

DIRECTORS' REPORT

To
The Members,
AHIMSA INDUSTRIES LIMITED
AHMEDABAD

Your Directors have pleasure in presenting their Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019

1. FINANCIAL RESULTS

Particulars	2018-19 (In ₹)	2017-18 (In ₹)
Total Revenue	377,306,944.84	960,173,183.76
Total Expenditure	374,143,706.81	947,505,505.09
Profit /(Loss) Before Tax	3163237.03	12,667,678.67
Less: Current Tax	(12667682)	(5,286,847.00)
Deferred Tax	260152.91	877,159.00
Profit /(Loss) after Taxation	2145646.94	8,257,990.67
Balance carried to Balance Sheet	2145646.94	8,257,990.67

2. REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:

The total income during the year has decreased from Rs. 960,173,183.76 to 377,306,944.84 (approx.61 %) over the last year and Total expenditure of the Company is Rs. 374,143,706.81. The Profit before provision of Tax is Rs. 31, 632, 38.03. The Company Current Income Tax during the year is Rs. 1277744. Deferred tax for the year under review is Rs. (260152.91). The net Profit of the Company is Rs. 2145646.94 for the year under review. Net profit of the company decreases as compare to previous year.

Though revenue from operations decreased during the year, gross and net profit of the Company decreased during the year under review. The main reason for decrease in gross and net profit is decrease in total expenses of the company.

Your directors will assure to put their efforts for growth of the company.

Your Directors hope for better results next year.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There are no Material changes in nature of business during the year.

4. DIVIDEND

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review

5. TRANSFER TO RESERVES

During the current financial year our Company's net profit was Rs. 2145646.94 as against the profit of Rs.8257994 in P.Y. 2017-18. Your Directors have transferred whole amount of Profit Rs.2145646.94 to Reserve for strengthen the financial position of the Company in nearest future.

6. SHARE CAPITAL

A) ISSUE OF EQUITY SHARE WITH DIFFERENTIAL RIGHTS

The Company has not issued any Equity Shares with differential rights during the year under review.

B) SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

C) BONUS SHARES

No Bonus Shares were issued during the year review.

D) EMPLOYEE STOCK OPTION

During the year there is no employee stock option scheme approved.

7. DETAILS OF SUBSIDIARY/JOINTVENTURES/ ASSOCIATE COMPANIES:

There is no subsidiary /joint venture or Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013.

8. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis report as required under regulation 34 and Schedule V of SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015 forms and integral part of this report and provides overview of the business and operations of the Company.

9. PUBLIC DEPOSITS:

There were no public deposits accepted during the financial year or any amount of principal or interest was outstanding in terms of sections 73 and 74 of companies Act, 2013 read with the companies (Acceptance of Deposits) Rules, 2014, for the financial year ended on 31st March, 2019.

10. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

11. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF THE COMPANY:

The Board of Directors has formulated the Nomination and Remuneration Policy of your Company. The salient aspects covered in the Nomination and Remuneration Policy covering the policy on appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a director and other matters. The same has been uploaded on website of the Company www.ahimsa.in.

Salient feature of the Policy as follows:

(i) APPOINTMENT & QUALIFICATION:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient or satisfactory for the concerned position.

b) The Company shall not appoint or continue the employment of any person as Whole-Time Director who has attained the age of seventy years. Provided that the

term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice.

(ii) TERM/TENURE:

a) Managing Director/ Whole-Time Director:

The Company shall appoint or re-appoint any person as its, Managing Director or Whole-Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(iii) REMOVAL:

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

(iv) RETIREMENT:

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

(v) EVALUATION:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

(vi) POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

a) Remuneration to Managing Director, Whole-Time Director, Executive, Key Managerial Personnel and Senior Management Personnel: The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

b) Remuneration to Non-Executive/ Independent Director: The Non-Executive Independent Director may receive remuneration/ compensation/commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and as may be decided by the Board in consultation with Non-Executive/ Independent Director. Provided that Non-Executive Independent Directors are not eligible for any Stock Option.

(vii) REVIEW AND AMENDMENT:

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary. This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

12. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse Board in its process. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender which will help us retain our competitive advantage. The Board has adopted the Board diversity policy which sets out the approach to diversity of the Board of Directors.

13. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

APPOINTMENT AND RESIGNATION

The Board of Directors at their meeting held on 09th of August, 2018 has appointed Mr. Deep Kiritkumar Trivedi (DIN: 08176458) as an additional director of the Company and his appointment is also approved by the Shareholders in the 23rd Annual General meeting of the Company dated on 06th of September, 2018 and Mr. Kiritkumar Harishankar Trivedi (DIN: 07506870) resigned as a director from the company with effect from 8th August 2018.

RE- APPOINTMENT

Retirement by rotation and subsequent re-appointment

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Mr. Deep Kiritkumar Trivedi (DIN: 08176458), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for reappointment.

Appropriate resolution for his re-appointment is being placed for your approval at the ensuing Annual General Meeting. The brief resume of Mr. Deep Kiritkumar Trivedi (DIN: 08176458) and other related information has been detailed in the Annual Report..

Re-appointment of Independent Directors

Pursuant to Section 149 of the Companies Act, 2013 should be read along with Rule 4 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 Mr. Ashish Navnitlal Shah (DIN: 00089075) and Mr. Bhadresh Arvindbhai Trivedi (DIN: 07218969) are reappointed as a independent directors of the company.

CHANGES IN KEY MANAGERIAL PERSONNEL

- The Company has taken note of the resignation given by Ms. Falak R. Parikh (Membership No. A52579) as Company Secretary and Compliance Officer of Company as on 15th April, 2019.
- The Company has appointed Ms. Rashmi J. Patel (Membership No. A46687) as Company Secretary and Compliance Officer of Company in the meeting of Board of Directors held on 29th May, 2019.

Re-appointment of Ashutosh Gandhi as Managing Director and Sneha A. Gandhi as Whole time Director.

- Pursuant to provision of Section 197 of Companies Act 2013 read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 Mr. Ashutosh Damubhai Gandhi (DIN: 00654563) and Mrs. Sneha Ashutosh Gandhi (DIN: 00654675) reappointed as Managing Director and Whole time Director respectively.

14. ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

15. DECLARATION OF INDEPENDENCE:

Your Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of Companies Act, 2013 read with the Schedules and Rules issued there under as well as under Regulation 16(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the

Company as well as consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company's Shares.

The Insider trading policy of the Company covering the code of practices and procedures for fair Disclosures of unpublished price sensitive information and code of conduct for the prevention of Insider Trading is available on the website www.ahimsa.in.

17. COMMITTEES OF THE BOARD:

As on 31st March, 2019, the Board of Directors has following committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholder's Relationship Committee

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and as per Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The composition of Audit Committee is given below:

Name of Director	Status	Nature of Directorship
Mr. Ashish Navnitlal Shah	Chairman	Independent Non-Executive Director
Mr. Bhadresh Arvindbhai Trivedi	Member	Independent Non- Executive Director
Mr. Kirit H. Trivedi	Resigned	Non Executive Director
Mr. Deep K. Trivedi	Member	Non Executive Director

TERMS OF REFERENCE:

The terms of reference of the Audit Committee are as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required being included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause C of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purpose other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.

- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- To overview the Vigil Mechanism of the Company and took appropriate actions in the case of repeated frivolous complaints against any Director or Employee

MEETINGS HELD AND ATTENDANCE

During the Financial year 2018-19, four meetings were held on 29/05/2018, 09/08/2018, 13/09/2018 and 05/03/2019. The attendance records of the members are as follows.

Mr. Ashish N. Shah (DIN: 00089075) is chairman of Audit Committee.

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	4	4
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	4	4
Mr. Kiritkumar H. Trivedi	Non-Executive Director (resigned)	1	1
Mr. Deep K. Trivedi	Non Executive Director	3	3

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 and as per Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements),

2015.

The composition of Nomination & Remuneration Committee is given below:

Name of Director	Status	Nature of Directorship
Mr. Ashish Navnitlal Shah	Chairman	Independent Non-Executive Director
Mr. Bhadresh Arvindbhai Trivedi	Member	Independent Non-Executive Director
Mr. Kirit H. Trivedi	Resigned	Non Executive Director
Mr. Deep K. Trivedi	Member	Non Executive Director

TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee are as under:

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Whole time /Executive Directors, including all elements of remuneration package (i.e., salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed components and performances linked incentives along with the performance criteria, service contracts. notice period, severance fees, etc.);
- To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/Whole time /Executive Directors, including pension rights and any compensation payment;
- Such other matters as May from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

MEETINGS HELD AND ATTENDANCE

The members of Nomination and Remuneration Committee met 4 times during the year on 09/04/2018, 09/08/2018, 13/11/2018 and 05/03/2019 as per provisions of Section 178 of the Companies Act, 2013 and applicable provisions.

Mr. Ashish N. Shah (DIN: 00089075) is chairman of Nomination and Remuneration Committee.

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	4	4
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	4	4
Mr. Kiritkumar H. Trivedi	Non-Executive Director (resigned)	1	1
Mr. Deep K. Trivedi	Non Executive Director	3	3

Details of Remuneration paid to all the Directors the details of remuneration paid to the Directors of the Company during the financial year 2018-19 are as under:

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 and as per Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements), 2015. The composition of Stakeholder Relationship Committee is given below:

Name of Director	Status	Nature of Directorship
Mr. Bhadresh Arvindbhai Trivedi	Chairman	Independent Non-Executive Director
Mr. Ashish Navnitlal Shah	Member	Independent Non-Executive Director
Mr. Deep K. Trivedi	Member	Non Executive Director

TERMS OF REFERENCE:

The terms of reference of the Stakeholder Relationship Committee are as under:

- Redressal of shareholders'/investor's complaints;
- Reviewing on a periodic basis the Approval of Transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the Listing Compliances.

MEETINGS HELD AND ATTENDANCE

The members of Stakeholder Relationship Committee met 4 times during the year on 09/04/2018, 29/05/2018, 09/08/2018 and 13/11/2018 as per provisions of Section 178 of the Companies Act, 2013 and applicable provisions.

Mr. Bhadresh A. Trivedi (DIN: 07218969) is the Chairman of Stakeholder Relationship Committee.

Members	Category	Meetings held during the tenure of the Directors	Meetings Attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	4	4
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	4	4
Mr. Deep K. Trivedi	Non-Executive Director	4	4

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company met 5 times during the year on 09/04/2018, 29/05/2018, 09/08/2018, 13/11/2018 and 05/03/2019 in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes book kept by the Company for the purpose.

The intervening Gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Name of Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM held on 6 th Sept, 2018	No. of committee membership in which he/she is a member and Chairperson
Mr. Ashutosh D. Gandhi	Promoter / Managing Director	5	5	Yes	None

Mrs. Sneha A. Gandhi	Whole-time Director	5	5	Yes	None
Mr. Ashish N. Shah	Independent & Non-Executive Director	5	4	Yes	Chairman in two Committees Member in three Committees
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	5	5	Yes	Chairman in one Committees Member in three Committees
Mr. Deep K Trivedi	Non-Executive Director	2	2	Yes	Member in Three Committees
Mr. Kiritkumar H. Trivedi	Non-Executive Director	2	2	Yes	Resigned

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 29th May, 2018 and 5th March, 2019

Mr. Bhadresh A. Trivedi (DIN: 07218969) is the Chairman of Independent Directors Meeting.

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	2	2
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	2	2

19. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3) (C) read with Section 134 (5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2019 and state that:

In the preparation of the annual accounts for the year ended March 31, 2019, the Applicable accounting Standards have been followed and there are no material Departures from the same;

- I. 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 the affairs of the company as at March 31, 2019 and of the profit of the company for the year ended on that date;
- II. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the company and for preventing and detecting fraud and other irregularities;
- III. The Directors had prepared annual accounts on a 'going concern' basis.
- IV. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- V. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

20. EXTRACT OF ANNUAL RETURN:

As per the requirements of Section 92(3) of the Act and Rules framed there under, the extract of the annual return for FY 2019 is given in “**Annexure A**” which is a part of this report in the prescribed Form No. MGT-9, which is a part of this report. The same is available on <https://www.ahimsaind.com>

21. PARTICULARS OF EMPLOYEES:

During the year under review, there was no employee who has drawn remuneration in excess of the limits set out under section 197 (12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as “**Annexure B**”.

22. SEXUAL HARASSMENT

The Company has complied with the provisions relating to the Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no case filled or registered with the Committee during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe environment for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

23. COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

24. CORPORATE GOVERNANCE

Details regarding Corporate Governance Report of the Company regarding compliance of the Conditions of Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges are annexed here with as “**Annexure C**”.

25. DISCLOSURE OF ACCOUNTING TREATMENT

These Financial statements of the Company are prepared in accordance with India Accounting Standards (“Ind AS”), notified under section 133 of Companies Act, 2013 read along with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

26. RISK MANAGEMENT

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources.

The Company, through its risk management process, aims to contain the risks

within its appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

27. PARTICULARS OF MATERIAL CONTRACTS OR ARRANGEMENTS MADE WITH THE RELATED PARTIES

The company has not entered into any material contract or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

28. PARTICULARS OF LOANS, GUARANTEES, ADVANCES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of Loans, guarantees or investments made under Section 186 are furnished here under:

Details of Loans:

SR No	Date of making loan	Detail of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of Board Resolution	Date of Special Resolution (if required)	Rate of Interest	Expected rate of return
				NA					

Details of Investments:

SR No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of Board Resolution	Date of Special Resolution (if required)	Expected rate of return
				NA			

Details of Guarantee / Security Provided:

SR No	Date of providing security/ guarantee	Details of recipient	Amount	Purpose for which the security/ guarantee is proposed to be utilized by the recipient	Date of Board Resolution	Date of Special Resolution (if required)	Commission

				NA			
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29. VIGIL MECHANISM:

The Vigil Mechanism/Whistle Blower Policy has been adopted to provide appropriate Avenues to the employees to bring to the attention of the management, the concerns about any unethical behavior, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. We confirm that no director or employee has been denied access to the Audit Committee during FY 2018-19.

The Policy provides that no adverse action shall be taken or recommended against any employee in retaliation to his/her disclosure, if any, in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the Company. The same is available on the Company's Web Site <https://www.ahimsaind.com>.

30. STATUTORY AUDITORS:

M/s Mistry and Shah (Firm Registration No 122702W), Chartered Accountants, Gandhinagar have been appointed as Statutory Auditors of the Company for a period of 5 years at the 21st Annual General Meeting held on 30th June, 2016 subject to ratification of their appointment by the members at every annual general meeting. As required under Regulation 33(d) of SEBI(LODR) Regulations, 2015 the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India..

- **AUDITORS'REPORT**

The notes on financial statement referred to in the auditor's report are self-explanatory. There is no qualification, reservation or adverse remarks or disclaimer made by the auditors in their report and do not call for any further explanation/comment from the board.

31. FRAUDS REPORTED BY AUDITORS:

No frauds are reported by Auditors which falls under the purview of sub section (12) of Section 143 of Companies Act, 2013.

32. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN HIS REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor in his report.

33. SECRETARIAL AUDIT REPORT

In terms of section 204 of the Act and Rules made there under, Mr. Nitesh P. Shah, Practicing Company Secretary, Ahmedabad have been reappointed as a Secretarial Auditor of the Company in the meeting of Board of Director held on 2nd September.2019.The report of the Secretarial Auditor is enclosed as “**Annexure-D**” to this report. The report is self-explanatory and do not call for any further comments.

34. INTERNAL AUDIT & CONTROLS

The Company continues to engage M/s M. H. Bhatt & Associates (F.R.N. No. 147560W) Chartered Accountant, Ahmedabad as Internal Auditor of the company.

During the year, the Company continued to implement his suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor’s findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

35. INTERNAL FINANCIAL CONTROLS:

The Company has adequate internal controls and checks in commensurate with its activities. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

36. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel, including criteria for determining qualifications, positive attributes, and independence of Directors. More details of the same are given in the Corporate Governance Report.

37. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

At the end of the financial year under review none of the company have become or ceased to be subsidiaries, joint ventures or associate companies.

38. REPORTING ON SUSTAINABILITY

We are continuously striving to promote better and more effective sustainability policy and practices. In order to ensure transparent communication of our sustainability efforts to all our stakeholders we have made conscious efforts through technology innovation and effective communication and transparency.

39. DEPOSITS

The Company has neither accepted/invited any deposits u/s 73 to 76 of the Companies Act, 2013 during the period.

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

Information in accordance with the provisions of Section 134 read with the Companies (Accounts) Rules, 2014 regarding conservation of energy, and technology absorption are furnished hereunder in “**Annexure E.**”

41. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is pleased to report that during the year under reporting, the industrial relations were cordial.

42. CEO & CFO CERTIFICATION:

Certificate from Mr. Shrenik Khatwala, Chief Financial Officer and Mr. Sanjay Agrawal Chief Executive Officer, pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year 2018-19 was placed before the Board of Directors of the Company at its meeting held on May 29, 2019.

43. ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, RTA, Auditors and Practicing Company Secretary which have contributed to the successful management of the Company's affairs.

The Directors also take this opportunity to thank all the stakeholders, Investors,

2018-19



Clients, Banks, Government, Regulatory Authorities and Stock Exchange for their continued support.

**By Order of the Board of Directors
AHIMSA INDUSTRIES LIMITED**

**Place: Ahmedabad
Date: 02/09/2019**

**Ashutosh Damubhai Gandhi
Managing Director
DIN: 00654563**

**Place: Ahmedabad
Date: 02/09/2019**

**Sneha Ashutosh Gandhi
Whole time Director
DIN: 00654675**

MANAGEMENT DISCUSSION AND ANALYSIS

**To
AHIMSA INDUSTRIES LIMITED AHMEDABAD
ECONOMIC REVIEW**

India has increasingly adopted free market principles and liberalized its economy to international trade after a fiscal pricing in 1991. The reforms largely favored industrial growth in country. Hence, the country's economic growth progressed at a rapid pace with relatively large increases in per capita incomes.

The global gross domestic product (GDP) in the year 2018-19 grew tepid and is likely to be moderate in terms of the international events. However, India is better placed. This momentum is expected to be maintained in the coming year with the new government and pro-growth policies.

INDIAN GDP GROWTH

GDP growth of India has been under significant pressure over the last two years. As per central statistical office (CSOs) provisional estimates, India's GDP has at 6.8% in Financial year 2018-19 as against 6.5% growth in Financial year 2017-18.