	2,70,77,723	66,50,79,678
Depreciation	1,04,568	3,65,75,872	1,02,432	4,09,78,083
Profit/(Loss) before Tax	(3,34,714)	(4,92,75,425)	(3,94,655)	4,24,24,545
Current Tax	-	-	-	53,65,120
Deferred Tax	-	41,44,775	-	31,60,487
<b>Profit/(Loss) after Tax</b>	<b>(3,34,714)</b>	<b>(4,51,30,650)</b>	<b>(3,94,655)</b>	<b>4,02,19,912</b>

**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.

The Company is engaged in the business of trading of various steel products and trading of goods.

**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. 9,09,11,548/- as compared to Rs. 9,12,46,262/- 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, 2020 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:**

During the Financial Year 2019-20, the worldwide outbreak of COVID-19 was announced as a pandemic by WHO, in response to which the nationwide lockdown has been announced on 24th March, 2020. This has resulted in to temporary shutdown of business with undesirable outcome on the business. The Company has resumed its business activities from 18th May, 2020 with strict health and safety monitoring procedure for COVID-19. The management has made initial assessment of company's profitability and liquidity position along with overall economic impact of COVID-19. Based on corollary of such assessment, the Company does not expect a material impact of COVID-19 on its liquidity and future performances as on the date of this report. The Company has made detailed disclosure of COVID-19 impact on the Company under Regulation 30 of SEBI (Listing Obligations &

Disclosure Requirements), Regulation, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20.

There were no other 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, 2020, which would impact the going concern status and future operations of your Company.

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

The Company has one subsidiary viz EZI Ventures Pvt. Ltd.

As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements and a report on performance and financial position of the subsidiary included in the consolidated financial statements is included in Form AOC – 1 and consolidated performance and financial summary given here in above.

In accordance with third proviso of Section 136 (1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.ashnisha.in. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

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, 5 (Five) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder.

Sr. No.	Date of Board Meeting held during the year	Name of Directors attended the Meeting			
1.	24/04/2019	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
2.	22/05/2019	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
3.	14/08/2019	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
4.	14/11/2019	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah
5.	14/02/2020	Shalin A. Shah	Ashok C. Shah	Chandrakant N. Chauhan	Daxaben M. Shah

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.

**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, appointed Mrs. Daxaben M. Shah (DIN: 08054390), and Mr. Chandrakant N. Chauhan (DIN: 08057354), as an Independent Directors of the Company.

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 their separate meeting held on 14/03/2020 has 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:

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:

- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- 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, 2020.

**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 14, 2020.

**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.

- a. To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- b. To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- c. 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.
- d. 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 2019-20, audit committee meetings were held on 22<sup>nd</sup> May, 2019; 14<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. Composition of committee as on 31<sup>st</sup> March, 2020 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	4	4
Mrs. Daxaben M. Shah	4	4
Mr. Shalin A. Shah	4	4

**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

In the financial year 2019-20, one meeting of Nomination and Remuneration committee was held on 24<sup>th</sup> April, 2019.

**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	Executive Director
3	Mr. Chandrakant N. Chauhan	Member	Non- Executive Independent Director

In the financial year 2019-20, four meetings of Stakeholders' Relationship were held on 22/05/2019, 14/08/2019, 14/11/2019 and 14/02/2020.

**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 the year ended March 2020 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, Practising 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 its Code of Conduct for prevention of Insider Trading w.e.f. April 1, 2019 pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

**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, 2020 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 2019-20 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. 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. RELATED PARTY DISCLOSURE:**

Related Party disclosure as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the report of Director herewith attached as **Annexure VI**.

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

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

**35. MAINTENANCE OF COST RECORDS:**

The Company is not require to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

**36. 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: September 4, 2020

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 world's second largest steel producer in 2019. The country surpassed Japan to become the world's second largest steel producer in 2019. As per Indian Steel Association (ISA), steel demand is estimated to grow 7 per cent in FY20 and FY21. The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route, which has significantly increased Foreign Direct Investment (FDI) in steel sector. 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 loss for the year.

**➤ OPPORTUNITY & THREATS:****Opportunities:**

Various initiatives are taken by the Government such as Steel Scrap Recycling Policy to reduce import, levy of export duty on iron ore to ensure supply to domestic steel industry, focus on infrastructure and restarting road projects aiding the demand for steel etc. These will generate a lot of opportunities for the Company which will ultimately lead to achieve the organisation's set goals. Besides this, huge infrastructure demand, rapid urbanization and increasing demand for consumer durables also generate a lot of opportunities for the Company.

**Threats:**

Spurts of price wars and heavy trade discounts has impacted the Indian Steel Industry. The competition from domestic and international steel companies located in India is also increasing which has eventually exposed enormous strain to the company to survive in this competitive market.

**➤ 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 litnessness.

➤ **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 REPERFORMANCE:**

In terms of performance, FY 2019-20 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 3.34 Lakhs, the company had

earned Rs. 2.15 crores as revenue from operations. Cash and cash equivalents at the end of year stood at Rs. 3.02 Lakhs.

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

(i) Debtors Turnover ratio: lower by 23.39%

Explanation: Majorly due to decrease in sales and credit policies of the company.

(ii) Current Ratio: Lower by 5.70%

Explanation: Majorly due to increased short term liabilities relative to short term assets.

(iii) Debt Equity ratio: Increase by 7.13%

Explanation: Majorly due to increase in liabilities of the Company.

➤ **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.

➤ **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: September 4, 2020**

**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>2019-20</b>	<b>2018-19</b>
Foreign Exchange Earning	<b>Nil</b>	<b>Nil</b>
Foreign Exchange out go	<b>Nil</b>	<b>Nil</b>

**Place: Ahmedabad****Date: September 4, 2020****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 31.03.2020**

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	L74110GJ2009PLC057629
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	72.13%
2	Trading of Goods	46691	27.87%

**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)

# ANNUAL REPORT 2019-20

# ASHNISHA INDUSTRIES LIMITED

## 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, 2019			No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2020			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>A. Promoters</b>							
(1) Indian							
a) Individual/ HUF	643530	NIL	643530	643530	NIL	643530	21.32
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corp.	440381	Nil	440381	440381	Nil	440381	14.59
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>1083911</b>	<b>NIL</b>	<b>1083911</b>	<b>35.91</b>
<b>B. Public Shareholding</b>							
1. Institutions							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FI	Nil	95	95	Nil	95	95	0.00
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>Nil</b>	<b>95</b>	<b>95</b>	<b>0.00</b>
<b>2. Non-institutions</b>							
a) Bodies Corp.							
i) Indian	712820	2743	715563	574290	2743	577033	19.11
ii) Overseas	-	-	-	-	-	-	-
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	522638	145226	667864	545207	145226	690433	22.87
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	537757	Nil	537757	643533	Nil	643533	21.32
c) Others (specify)	-	-	-	-	-	-	-

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**ASHNISHA INDUSTRIES LIMITED**

NRI/OCB													
OTHERS													
Non Resident Indians	1356	NIL	1356	0.04	1346	NIL	1346	0.04	1346	0.04	NIL		
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-
Clearing Members	10	1	11	0.00	3614	1	3615	0.12	3615	0.12	0.12	0.12	0.12
Hindu Undivided Family	12207	NIL	12207	0.40	18798	NIL	18798	0.62	18798	0.62	0.62	0.62	0.22
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>1786788</b>	<b>147970</b>	<b>1934758</b>	<b>64.09</b>	<b>1786788</b>	<b>147970</b>	<b>1934758</b>	<b>64.09</b>	<b>1934758</b>	<b>64.09</b>	<b>64.09</b>	<b>64.09</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1786788</b>	<b>148065</b>	<b>1934853</b>	<b>64.09</b>	<b>1786788</b>	<b>148065</b>	<b>1934853</b>	<b>64.09</b>	<b>1934853</b>	<b>64.09</b>	<b>64.09</b>	<b>64.09</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2870699</b>	<b>148065</b>	<b>3018764</b>	<b>100</b>	<b>2870699</b>	<b>148065</b>	<b>3018764</b>	<b>100</b>	<b>3018764</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-</b>

**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, 2019			No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	
1	Leena Ashok Shah	92508	3.06	Nil	92508	3.06	Nil	Nil
2	Ashok Chimubhai Shah	152401	5.05	Nil	152401	5.05	Nil	Nil
3	Shalin Ashok Shah	398621	13.20	Nil	398621	13.20	Nil	Nil
4	Ashoka Metcast Ltd ( Formerly Tanya Estates Private Limited)	165197	5.47	Nil	165197	5.47	Nil	Nil
5	Rhetan Rolling Mills Private Limited (Formerly Shree Ghantakarna Rolling Mills Private Limited)	145584	4.82	Nil	145584	4.82	Nil	Nil
6	Lesha Ventures Private Limited (Formerly Lesha Agro Foods Private Limited)	129600	4.29	Nil	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, 2020.

D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2020:  
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRIS):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase / Decrease	Date wise change in shareholding	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	Midrina Oil And Gas Services Pvt. Ltd.	134352	4.45	Nil	NA	134352	4.45
3	Suryaja Infrastructure Pvt. Ltd.	134352	4.45	Nil	NA	134352	4.45
4	Tiw Systems Pvt. Ltd	134352	4.45	Nil	NA	134352	4.45
5	Advanced Energy Resources & Management Pvt. Ltd.	45792	1.52	Nil	NA	45792	1.52
6	Janak B. Patel	36124	1.20	Nil	NA	36124	1.20
7	Shaurya Organics Private Limited	34352	1.14	Nil	NA	34352	1.14
8	Hansaben Hasmukhbhai Amin	--	--	Increase	as on 04/10/2019	8443	0.28
				Increase	as on 25/10/2019	8493	0.28
				Increase	as on 01/11/2019	8791	0.29
				Increase	as on 22/11/2019	8905	0.29
				Increase	Acquisition as on 29/11/2019	9162	0.30
				Increase	as on 06/12/2019	9222	0.31
				Increase	as on 13/12/2019	10205	0.34
				Increase	as on 20/12/2019	36561	1.21
				Increase	as on 27/12/2019	39312	1.30

					19		
				Decrease	as on 17/01/20 20	39000	1.29
				Increase	as on 24/01/20 20	44450	1.47
				Increase	as on 31/01/20 20	44750	1.48
				Increase	as on 07/02/20 20	44839	1.49
				Decrease	as on 14/02/20 20	32250	1.07
				Decrease	as on 21/02/20 20	32035	1.06
9	Aumit Capital Advisors	--	--	Increase	as on 04/10/20 19	15000	0.50
				Increase	as on 11/10/20 19	30000	0.99
10	Vipul Rajendrabhai Gandhi	--	--	Increase	as on 04/10/20 19	15000	0.50
				Increase	as on 11/10/20 19	30000	0.99

## 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	6932	0.23	6932	0.23
11	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / sweat equity etc.):	NA			
12	At the end of the year			6932	0.23
13	<b>Mrs. Daxaben M. Shah</b>				
14	At the beginning of the year	42	0.001	42	0.001
15	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / sweat equity etc.):	NA			
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	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
<b>Change in Indebtedness during the financial year</b>				
* Addition	0.00	556000.00	0.00	556000.00
* Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	0.00	556000.00	0.00	556000.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	16556000.00	0.00	16556000.00
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	16556000.00	0.00	16556000.00

## 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			NIL
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors	NIL			NIL
	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/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		CS	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)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

Place: Ahmedabad

Date: September 4, 2020

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 2019-20 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 2019-20	Remuneration to the Director / KMP for the Financial Year 2018-19	Percentage increase / decrease in remuneration in the Financial Year 2019-20	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	1.2	Nil	NA

- iii. Median Remuneration of Employees (MRE) of the Company is Rs. 1.2 Lakhs for the Financial Year 2019-20.
- iv. There was one permanent employee on the rolls of the Company during the year ended 31<sup>st</sup> March, 2020.
- 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: September 4, 2020

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, 2020

*[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, 2020 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, 2020 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, 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, 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, 2019.  
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: September 4, 2020

SD/-

**Chintan K. Patel**

**Practicing Company Secretary**

**UDIN: A031987B000662265**

**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: September 4, 2020

SD/-

**Chintan K. Patel**

**Practicing Company Secretary**

**Mem. No.: A31987**

**COP No.: 11959**

**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. 12,06,45,901/- (Rupees Twelve Crore Six Lakhs Forty Five Thousand Nine Hundred One Only) as on the last day of the previous financial year i.e. 31<sup>st</sup> March, 2019. Therefore it is not required to submit Report on Corporate Governance.

**Place: Ahmedabad**  
**Date: September 4, 2020**

**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, 2020</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: September 4, 2020**

**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	2019-20
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year	INR (Rs. in lacs)
5	Share capital	501.59
6	Reserves & surplus	4092.79
7	Total assets	4422.82
8	Total Liabilities	107.73
9	Investments	279.29
10	Turnover	2505.09
11	Profit/(loss) before taxation	(489.40)
12	Provision for taxation	(41.45)
13	Profit/(loss) after taxation	(447.95)
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.

## Independent Auditors' Report

UDIN:20163940AAAAIJ3944

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

### Opinion

We have audited the accompanying financial statements of **Ashnisha Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013 ('Act')** in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the annual standalone financial statements for the year ended March 31, 2020. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that give a true and fair view of the loss and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to these financial results, in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and of its Joint Venture to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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 31/03/2020 and taken on record by the Board of Directors, none of the directors are disqualified as on 31/03/2020, 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 : 29/07/2020

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**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2020**

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, 2020 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 give 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  
FRN NO.:109850W

**MITT S. PATEL**  
Partner  
Membership No. 163940

Place : Ahmedabad

Date : 29/07/2020

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**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, 2020 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, 2020.

**FOR G M C A & CO.**Chartered Accountants  
FRN NO.:109850W**MITT S. PATEL**Partner  
Membership No. 163940Place : Ahmedabad  
Date : 29/07/2020

## Balance Sheet As At 31/03/2020

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	1	3,63,359	4,67,927
(b) Other Intangible assets		-	-
(c) Capital work in progress		-	-
(d) Intangible assets under development		-	-
(e) Financial Assets :			
i) Investments	2	4,21,73,345	4,21,73,345
(f) Deferred tax assets (Net)		-	-
(g) Other non-current assets	3	-	15,18,000
<b>Total Non-current Assets</b>		<b>4,25,36,704</b>	<b>4,41,59,272</b>
<b>2 Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets :			
i) Investments			
ii) Trade Receivables	4	8,79,49,072	8,38,31,900
iii) Cash & Cash Equivalents	5	3,02,426	12,49,982
iv) Loans	6	2,80,03,296	2,72,38,975
(c) Other Current Assets	7	5,91,000	7,88,000
<b>Total - Current Assets</b>		<b>11,68,45,794</b>	<b>11,31,08,857</b>
<b>Total Assets</b>		<b>15,93,82,498</b>	<b>15,72,68,129</b>
<b>II. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	8	3,01,87,640	3,01,87,640
(b) Other Equity	9	9,09,11,548	9,12,46,262
<b>Total Equity</b>		<b>12,10,99,188</b>	<b>12,14,33,902</b>
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	10	1,65,56,000	1,60,00,000
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Non Current Liabilities		-	-
<b>Total Non- Current Liabilities</b>		<b>1,65,56,000</b>	<b>1,60,00,000</b>
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	11	3,90,000	1,15,000
ii) Trade Payables	12	1,62,29,769	1,23,66,227
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	13	50,52,539	73,53,000
(c) Short Term Provisions	14	55,000	-
<b>Total Current Liabilities</b>		<b>2,17,27,308</b>	<b>1,98,34,227</b>
<b>Total Equity &amp; Liabilities</b>		<b>15,93,82,498</b>	<b>15,72,68,129</b>
Contingent Liabilities & Commitments	Nil		

For Ashnisha Industries Ltd.

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

Place : Ahmedabad  
 Date : 29/07/2020

**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 Profit &amp; Loss Account For The Period From 01-04-2019 To 31-03-2020

Particulars		Note No.	2019-2020	2018-2019
I	Revenue From Operations	15	2,15,18,610	2,67,73,275
II	Other Income	16	7,500	12,225
III	<b>Total Revenue (I+II)</b>		<b>2,15,26,110</b>	<b>2,67,85,500</b>
IV	<b>Expenses</b>			
	Purchase of Stock in Trade	17	2,08,78,075	2,67,18,148
	Changes in Inventories		-	-
	Employee Benefit Expenses	18	1,20,000	1,20,000
	Finance Costs		-	-
	Depreciation & Amortisation Expenses	19	1,04,568	1,02,432
	Other Expenses	20	7,58,181	2,39,575
	<b>Total Expenses</b>		<b>2,18,60,824</b>	<b>2,71,80,155</b>
V	<b>Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>(3,34,714)</b>	<b>(3,94,655)</b>
VI	Exceptional Items		-	-
VII	<b>Profit Before Extraordinary Items &amp; Tax</b>		<b>(3,34,714)</b>	<b>(3,94,655)</b>
	Extraordinary Items		-	-
VIII	<b>Profit Before Tax</b>		<b>(3,34,714)</b>	<b>(3,94,655)</b>
IX	<b>Tax Expenses</b>			
	Current Tax/ Interest on Income Tax/ Deferred Tax		-	-
X	<b>Profit/(Loss) for the period from Continuing Operations(VIII-IX)</b>		<b>(3,34,714)</b>	<b>(3,94,655)</b>
XI	Profit/(Loss) from Discontinuing Operations		-	-
XII	Tax Expense of Discontinuing Operations		-	-
XIII	<b>Profit/(Loss) from Discontinuing Operations (after tax)(XI-XII)</b>		<b>-</b>	<b>-</b>
XIV	<b>Profit/(Loss) for the Period(X+XIII)</b>		<b>(3,34,714)</b>	<b>(3,94,655)</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>(3,34,714)</b>	<b>(3,94,655)</b>
XV	<b>Earning Per Equity Share</b>			
	Basic		(0.11)	(0.13)
	Diluted		(0.11)	(0.13)

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 : 29/07/2020

**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, 2020

Particulars	2019-20	2018-19
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	(3,34,714)	(3,94,655)
Adjustments for:		
Add : Depreciation	1,04,568	1,02,432
Less : Dividend Income	-	-
Add : Long Term Capital Gain	-	-
Less : Short Term Capital Gain (Mutual Fund)	-	-
Operating Profit / (Loss) before Working Capital Changes	<b>(2,30,146)</b>	<b>(2,92,223)</b>
<b>Adjustments for:</b>		
Increase/(Decrease) in Trade Payables	38,63,542	(28,95,784)
Increase/(Decrease) in Short term Borrowing	2,75,000	1,15,000
Increase/(Decrease) in Provisions	55,000	-
Increase/(Decrease) in Other Current Liability	(23,00,461)	72,93,275
(Increase)/Decrease in Trade Receivables	(41,17,172)	1,63,75,290
(Increase)/Decrease in short term loans & advances	(7,64,321)	31,39,139
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in other current assets	1,97,000	-
<b>Cashflow generated from Operating Activities</b>	<b>(30,21,558)</b>	<b>2,37,34,697</b>
Income Tax Paid ( Net of Refund)	-	-
<b>Net Cashflow generated from Operating Activities A</b>	<b>(30,21,558)</b>	<b>2,37,34,697</b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Property , Plant and Equipment	-	(93,221)
Sale of Property , Plant and Equipment	-	-
Sale of Investments	-	-
Purchase of Investments	-	(2,05,00,000)
Share Application Money Received Back	-	-
Dividend Income	-	-
<b>Net Cashflow generated from Investments Activities B</b>	<b>-</b>	<b>(2,05,93,221)</b>
<b>C Cash flow from Financing Activities</b>		
Interest Expenses	-	-
Issue of shares (with Security Premium)	-	-
(Increase)/Decrease in other non-current assets	15,18,000	(15,18,000)
(Increase)/Decrease in Long term loans & advances	-	-
Increase/(Decrease) in non current liabilities	5,56,000	70,01,754
<b>Net Cashflow generated from Financing Activities C</b>	<b>20,74,000</b>	<b>54,83,754</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(9,47,558)</b>	<b>86,25,230</b>
Opening Cash & Cash Equivalents	12,49,982	3,74,751
<b>Closing Cash &amp; Cash Equivalents</b>	<b>3,02,424</b>	<b>12,49,982</b>

For Ashnisha Industries Ltd.

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

Place : Ahmedabad  
 Date : 29/07/2020

**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, 2020**A. Equity Share Capital**

Amount in Rs.

Particulars	2019-20		2018-19	
	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>30,18,764</b>	<b>3,01,87,640</b>
Shares cancelled during the year	-	-	-	-
Shares issued during the year	-	-	-	-
<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 1st April, 2018</b>	9,84,49,089	(68,08,172)	9,16,40,917
Change during 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>9,12,46,262</b>
Change during the Year	-	(3,34,714)	(3,34,714)
Other comprehensive income	-	-	-
<b>Total Comprehensive Income / (loss) for the year</b>	-	<b>(3,34,714)</b>	<b>(3,34,714)</b>
<b>Balance as at March 31, 2020</b>	<b>9,84,49,089</b>	<b>(75,37,541)</b>	<b>9,09,11,548</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 : 29/07/2020

**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 trading of goods. The company is listed on Bombay Stock Exchange.

• **Statement of Compliance**

The Standalone Financial Statements comply, in all material aspects, with Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information.

• **Basis for Preparation and Presentation**

The Standalone Financial Statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Act.

• **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

- **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 2019-20. 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

- **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**

- **Classification**

The Company classifies its financial assets in the following measurement categories:

1. Those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
2. those measured at amortised cost.
3. those measured at carrying cost for equity instruments of subsidiaries and joint ventures.

- **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 are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. 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 recorded at the proceeds received, net of direct issue costs.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Standalone Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified to equity. Dividends from such investments are recognised in the Standalone Statement of Profit and Loss within other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

**Financial liabilities**

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

**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.

**• 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 fulfillment of performance obligation.

- **Sale of product**

The Company earns revenue primarily from sale of Steel Product and Trading of goods. 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 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 are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. Capitalization of borrowing costs is suspended and charged to the Standalone Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

- **Taxation**

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Standalone Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction

- **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 recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary

difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

- **Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split.

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees

- **Estimation uncertainty relating to COVID-19 outbreak:**

The Company engaged in Trading Activity. The Lockdown announced on the 24th March 2020 and the various announcement by the Government around the time resulted in shut down resulting into undesirable outcome on the business. Our business activity has been shut down during the lockdown period as the Company was not part of Government denominated indispensable services. The Company has assessed the situation and adopted 'Work From Home' approach for the Employees during the entire period of the lockdown.

The Company has resumed business activity from MAY 18, 2020 ensuring strict compliance with the guidelines issued by MHA and also in observance with conditions predetermined by local district Authorities.

- **Steps taken to ensure smooth functioning of operations due to Covid-19 outbreak :**

The Company has put in place following strict monitoring procedure for Covid-19 to ensure smooth functioning of operations:

- thermal screening of all the employees and visitors;
- Sanitizing the premises on regular basis;
- Maintenance of social distancing at all workplaces;
- Enforcing wearing of masks, thermal temperature checking and regular cleaning of hands with soap water of all the employees and visitors;
- Check Aarogya Setu App on regular basis of all the employee.

These are early days and the Company is not in a position to measure with certainty the potential impact on operations but expects normalcy to be achieved only after a quarter. The circumstances are improving gradually.



## 1 Property, Plant and Equipment

Amount in Rs.

Particulars	Gross Block				Depreciation			Net Block		
	As at 01/04/2019	Addition due to Demerger	Addition	Deduction	As at 31/03/2020	As at 01/04/2019	Depre- ciation Charge	Deduction	As at 31/03/2020	As at 31/03/2020
Office Equipments	2,08,076	-	-	-	2,08,076	19,337	12,300	-	31,637	1,88,739
Tower	38,949	-	-	-	38,949	3,392	1,696	-	5,088	35,557
Furniture & Fixtures	3,82,624	-	-	-	3,82,624	1,73,928	86,964	-	2,60,892	2,08,696
Mobile	15,566	-	-	-	15,566	1,896	948	-	2,844	13,670
Printer	616	-	-	-	616	153	-	-	153	463
Grundfos System (Pump)	26,122	-	-	-	26,122	5,320	2,660	-	7,980	20,802
<b>Total Tangible Assets</b>	<b>6,71,953</b>	-	-	-	<b>6,71,953</b>	<b>2,04,026</b>	<b>1,04,568</b>	-	<b>3,08,594</b>	<b>4,67,927</b>
<b>Previous Year</b>	-	-	-	-	<b>6,71,953</b>	-	<b>1,02,432</b>	-	<b>2,04,026</b>	-

**2 Non Current Investments**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(1) Investment in Equity Shares</b>		
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 Infraspace Ltd (3,01,322 Shares)	29,42,194	29,42,194
<b>(2) Unquoted Investment</b>		
Ezi Ventures Pvt Ltd	2,85,00,000	2,85,00,000
<b>Total</b>	<b>4,21,73,345</b>	<b>4,21,73,345</b>
<b>Market Value of the Quoted Shares</b>	<b>61,05,686</b>	<b>80,26,014</b>
<b>Market Value of the Un Quoted Shares</b>	<b>2,85,00,000</b>	<b>2,85,00,000</b>

**3 Other Non-Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<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
<b>Total</b>	-	<b>15,18,000</b>

**4 Trade Receivables**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Outstanding for less than 6 months from the due date	38,63,272	3,53,11,563
Unsecured, considered good		
Outstanding for more than 6 months from the due date	8,40,85,800	4,85,20,337
Unsecured, considered good		
<b>Total</b>	<b>8,79,49,072</b>	<b>8,38,31,900</b>

**5 Cash & Cash Equivalents**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balances with Banks	58,421	1,30,477
Cash on Hand	2,44,005	11,19,505
<b>Total</b>	<b>3,02,426</b>	<b>12,49,982</b>

**6 Current Loans**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Other Loans &amp; Advances</b>		
<b>Unsecured, Considered good</b>		
Loan to Corporate Bodies	13,74,113	15,68,439
Other Loans	2,65,11,000	2,55,13,000
Deposits	20,000	20,000
Balance with govt	98,183	1,37,536
<b>Total</b>	<b>2,80,03,296</b>	<b>2,72,38,975</b>

**7 Other Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Preliminary Expenses	5,91,000	7,88,000
<b>Total</b>	<b>5,91,000</b>	<b>7,88,000</b>

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

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	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
<b>Total</b>	<b>30,70,000</b>	<b>3,07,00,000</b>	<b>30,70,000</b>	<b>3,07,00,000</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
<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>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
<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>

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

Particulars	01-04-2015 to 31-03-2020
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	-

Particulars	01-04-2015 to 31-03-2020
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, 2020		As at 31 <sup>st</sup> March, 2019	
	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	30,18,764	3,01,87,640
Shares issued during the year	-	-	-	-
Shares cancelled during the year	-	-	-	-
<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>

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

Name of the Share Holders	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shalin A. Shah	3,98,621	13.20	398621	13.20
Ashok C. Shah	1,52,401	5.05	152401	5.05
Hitesh J. Panara	2,85,120	9.44	285120	9.44
Ashoka Metcast Limited	1,65,197	5.47	165197	5.47

## 9 Other Equity

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>General Reserve</b>		
Opening balance	9,84,49,089	9,84,49,089
(-) Adjustment during the year on account of Demerger	-	-
+ 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>Profit &amp; Loss A/c</b>		
Opening balance	(72,02,827)	(68,08,172)
(-) Transfer of Current Year Loss	(3,34,714)	(3,94,655)
<b>Closing balance</b>	<b>(75,37,541)</b>	<b>(72,02,827)</b>
<b>Total</b>	<b>9,09,11,548</b>	<b>9,12,46,262</b>

**10 Non Current Borrowing**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Payment Credit</b>		
Loan from Directors	5,56,000	-
Loan From Others	1,60,00,000	1,60,00,000
<b>Total</b>	<b>1,65,56,000</b>	<b>1,60,00,000</b>

**11 Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Unsecured Loans repayable on Demand</b>		
Loan from Directors & Relatives	90,000	-
Loan From Body Corporate	3,00,000	1,15,000
<b>Total</b>	<b>3,90,000</b>	<b>1,15,000</b>

**12 Trade Payables**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Due to Micro & Small Enterprises		
Trade Payables For Goods	1,62,29,769	1,23,25,127 00
Trade Payables For Expenses	-	41,100 00
<b>Total</b>	<b>1,62,29,769</b>	<b>1,23,66,227</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, 2020	As at 31 <sup>st</sup> March, 2019
Unpaid Audit Fees	-	20,000
Unpaid Legal Fees	-	10,000
Other	50,52,539	73,23,000
<b>Total</b>	<b>50,52,539</b>	<b>73,53,000</b>

**14 Short Term Provisions**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
Unpaid Audit Fees	30,000	-
Unpaid Legal Fees	15,000	-
Other	10,000	-
<b>Total</b>	<b>55,000</b>	<b>-</b>

**15 Revenue from Operations**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
(1) Sale of Steel Products	1,55,21,010	2,67,73,275
(2) Trading of Goods	59,97,600	-
<b>Total</b>	<b>2,15,18,610</b>	<b>2,67,73,275</b>

**16 Other Income**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Miscellaneous Income	7,500	12,225
<b>Total</b>	<b>7,500</b>	<b>12,225</b>

**17 Purchase of Stock in Trade**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
<b>(A) Purchase of Products</b>		
(1) Purchase of Steel	1,54,85,275	2,67,18,148
(2) Purchase of Goods	53,92,800	-
<b>Total</b>	<b>2,08,78,075</b>	<b>2,67,18,148</b>

**18 Employee Benefit Expenses**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Salary & Wages	1,20,000	1,20,000
<b>Total</b>	<b>1,20,000</b>	<b>1,20,000</b>

**19 Depreciation & Amortization Expenses**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Depreciation	1,04,568	1,02,432
<b>Total</b>	<b>1,04,568</b>	<b>1,02,432</b>

**20 Other Expenses**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Payment to Auditors *	40,000	20,000
Rates & Taxes (Excluding Income-Tax)	-	-
<b>Miscellaneous Expenses</b>	<b>7,18,181</b>	<b>2,19,575</b>
Preliminary Expenses Write Off		
Telephone Exps	-	-
Legal & Professional Charges	27,500	16,000

Particulars	2019-20	2018-19
Annual Custody Fees	20,979	16,578
Office Exp		8,700
Share Transfer Exp	73,500	55,100
ROC Exp	13,800	3,600
Annual Listing fees	3,00,000	20,000
Other Miscellaneous Expenses	2,82,402	99,597
<b>Total</b>	<b>7,58,181</b>	<b>2,39,575</b>
<b>* Payment to Auditors</b>		
For Audit Fees	40,000	20,000
For Others	-	-

## 21. 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	Daxaben Mahendrakumar Shah	Independent Director
4	Chandrakant Natubhai Chauhan	Independent Director
5	Dimpal Jignesh Solanki	Company Secretary
6	Lesha Industries Ltd	Director have significant influence
7	Gujarat Natural Resources Ltd	Director have significant influence

### ➤ Transactions with Related Parties

Transactions that have taken place during the period April 1, 2019 to March 31, 2020 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
1	Shalin A. Shah	Loan Taken	2,40,000
		Loan Repaid	1,50,000
		<b>Closing Balance</b>	<b>90,000</b>
2	Dimpal Jignesh Solanki	Salary Payable	1,20,000
		Salary Paid	1,20,000
		<b>Closing Balance</b>	<b>10,000</b>

➤ **Payment to the Auditors**

Particulars	2019-20	2018-19
Audit Fees	40,000	20000
Others	0	0
<b>Total</b>	<b>40,000</b>	<b>20000</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 Goods
- Others

(Amount in Lacs)

Particulars	Steel		Trading of Goods		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Segment Revenue</b>	<b>155.21</b>	<b>267.73</b>	<b>59.98</b>	-	-	-	<b>215.19</b>	<b>267.73</b>
External Turnover	-	-	-	-	-	-	-	-
Inter Segment Turnover	-	-	-	-	-	-	-	-
<b>Gross Turnover</b>	<b>155.21</b>	<b>267.73</b>	<b>59.98</b>	-	-	-	<b>215.19</b>	<b>267.73</b>
Less: GST Recovered	-	-	-	-	-	-	-	-
<b>Gross Turnover</b>	<b>155.21</b>	<b>267.73</b>	<b>59.98</b>	-	-	-	<b>215.19</b>	<b>267.73</b>

(Amount in Lacs)

Particulars	Steel		Trading of Goods		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Segment Results before Interest &amp; Taxes</b>	<b>0.36</b>	<b>0.55</b>	<b>6.05</b>	-	<b>0.08</b>	<b>0.12</b>	<b>6.49</b>	<b>0.67</b>
Less: Finance Cost & Other un-allocable Expenditure	-	-	-	-	-	-	(9.84)	(4.62)
<b>Net Profit / (Loss) before Tax</b>	-	-	-	-	-	-	<b>(3.35)</b>	<b>(3.95)</b>
Less: Taxes	-	-	-	-	-	-	-	-
<b>Net Profit / (Loss) After Tax</b>	-	-	-	-	-	-	<b>(3.35)</b>	<b>(3.95)</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 Ind AS-33.

Particulars	31-03-2020	31-03-2019
Net Profit Attributable to share holders	(3,34,714)	(3,94,655)
Weighted average number of equity shares (Nos.)	30,18,764	30,18,764
Basic and diluted earnings per share (Rs.)	(0.11)[NO EPS]	(0.13)[NO EPS]
Nominal value of equity share (Rs.)	10	10

➤ **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, 2020	As at 31 <sup>st</sup> March, 2019
Total equity attributable to the equity Shareholders of the company	3,01,87,640	3,01,87,640
As percentage of total capital	64.46%	67.00%
Current loans and borrowings	3,90,000	1,15,000
Non-current loans and borrowings	1,65,56,000	1,60,00,000
<b>Total loans and borrowings</b>	<b>1,69,46,000</b>	<b>1,61,15,000</b>
Cash and cash equivalents	301,884	12,49,982
Net loans & borrowings	1,66,44,116	1,48,65,018
As a percentage of total capital	35.54%	33.00%
<b>Total capital (loans and borrowings and equity)</b>	<b>4,68,31,756</b>	<b>4,50,52,658</b>

➤ **Fair Value measurements****A. Financial instruments by category**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investment	-	42,173,345	-	-	42,173,345	-
Loans	28,003,296	-	-	27,238,975	-	-
Trade receivables	87,949,072	-	-	83,831,900	-	-
Cash & Cash Equivalents	3,01,884	-	-	12,49,982	-	-
Other Financial Asset	-	-	-	-	-	-
<b>Total Financial Asset</b>	<b>116,254,252</b>	<b>-</b>	<b>-</b>	<b>112,320,857</b>	<b>-</b>	<b>-</b>

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Liabilities</b>						
Borrowings	1,65,56,000	-	-	16,000,000	-	-
Trade Payables	1,62,29,229	-	-	12,366,228	-	-
Short Term Borrowing	3,90,000	-	-	115,000	-	-
<b>Total Financial Liabilities</b>	<b>331,75,229</b>	-	-	<b>28,481,228</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, 2020

	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, 2019

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

#### 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 counter party 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 on-going 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 for the FY 2019-20:

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
Considered for Goods				
0-12 Months	38,63,272	0	0	38,63,272
More than 1 Year	8,40,85,800	0	0	8,40,85,800
<b>Total</b>	<b>8,79,49,072</b>	<b>0</b>	<b>0</b>	<b>8,79,49,072</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, 2020**

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	-	1,65,56,000	1,65,56,000
<b>Current financial liabilities</b>			
Borrowings	3,90,000	-	3,90,000
Trade Payables	1,62,29,229	-	1,62,29,229
Other Financial Liability	-	-	-
<b>Total financial liabilities</b>	<b>1,66,19,229</b>	<b>1,65,56,000</b>	<b>3,31,75,229</b>

**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	1,15,000	-	1,15,000
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>1,60,00,000</b>	<b>28,481,228</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.

➤ **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 Leshia 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 : 29/07/2020

**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

UDIN:20163940AAAII9814

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

### Opinion

We have audited the consolidated financial statements of **Ashnisha Industries Limited** (hereinafter referred to as the "Holding Company" or the "Corporation") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries (EZI Ventures Pvt. Ltd.) as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated Loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors

regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 sought and obtained all the information and an explanation which is to the best of our knowledge and beliefs were necessary for the purposes 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 examination of those books.
  - c) The Balance Sheet, the 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<sup>st</sup> March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There is no amount required to be transferred, to the investor's education & Protection Fund by the Company.

**FORGMCA & CO.**

Chartered Accountants

FRN NO.:109850W

**CA. Mitt S. Patel**

Partner

Membership No. 163940

Place : Ahmedabad

Date : 29/07/2020



**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, 2020 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 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”) 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 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, 2020, 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**CA. Mitt S. Patel**

Partner

Membership No. 163940

Place : Ahmedabad

Date : 29/07/2020

## Consolidated Balance Sheet as at 31/03/2020

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	1	19,06,375	24,25,547
(b) Other Intangible assets	1	2,80,00,000	8,39,79,573
(c) Capital work in progress		-	-
(d) Goodwill	1	5,90,98,354	5,90,98,354
(e) Financial Assets:			
i) Investments	2	4,16,02,615	1,36,73,345
ii) Loans	3	17,63,41,486	39,49,12,257
iii) Other Financial Assets		-	-
(f) Deferred tax assets (Net)		1,13,01,458	48,89,368
(g) Other non-current assets	4	1,07,91,123	2,38,79,688
<b>Total Non-current Assets</b>		<b>32,90,41,411</b>	<b>58,28,58,132</b>
<b>2 Current Assets</b>			
(a) Inventories		5,93,16,175	5,93,16,175
(b) Financial Assets:			
i) Investments		-	-
ii) Trade Receivables	5	9,95,88,467	23,44,16,634
iii) Cash & Cash Equivalents	6	4,55,07,152	15,06,480
iv) Loans	7	9,93,22,454	7,87,98,084
v) Other Financial Assets		-	-
(c) Other Current Assets	8	2,74,16,063	7,88,000
<b>Total - Current Assets</b>		<b>33,11,50,311</b>	<b>37,48,25,373</b>
<b>Total Assets</b>		<b>66,01,91,722</b>	<b>95,76,83,505</b>
<b>II. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	9	3,01,87,640	3,01,87,640
(b) Other Equity	10	41,84,90,561	13,18,60,828
(C) Non Controlling Interest	11	16,24,57,787	54,79,166
<b>Total Equity</b>		<b>61,11,35,987</b>	<b>16,75,27,634</b>
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	12	1,65,56,000	1,60,00,000
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Non Current Liabilities		-	-
<b>Total Non- Current Liabilities</b>		<b>1,65,56,000</b>	<b>1,60,00,000</b>
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	13	8,40,573	68,31,80,705
ii) Trade Payables	14	2,07,92,272	5,81,60,214
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	15	89,06,890	2,27,90,930
(c) Short Term Provisions	16	19,60,000	1,00,24,022
<b>Total Current Liabilities</b>		<b>3,24,99,735</b>	<b>77,41,55,871</b>
<b>Total Equity &amp; Liabilities</b>		<b>66,01,91,722</b>	<b>95,76,83,505</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 : 29/07/2020

**Dimpal J. Solanki**

Company Secretary

## Consolidated Statement of Profit &amp; Loss Account For The Period From 01-04-2019 To 31-03-2020

Particulars		Note No.	2019-2020	2018-2019
I	Revenue From Operations	17	26,80,37,954	74,20,52,275
II	Other Income	18	39,97,196	64,30,031
III	<b>Total Revenue (I+II)</b>		<b>27,20,35,150</b>	<b>74,84,82,306</b>
IV	<b>Expenses</b>			
	Purchase of Stock in Trade	19	19,58,02,367	57,29,24,228
	Changes in Inventories	20	-	6,77,37,654
	Employee Benefit Expenses	21	17,56,197	15,44,801
	Finance Costs	22	23,96,794	68,82,854
	Depreciation & Amortisation Expenses	23	3,65,75,872	4,09,78,083
	Other Expenses	24	8,47,79,345	1,59,90,141
	<b>Total Expenses</b>		<b>32,13,10,575</b>	<b>70,60,57,761</b>
V	<b>Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>(4,92,75,425)</b>	<b>4,24,24,545</b>
VII	Exceptional Items		-	-
VIII	<b>Profit Before Extraordinary Items &amp; Tax</b>		<b>(4,92,75,425)</b>	<b>4,24,24,545</b>
	Extraordinary Items		-	-
IX	<b>Profit Before Tax</b>		<b>(4,92,75,425)</b>	<b>4,24,24,545</b>
X	<b>Tax Expenses</b>			
	Current Tax		-	53,65,120
	Deferred Tax		41,44,775	31,60,487
XI	<b>Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>(4,51,30,650)</b>	<b>4,02,19,912</b>
XII	Profit/(Loss) from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	<b>Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)</b>		<b>-</b>	<b>-</b>
XV	<b>Profit/(Loss) for the Period(XI+XIV)</b>		<b>(4,51,30,650)</b>	<b>4,02,19,912</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>(4,51,30,650)</b>	<b>4,02,19,912</b>
XVI	<b>Earning Per Equity Share</b>			
	Basic		(14.95)	13.32
	Diluted		(14.95)	13.32

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 : 29/07/2020

**Dimpal J. Solanki**  
Company Secretary

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

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

Consolidated Cashflow Statement for the year ended on 31<sup>st</sup> March, 2020

Particulars	2019-20	2018-19
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	(4,92,75,425)	4,24,24,545
Adjustments for:		
Add : Depreciation	3,65,75,872	4,09,78,083
Less : Interest Income	(39,72,020)	(64,17,806)
Add : Long Term Capital Gain	-	-
Less : Short Term Capital Gain (Mutual Fund)	-	-
Less : Consolidation Adjustment	(22,67,664)	(1,59,32,496)
Operating Profit / (Loss) before Working Capital Changes	(1,89,39,237)	6,10,52,326
<b>Adjustments for:</b>		
Increase/(Decrease) in Trade Payables	(3,73,67,942)	4,28,98,203
Increase/(Decrease) in Short term Borrowing	(68,23,40,132)	68,31,80,705
Increase/(Decrease) in Provisions	(80,64,022)	99,64,297
Increase/(Decrease) in Other Current Liability	(1,38,84,040)	2,27,90,930
(Increase)/Decrease in Trade Receivables	13,48,28,167	(13,42,09,444)
(Increase)/Decrease in short term loans & advances	(2,05,24,370)	(4,84,19,970)
(Increase)/Decrease in inventories	-	(5,93,16,175)
(Increase)/Decrease in other current assets	(2,66,28,063)	-
<b>Cashflow generated from Operating Activities</b>	<b>(67,29,19,638)</b>	<b>57,79,40,872</b>
Income Tax Paid ( Net of Refund)	-	-
<b>Net Cashflow generated from Operating Activities A</b>	<b>(67,29,19,638)</b>	<b>57,79,40,872</b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Property , Plant and Equipment	-	(25,84,962)
Change in Intangible Asset	1,99,23,305	(14,66,81,298)
Sale of Property , Plant and Equipment	-	-
Sale of Investments	-	-
Purchase of Investments	(2,79,29,270)	(2,05,00,000)
Share Application Money Received Back	-	-
Interest Income	39,72,020	64,17,806
<b>Net Cashflow generated from Investments Activities B</b>	<b>(40,33,945)</b>	<b>(16,33,48,454)</b>
<b>C Cash flow from Financing Activities</b>		
Interest Expenses	-	-
Non Controlling Interest	15,69,78,621	54,79,166
Goodwill	-	-
Proceeds/(Repayment) towards share capital	39,16,887	-
Issue of shares (with Security Premium)	32,78,43,413	-
(Increase)/Decrease in other non-current assets	1,30,88,565	(2,38,79,688)
(Increase)/Decrease in Long term loans & advances	21,85,70,771	(39,49,12,257)
Increase/(Decrease) in non current Borrowing	5,56,000	(7,48,246)
<b>Net Cashflow generated from Financing Activities C</b>	<b>72,09,54,256</b>	<b>(41,40,61,025)</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>4,40,00,673</b>	<b>5,31,393</b>
Opening Cash & Cash Equivalents	15,06,480	9,75,087
<b>Closing Cash &amp; Cash Equivalents</b>	<b>4,55,07,153</b>	<b>15,06,480</b>

For Ashnisha Industries Ltd.

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

Place : Ahmedabad  
Date : 29/07/2020

**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, 2020

## A. Equity Share Capital

Amount in Rs.

Particulars	2019-20		2018-19	
	No. Shares	Amount	No. Shares	Amount
i) <b>Opening Balance at the beginning 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>
Shares cancelled during the year	-	-	-	-
Shares issued during the year	-	-	-	-
<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	Security Premium	
<b>Balance as at 1<sup>st</sup> April, 2018</b>	98449088.56	(68,08,172)	-	9,16,40,916
Change during the Year	-	4,02,19,912	-	4,02,19,912
<b>Balance as at March 31, 2019</b>	<b>98449089</b>	<b>3,34,11,740</b>	-	<b>13,18,60,828</b>
Change during the Year	-	(4,51,30,650)	33,17,60,383	28,66,29,733
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Income / (loss) for the year</b>	-	<b>(4,51,30,650)</b>	<b>33,17,60,383</b>	<b>28,66,29,733</b>
<b>Balance as at March 31, 2020</b>	<b>9,84,49,089</b>	<b>(1,17,18,911)</b>	<b>33,17,60,383</b>	<b>41,84,90,561</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 : 29/07/2020

**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 trading of Goods. The company is listed on Bombay Stock Exchange.

• **Basis of preparation and presentation**

i. **Basis of Preparation**

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 its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

ii. **Basis of Measurement**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments)
- asset held for sale and biological Assets – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- share-based payments

• **Basis 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.

• **Functional and Presentation Currency :**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). Indian Rupee is the functional currency of the company.

**Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification an asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;

- it is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### • **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 2019- 20. For year 2018-19

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

#### • **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**

- **Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortized cost.
- Those measured at carrying cost for equity instruments of subsidiaries and joint ventures.

- **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 recognized 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.

- **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 1<sup>st</sup> April, 2019 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 1<sup>st</sup> April, 2019, and subsequent contracts with customers from that date.

Performance obligation:

The revenue is recognized on fulfillment of performance obligation.

- **Sale of products:**

The Company earns revenue primarily from Steel products and trading of Goods. 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.

- **Impact of the COVID-19 pandemic on the business**

The Company engaged in Trading Activity. The lockdown announced on the 24<sup>th</sup> March 2020 and the various announcement by the Government around the time resulted in shut down resulting into undesirable outcome on the business.

- **Ability to maintain operations including the factory/units/office spaces functioning and closed down:**

Our business activity has been shut down during the lockdown period as the Company was not part of Government denominated indispensable services. The Company has assessed the situation and adopted 'Work From Home' approach for the Employees during the entire period of the lockdown.

- **Schedule, if any, for restarting the operations :**

The Company has resumed business activity from MAY 18, 2020 ensuring strict compliance with the guidelines issued by MHA and also in observance with conditions predetermined by local district authorities.

- **Steps taken to ensure smooth functioning of operations:**

The Company has put in place following strict monitoring procedure for Covid-19 to ensure smooth functioning of operations:

- thermal screening of all the employees and visitors;
- Sanitizing the premises on regular basis;
- Maintenance of social distancing at all workplaces;
- Enforcing wearing of masks, thermal temperature checking and regular cleaning of hands with soap water of all the employees and visitors;
- Check Aarogya Setu App on regular basis of all \_the \_employee

- **Estimation of the future impact of COVID-19 on its operations:**

These are early days and the Company is not in a position to measure with certainty the potential impact on operations but expects normalcy to be achieved only after a quarter. The circumstances are improving gradually.

## 1 Property, Plant and Equipment

Amount in Rs.

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2019	Addition due to Demerger	Deduction	As at 31/03/2020	As at 01/04/2019	Depreciation Charge	Deduction	As at 31/03/2019	As at 31/03/2020
Office Equipments	2,08,076	-	-	2,08,076	19,337	12,300	-	1,88,739	1,76,439
Tower	38,949	-	-	38,949	3,392	1,696	-	35,557	33,861
Furniture & Fixtures	4,62,018	-	-	4,62,018	2,49,342	86,975	-	2,12,676	1,25,701
Mobile	15,566	-	-	15,566	1,896	948	-	13,670	12,722
Computer & Peripherals	71,58,240	-	-	71,58,240	68,19,323	22,772	27,345	3,38,917	3,43,490
Grundfos System(Pump)	26,122	-	-	26,122	5,320	2,660	-	20,802	18,142
Plant & Machinery	74,61,249	-	-	74,61,249	60,17,600	3,62,494	-	14,43,649	10,81,155
Vehicles	22,97,296	-	-	22,97,296	21,25,758	56,673	-	1,71,538	1,14,865
<b>Total Tangible Assets</b>	<b>1,76,67,516</b>	-	-	<b>1,76,67,516</b>	<b>1,52,41,968</b>	<b>5,46,518</b>	<b>27,345</b>	<b>24,25,548</b>	<b>19,06,375</b>
<b>Previous Year</b>	<b>1,74,79,568</b>	-	<b>1,87,947</b>	<b>1,76,67,515</b>	<b>1,46,05,415</b>	<b>6,36,553</b>	-	<b>28,74,153</b>	<b>24,25,547</b>
<b>Intangible Asset</b>									
Software	1,47,74,202	-	-	1,47,74,202	1,27,94,629	19,79,573	-	1,47,74,202	1,47,74,202
Network	4,52,60,000	-	-	4,52,60,000	4,52,60,000	-	-	-	-
E-platform Service	23,00,00,000	-	-	23,00,00,000	14,80,00,000	5,40,00,000	-	8,20,00,000	2,80,00,000
<b>Total</b>	<b>29,00,34,202</b>	-	<b>0</b>	<b>29,00,34,202</b>	<b>20,60,54,629</b>	<b>5,59,79,573</b>	-	<b>8,39,79,573</b>	<b>28,00,000</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**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
<b>Investment in Equity Shares</b>		
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
AGOL	2,79,29,270	-
India Infraspace Ltd (3,01,322 Shares)	29,42,194	29,42,194
<b>Total</b>	<b>4,16,02,615</b>	<b>1,36,73,345</b>
<b>Market Value of the Quoted Shares</b>	<b>61,05,685</b>	<b>80,26,014</b>

**3 Non-Current Loans & Advances**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
Other Advances	17,47,41,486	39,33,12,257
Loan to Related Party	16,00,000	16,00,000
Balance with Government Authorities	-	-
<b>Total</b>	<b>17,63,41,486</b>	<b>39,49,12,257</b>

**4 Other Non-Current Assets**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
Other Advances	-	15,18,000
Balance with Government Authorities	1,07,91,123	2,23,61,688
<b>Total</b>	<b>1,07,91,123</b>	<b>2,38,79,688</b>

**5 Trade Receivables**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
Outstanding for less than 6 months from the due date	66,17,818	5,58,32,913
Unsecured, considered good		
Outstanding for more than 6 months from the due date	9,29,70,649	17,85,83,721
Unsecured, considered good		
<b>Total</b>	<b>9,95,88,467</b>	<b>23,44,16,634</b>

**6 Cash & Cash Equivalents**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
Balances with Banks	4,52,49,270	3,64,098
Cash on Hand	2,57,882	11,42,382
<b>Total</b>	<b>4,55,07,152</b>	<b>15,06,480</b>

**7 Current Loans**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Other Loans &amp; Advances</b>		
<b>Unsecured, Considered good</b>		
Loan to Corporate Bodies	28,72,113	15,68,439
Other Loans	2,50,13,000	2,55,13,000
Deposits	20,000	20,000
Advance to Supplier	7,13,19,158	5,15,59,109
Balance with govt	98,183	1,37,536
<b>Total</b>	<b>9,93,22,454</b>	<b>7,87,98,084</b>

**8 Other Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Preliminary Expenses	5,91,000	7,88,000
Pre-Operative Expenses	-	-
Intrest Receivable	2,68,25,063	-
Other Statutory Advances	-	-
<b>Total</b>	<b>2,74,16,063</b>	<b>7,88,000</b>

**9 Share Capital****9.1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	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
<b>Total</b>	<b>30,70,000</b>	<b>3,07,00,000</b>	<b>30,70,000</b>	<b>3,07,00,000</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
<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>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
<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>

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

Particulars	01-04-2015 to 31-03-2020
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	-

**9.3 Reconciliation of Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	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	30,18,764	3,01,87,640
Shares issued during the year	-	-	-	-
Shares cancelled during the year	-	-	-	-
<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>

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

Name of the Share Holders	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shalin A. Shah	3,98,621	13.20	398621	13.20
Ashok C. Shah	1,52,401	5.05	152401	5.05
Hitesh J. Panara	2,85,120	9.44	285120	9.44
Ashoka Metcast Limited	1,65,197	5.47	165197	5.47

**10 Other Equity**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>General Reserve</b>		
Opening balance	9,84,49,089	9,84,49,089
(-) Adjustment during the year on account of Demerger	-	-
+ Adjustment in pursuant to the scheme of Demerger	-	-
<b>Closing Balances</b>	<b>9,84,49,089</b>	<b>9,84,49,089</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Security Premium</b>		
Opening balance	-	-
(-) Adjustment during the year on account of Demerger	-	-
+ Adjustment in pursuant to the scheme of Demerger	33,17,60,383	-
<b>Closing Balances</b>	<b>33,17,60,383</b>	-
<b>Profit &amp; Loss A/c</b>		
Opening balance	3,34,11,740	(68,08,172)
(-) Transfer of Current Year Loss	(4,51,30,650)	4,02,19,912
<b>Closing balance</b>	<b>(1,17,18,911)</b>	<b>3,34,11,740</b>
<b>Total</b>	<b>41,84,90,561</b>	<b>13,18,60,828</b>

**11 Non Controlling Interest**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Non Controlling Interest	16,24,57,787	54,79,166
<b>Total</b>	<b>16,24,57,787</b>	<b>54,79,166</b>

**12 Non Current Borrowing**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Payment Credit</b>		
Loan from Directors	5,56,000	-
Loan From Others	1,60,00,000	1,60,00,000
<b>Total</b>	<b>1,65,56,000</b>	<b>1,60,00,000</b>

**13 Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Unsecured Loans repayable on Demand</b>		
Loan from Others	5,40,573	68,30,65,705
Loan From Body Corporate	3,00,000	1,15,000
<b>Total</b>	<b>8,40,573</b>	<b>68,31,80,705</b>

**14 Trade Payables**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Trade Payables For Goods	2,07,92,272	5,81,19,114
Trade Payables For Expenses	-	41,100
<b>Total</b>	<b>2,07,92,272</b>	<b>5,81,60,214</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:

- (a) Amount due and outstanding to suppliers as at the end of the accounting year;
- (b) interest paid during the year;
- (c) interest payable at the end of the accounting year;
- (d) 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, 2020	As at 31 <sup>st</sup> March, 2019
Duties & Taxes	34,60,015	1,01,43,078
Advance from Customer	3,98,335	53,37,852
Other	50,48,539	73,10,000
<b>Total</b>	<b>89,06,889</b>	<b>2,27,90,930</b>

### 16 Short Term Provision

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Unpaid Professional Fees	15,15,000	10,20,000
Unpaid Legal Fees	30,000	10,000
Other	4,15,000	6,94,022
Income tax Payable	-	83,00,000
<b>Total</b>	<b>19,60,000</b>	<b>1,00,24,022</b>

### 17 Revenue from Operations

Particulars	2019-2020	2018-2019
(1) Sale of Steel Products	1,55,21,000	2,67,73,275
(2) Sale of Traded Goods	59,98,000	-
(3) Sale of IT Products	24,65,18,954	71,52,79,000
<b>Total</b>	<b>26,80,37,954</b>	<b>74,20,52,275</b>

### 18 Other Income

Particulars	2019-2020	2018-2019
Interest Income	39,72,020	64,17,806
Miscellaneous Income	25,176	12,225
<b>Total</b>	<b>39,97,196</b>	<b>64,30,031</b>

**19 Purchase of Stock in Trade**

Particulars	2019-2020	2018-2019
<b>(A) Purchase of Products</b>		
(1) Purchase of Steel	1,54,85,275	2,67,18,148
(2) Purchase of Traded Goods	53,92,800	54,62,06,080
(3) Purchase of IT Products	17,49,24,292	-
<b>Total</b>	<b>19,58,02,367</b>	<b>57,29,24,228</b>

**20 Changes in Inventories**

Particulars	2019-2020	2018-2019
Opening Stock	5,93,16,175	12,70,53,829
Closing Stock	5,93,16,175	5,93,16,175
<b>Total</b>	<b>-</b>	<b>6,77,37,654</b>

**21 Employee Benefit Expenses**

Particulars	2019-2020	2018-2019
Salary & Wages	17,56,197	15,44,801
<b>Total</b>	<b>17,56,197</b>	<b>15,44,801</b>

**22 Finance Cost**

Particulars	2019-2020	2018-2019
Interest Expense	23,96,794	68,82,854
<b>Total</b>	<b>23,96,794</b>	<b>68,82,854</b>

**23 Depreciation & Amortization Expenses**

Particulars	2019-2020	2018-2019
Depreciation	3,65,75,872	4,09,78,083
<b>Total</b>	<b>3,65,75,872</b>	<b>4,09,78,083</b>

**24 Other Expenses**

Particulars	2019-2020	2018-2019
Payment to Auditors *	1,85,440	2,45,000
Rates & Taxes (Excluding Income-Tax)	-	3,73,800
<b>Miscellaneous Expenses</b>	<b>8,45,93,905</b>	<b>1,53,71,341</b>
Preliminary Expenses Write Off	74,742	-
Legal & Professional Charges	64,345	16,000
Annual Custody Fees	20,979	16,578
Office Exp	-	40,416
Share Transfer Exp	73,500	55,100
ROC Exp	1,02,357	3,600
Listing Processing Exps	3,00,000	20,000

Particulars	2019-2020	2018-2019
Rent Exp	1,36,442	-
Advertisement Exp.	62,895	-
Sundry Balance Written Off	8,34,57,623	1,51,20,050
Other Miscellaneous Expenses	3,01,023	99,597
<b>Total</b>	<b>8,47,79,345</b>	<b>1,59,90,141</b>
<b>* Payment to Auditors</b>		
For Audit Fees	1,85,440	2,45,000
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	Daxaben Mahendrakumar Shah	Independent Director
4	Chandrakant Natubhai Chauhan	Independent Director
5	Dimpal Jignesh Solanki	Company Secretary
6	Ezi Ventures Pvt Ltd	Subsidiary Company
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, 2019 to March 31, 2020 with related parties by the company stated below :

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
1	Shalin A. Shah	Loan Taken	2,40,000
		Loan Repaid	1,50,000
		<b>Closing Balance</b>	<b>90,000</b>
2	Dimpal Jignesh Solanki	Salary Payable	1,20,000
		Salary Paid	1,20,000
		<b>Closing Balance</b>	<b>10,000</b>

➤ **Payment to the Auditors**

Particulars	2019-2020	2018-2019
Audit Fees	1,85,440	2,45,000
Company Matter	0	0
Income Tax Fees	0	0
Others	0	0
<b>Total</b>	<b>1,85,440</b>	<b>2,45,000</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
- Trading of Goods
- Others

(Amount in Lacs)

Particulars	Steel		Trading of Software, Electronic and IT		Trading of Goods		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Segment Revenue</b>	155.21	267.73	2465.19	7152.79	59.98	-	-	-	2680.38	7420.52
External Turnover	155.21	267.73	2465.19	7152.79	59.98	-	-	-	2680.38	7420.52
Inter Segment Turnover	-	-	-	-	-	-	-	-	-	-
<b>Gross Turnover</b>	<b>155.21</b>	<b>267.73</b>	<b>2465.19</b>	<b>7152.79</b>	<b>59.98</b>	-	-	-	<b>2680.38</b>	<b>7420.52</b>
Less: GST Recovered	-	-	-	-	-	-	-	-	-	-
<b>Gross Turnover</b>	<b>155.21</b>	<b>267.73</b>	<b>2465.19</b>	<b>7152.79</b>	<b>59.98</b>	-	-	-	<b>2680.38</b>	<b>7420.52</b>

(Amount in Lacs)

Particulars	Steel		Trading of Software, Electronic and IT		Trading of Goods		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Segment Results before Interest &amp; Taxes</b>	0.36	0.55	715.95	1013.36	6.05	-	39.97	64.30	762.33	1078.21
Less: Finance Cost & Other un-allocable Expenditure	-	-	-	-	-	-	-	-	1255.07	653.96
<b>Net Profit / (Loss) before Tax</b>	-	-	-	-	-	-	-	-	<b>(492.74)</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 Ind AS-33.

Particulars	31-03-2020	31-03-2019
Net Profit Attributable to share holders	(45,130,650)	4,02,19,912
Weighted average number of equity shares (Nos.)	30,18,764	30,18,764
Basic and diluted earnings per share (Rs.)	(14.95)[NO EPS]	13.32
Nominal value of equity share (Rs.)	10	10

➤ **Details of loan made during the year 2019-2020 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 Ventures 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, 2020	As at 31 <sup>st</sup> March, 2019
- Total equity attributable to the equity share holders of the company	3,01,87,640	3,01,87,640
- As percentage of total capital	14.53%	4.15%
- Current loans and borrowings	840,573	68,31,80,705
- Non-current loans and borrowings	16,556,000	1,60,00,000
- <b>Total loans and borrowings</b>	<b>1,73,96,573</b>	<b>69,91,80,705</b>
- Cash and cash equivalents	45,507,152	15,06,480
- Net loans & borrowings	(28,110,579)	69,76,74,225
- As a percentage of total capital	-13.54%	95.85%
<b>Total capital (loans and borrowings and equity)</b>	<b>2,077,061</b>	<b>72,78,61,865</b>

## ➤ Fair Value measurements

## A. Financial instruments by category

Particulars	As at 31 <sup>st</sup> March, 2020			As at 31 <sup>st</sup> March, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investment	-	41,602,615	-	-	13,673,345	-
Non-Current Loans	176,341,486	-	-	394,912,257	-	-
Trade receivables	99,588,467	-	-	234,416,634	-	-
Cash & Cash Equivalents	45,507,152	-	-	1,506,480	-	-
Current Loans	99,322,454	-	-	78,798,084	-	-
<b>Total Financial Asset</b>	<b>420,759,559</b>	<b>41,602,615</b>	<b>-</b>	<b>709,633,455</b>	<b>13,673,345</b>	<b>-</b>
<b>Financial Liabilities</b>						
Non-Current Borrowings	16,556,000	-	-	16,000,000	-	-
Trade Payables	20,792,272	-	-	58,160,214	-	-
Short Term Borrowing	840,573	-	-	683,180,705	-	-
Other Financial Liabilities	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>38,188,845</b>	<b>-</b>	<b>-</b>	<b>757,340,919</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, 2020**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment	41,602,615	-	-	41,602,615

**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

**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 on-going 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	66,17,818	0	0	66,17,818
More than 1 Year	9,29,70,649	0	0	9,29,70,649
<b>Total</b>	<b>99,588,467</b>	<b>0</b>	<b>0</b>	<b>99,588,467</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, 2020**

<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	-	16,556,000	16,556,000
<b>Current financial liabilities</b>			
Borrowings	840,573	-	840,573
Trade Payables	20,792,272	-	20,792,272
Other Financial Liability	-	-	-
	<b>21,632,845</b>	-	<b>21,632,845</b>
<b>Total financial liabilities</b>	<b>21,632,845</b>	<b>16,556,000</b>	<b>38,188,845</b>

**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>			
Borrowings	-	16,000,000	16,000,000
<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>

**(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.

**➤ 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 Leshia 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 : 29/07/2020

**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