

Directors' Report

To,
The Shareholder(s),

Your Directors have pleasure in presenting the 34th Annual Report together with the audited financial statement of the Company for the year ended on 31st March, 2020.

Financial Summary and State of Affairs

Standalone		₹ in Lakhs	
Sl. No.	Particulars	Current Year 2019-20	Previous Year 2018-19
1.	Sales and other income	27,373	31,230
2.	Profit before Depreciation, Taxation and Exceptional Items	(1,001)	3,454
3.	Depreciation	905	804
4.	Profit after Depreciation but before Taxation and Exceptional Items	(1,906)	2,650
5.	Exceptional Items	1,739	Nil
6.	Profit after Depreciation and Exceptional Items but before Taxation	(3,646)	2,650
7.	Provision for Taxation	(827)	882
8.	Profit after Depreciation, Taxation and Exceptional Items	(2,819)	1,768
9.	Surplus brought forward from previous year	3,419	3,415
10.	Profit available for Appropriation	601	5,182
11.	Proposed Dividend/ Interim Dividend	(256)	(256)
12.	Tax on Proposed Dividend/Interim Dividend	(53)	(53)
13.	Transfer to Other Comprehensive income	(35)	20
14.	Transfer from FVTOCI Reserve	448	1,387
15.	Transfer from/(to) General Reserve	1,500	(2,500)
16.	Transfer to Debenture Redemption Reserve	-	200
17.	Transfer from Debenture Redemption Reserve	1,112	(562)
18.	Balance Surplus carried to Balance Sheet	3,316	3,419

Consolidated		₹ in Lakhs	
Sl. No.	Particulars	Current Year 2019-20	Previous Year 2018-19
1.	Sales and other income	31,755	35,063
2.	Profit before Depreciation, Taxation and Exceptional Items	(1,285)	3,210
3.	Depreciation	915	815
4.	Profit after Depreciation but before Taxation and Exceptional Items	(2,200)	2,395
5.	Exceptional Items	1,739	-
6.	Profit after Depreciation and Exceptional Items but before Taxation	(3,939)	2,395
7.	Provision for Taxation	(915)	1,017
8.	Profit after Depreciation, Taxation and Exceptional Items	(3,024)	1,378
9.	Surplus brought forward from previous year	2,922	3,292
10.	Profit available for Appropriation	(101)	4,670
11.	Proposed Dividend/ Interim Dividend	(256)	(256)
12.	Tax on Proposed Dividend/Interim Dividend	(53)	(53)
13.	Transfer to Other Comprehensive income	(45)	37
14.	Transfer from FVTOCI Reserve	448	1,387
15.	Transfer from/(to) General Reserve	1,500	(2,500)

Consolidated		₹ in Lakhs	
Sl. No.	Particulars	Current Year 2019-20	Previous Year 2018-19
16.	Transfer to Debenture Redemption Reserve	-	200
17.	Transfer from Debenture Redemption Reserve	1,112	(562)
18.	Balance Surplus carried to Balance Sheet	2,605	2,922

Key Highlights of the Business and Operations:

- The company registered an improved sales volume of 19.82 Lakhs Sq. ft. Vs. 10.79 Lakhs Sq. ft. in FY 18-19 thereby recording an improvement of 84%. The average realisation price increased from ₹ 3,082 to ₹ 3,388 in FY 19-20.
- On execution front, we clocked an Equivalent Area Constructed (EAC) of 9.85 Lakhs sq. ft. (AHL: 6.65 Lakhs sq. ft. and partners: 3.20 Lakhs sq. ft.).

A brief summary of the on-going projects as on 31st March, 2020 are as follows:

Project Name & Location	Type	Saleable Area (Lakhs sq. ft.)	Area Booked as on 31-03-2020 (Lakhs sq. ft.)
AshianaNirmay (Phase-3) (Bhiwadi)	Senior Living	2.35	0.55
AshianaTarang (Phase -2) (Bhiwadi)	Comfort Homes	0.66	0.17
Ashiana Shubham (Phase-2 & Phase-3) (Chennai)	Senior Living	3.25	2.41
Gulmohar Gardens* (Phase 4 & Villas) (Jaipur)	Comfort Homes	1.89	1.29
Vrinda Gardens* (Phase-3B & Phase 4) (Jaipur)	Comfort Homes	4.67	2.81
Ashiana Daksh (Phase 1 & Plaza) (Jaipur)	Comfort Homes	3.26	2.62
Ashiana Daksh (Phase 2) (Jaipur)	Comfort Homes	2.35	2.23
AshianaAmantaran (Phase-1 & Phase-2) (Jaipur)	Comfort Homes	4.27	2.16
Ashiana Dwarka** (Phase-3) (Jodhpur)	Comfort Homes	0.86	0.35
AshianaSehar (Phase-1) (Jamshedpur)	Comfort Homes	3.44	1.23
AshianaAditya (Phase-1) (Jamshedpur)	Comfort Homes	3.55	3.55
Ashiana Utsav (Phase-4) (Lavasa)	Senior Living	0.63	0.00
Total		31.37	19.35

* In partnership

** The saleable area was revised after negotiation with JOA Partner.

Note: Ashiana Utsav Lavasa Phase IV construction has completed, yet to launch for sales

During the financial year under review there is no change in the nature of business of your company.

Launches:

Launches pertaining to the business of your company, including its subsidiaries and partnerships, for the year 2019-20 and period subsequent thereto are given hereunder:

- a) **Ashiana Sehar, Jamshedpur (Jharkhand):** Launched a new Comfort Home Project namely AshianaSehar (Phase-1) in Jamshedpur comprising of 2 & 3 BHK Flats with total saleable area of 3.44 Lakhs sq. ft.
- b) **Gulmohar Gardens, Jaipur (Rajasthan):** Launched Phase -IV & Extension of Gulmohar Gardens, a Comfort Home Project in Jaipur comprising of 2 & 3 BHK Flats with total saleable area of approximately 1.89 Lakhs sq. ft.
- c) **Ashiana Tarang, Bhiwadi (Rajasthan):** Launched Phase-II of AshianaTarang as a Comfort Home Project in Bhiwadi, Rajasthan comprising of 2 & 3 BHK flats with total saleable area of 0.66 Lakhs sq.ft.
- d) **Ashiana Dwarka, Jodhpur (Rajasthan):** The Company has also launched Phase – III of Ashiana Dwarka, a Comfort Home Project located in Jodhpur in Quarter 1 of Financial Year 2019-2020 comprising of 2 & 3 BHK Flats having total saleable area of 0.86 Lakhs sq. ft.
- e) **Ashiana Daksh, Jaipur (Rajasthan):** The Company also launched 2 Phases i.e. Phase – I and Phase-II of Ashiana Daksh, a Comfort Homes Project, comprising of 2 BHK and 3 BHK flats having total saleable area of 5.60 Lakhs sq. ft. including Plaza.
- f) **Ashiana Aditya, Jamshedpur (Jharkhand):** Launched Phase – I of Ashiana Aditya, a Comfort Home comprising 2 BHK and 3 BHK units having total saleable area of 3.55 Lakhs sq. ft.
- g) **Vrinda Gardens, Jaipur (Rajasthan):** Launched Phase – IV of Vrinda Gardens, Comfort Home Project located in Jaipur comprising of 1,2 and 3 BHK flats having total saleable area of 1.61 Lakhs sq. ft.
- h) **Ashiana Nirmay, Bhiwadi (Rajasthan):** Launched Phase – III of AshianaNirmay, a Senior Living Project located in Bhiwadi comprising 1, 2 & 3 BHK flats with total saleable area of 2.35 Lakhs sq. ft. of Phase –III of the said project.
- i) **Ashiana Amantran, Jaipur (Rajasthan):** The Company also launched 2 Phases i.e. Phase 1 and Phase 2 of Ashiana Amantran, a Comfort Home Project having a total saleable area of 4.27 Lakhs sq. ft. comprising of 2 BHK & 3 BHK flats.

Recognitions:

During the year under review your company was accorded the following awards/recognitions:

- a) Received Bhamashah Award from the Government of Rajasthan for the 7th consecutive year for contribution to the basic education in the State;
- b) Ranked as No. 1 Developers in North India and No.5 in India by

Track2 Realty.

- c) “Ashiana Anmol-Kid Centric” recognised as Best Theme based Project by Realty+ Excellence Awards (North) 2019.
- d) Ranked as India’s No. 1 Senior Living Brand 3 times in a row by Track 2 Realty;

Other developments

- CARE has maintained our credit rating as “**CARE A (Is) [Single A (Issuer Rating)]**”;
- ICRA has maintained our credit rating as ICRA (A) Stable for ₹ 20 Crores and ₹ 100 Crores Non-Convertible Debentures
- Brickworks has maintained our credit rating as “**BWR A+**” for Non-Convertible Debentures (NCDs) of ₹ 17 Crores.
- Hand over started of Phase I, Ashiana Anmol, Gurgaon;
- Hand over started of Phase III, Ashiana Navrang, Halol;
- Hand over started of Phase VIII, Gulmohar Gardens, Jaipur;
- Hand over started of Phase II, Ashiana Nirmay, Bhiwadi;
- Handed over started of Phase-IV, Ashiana Umang, Jaipur.

Management Discussion & Analysis

Management Discussion & Analysis which forms part of Directors’ Report as per Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the annual report.

Business Responsibility Statement

Since the Company falls in the category of top 1000 listed entities on the basis of market capitalisation as on 31st March, 2020, the Business Responsibility Report describing the initiatives taken by the Company from the environmental, social and governance perspective as per regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report as **Annexure – I** in the format forms part of the Annual Report.

Capital and Debt Structure

There has been no change in authorised, issued and subscribed capital of the company during the period under review. There are no shares with differential rights as to dividend, voting or otherwise. Further, there are no debentures with convertible rights. During the financial year under review, the Company has neither issued nor allotted any equity or preference shares or debentures and also not redeemed any preference shares or bought back any shares. However, during the financial year 2018-2019, the company had issued and allotted Non-Convertible Debentures (NCDs) of ₹ 118.74 Crores through private placement. Out of these, NCDs of ₹ 100 Crores were issued to ICICI Prudential Regular Savings Plan and of ₹ 18.74 Crores to International Finance Corporation. Also, the company issued and allotted NCDs of ₹ 50 Crores during the financial years 2015-16 and 2016 -17. Details of all the outstanding NCDs as on 31st March, 2020 are given in the following table:

Sl. No.	Name of the Allottees	ISIN of Active NCDs	Coupon Rate	Outstanding as on 31.03.2020 (₹)	Brief Terms
1.	ICICI Prudential Regular Savings Plan* issued ₹ 100 Crores	INE365D07077	10.15% Payable monthly*	65.20 Crores	Non-convertible, Redeemable, Rated, Secured against Unsold Inventory and Receivables thereon, Listed, Tenure: 5 years from the deemed date of allotment i.e. 26 th April, 2018
2.	International Finance Corporation**	INE365D08018	Eight percent 8% per annum provided that the interest rate may be varied in accordance with the reset process set out in the Debenture Trust Deed.	18.74 Crores	Non-convertible, Redeemable, Rated, Unsecured, Listed, Tenure: 20 years from the date of allotment i.e. 28 th September, 2018.
3.	Syndicate Bank	INE365D07036	11.45%	10 Crores	Non-convertible, Redeemable, Rated Secured against Land of AshianaAangan, Neemrana Phase-2 and Unsold Inventory of Ashiana Umang Tenure: 4 years
4.	Bank of Maharashtra	INE365D07069	11.45%	7 Crores	Non-convertible, Redeemable, Rated Secured against Land of AshianaAangan, Neemrana Phase-2 and Unsold Inventory of Ashiana Umang Tenure: 4 years

For all the above issues of NCDs Vistra ITCL (India) Limited has been appointed as Debenture Trustee. All the above NCDs are listed on BSE.

*However, the above arrangement was modified in March 2019, wherein the redemption was made from quarterly to monthly contingent upon collections in the Escrow Account. Redemption to be made in multiples of ₹ 10 Lakhs.

**The investment is for the identified project of the company "Ashiana Daksh" with returns linked to project specific returns.

Note: Details of the credit ratings are provided in the Management Discussion & Analysis section forming part of the Director's Report.

Extract of Annual Return

An extract of the Annual Return of your company, pursuant to Section 92(3) of the Companies Act, 2013, is given herewith as **Annexure II**. The annual return of the company for the financial year 2019-20, after filing with the Ministry of Corporate Affairs, can also be obtained from <https://www.ashianahousing.com/real-estate-investors/investors-information>.

Number of Meetings of the Board of Directors

The Board of Directors duly met four times during the year, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.

Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, the Directors of your company hereby states that:

1. In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

2. The Directors had selected such accounting policies and applied them consistently and made judgements 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 and of the Profit and Loss of the company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on going concern basis;
5. The Directors had laid down Internal Financial Controls to be followed by the company and that such Internal Financial Controls were adequate and were operating effectively;
6. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such system were adequate and operating effectively.

Disclosures from Independent Directors

Mr. Abhishek Dalmia, Mr. Hemant Kaul, Mr. Narayan Anand, Ms. Piyul Mukherjee and Ms. Sonal Mattoo, all independent directors of the company have given the requisite declaration in the first Board meeting stating that they meet the criteria of independence as provided in Section 149(6) of Companies Act, 2013 and that they have adhered and have complied with the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act and Code of Conduct of the company.

Further, all the independent directors of the company have also given the requisite declaration stating that they have complied Rule 6 (1) & (2) of Companies (Appointment & Qualification of Directors) Rules, 2014 regarding registration of their names in the Databank of Independent Directors maintained with Indian Institute of Corporate Affairs (IICA) as per MCA Notification No. G.S.R. 804 (E) dated 22nd October, 2019.

Audit Committee and Vigil Mechanism

Details of the Audit Committee, terms of reference of the audit committee and vigil mechanism of the company is given in the corporate governance section of the annual report which forms part of the Director's Report.

Policy of Nomination and Remuneration Committee

Details of the Nomination & Remuneration Committee, terms of reference of this Committee are given in the corporate governance section of the annual report which forms part of the Director's Report.

Reservation and qualification in Auditor's Report

There are no adverse remarks or any reservation or qualifications either by the Statutory Auditors of the company or by the Secretarial Auditor in their report for the year under review. However, the auditors have given their observation regarding delay by 52 days in transferring unpaid/unclaimed dividend into IEPF during the Financial Year 2019-20. The Board is ensuring there are no delays in future in this regard.

Remuneration of Directors

The disclosure pursuant to Section 197(12) of the Companies Act, 2013 relating to the remuneration of each director is given in **Annexure III**.

Loans, Guarantee and Investments

The particulars of Loans, Guarantee and Investments made by company under Section 186 of Companies Act, 2013 is given in **Annexure IV**.

Particulars of Related Party Transaction

The particulars of related party transactions entered into by the company during the year pursuant to Section 188 of Companies Act, 2013, are given in **Annexure V**.

General Reserve

No amount has been transferred to General Reserve in respect of Financial Year under review.

Dividend

The Board of Directors of your company has recommended the final dividend @ 15 % i.e. ₹ 0.30 per equity share of ₹ 2/- for the Financial Year 2019-20, approval for which is being placed before the members in the upcoming Annual General Meeting.

Material Changes and Commitments

There have been no material changes and commitments, which have affected the financial position of the company between the end of financial year and the date of this report. The impact relating to Covid-19 on the business operations of the Company has been discussed in detail in the Management Discussion and Analysis (MDA) Section of the Annual Report, and has also been addressed by the Joint Managing Director forming part of the Q & A Section with Jt. MD of this Annual Report.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars with respect to Conservation of Energy and Technology Absorption as per section 134(3)(m) read with Rule 8(3) of Chapter IX of the Companies Act, 2013 are given in **Annexure VI**.

During the year under review there has been no foreign exchange earnings but there has been foreign exchange outgo of ₹ 190.30 Lakhs.

Risk Management

Your company has a Risk Management Committee. Details of the Risk Management Committee and Risk Management Policy are given in the Corporate Governance section of the Annual Report. Major risk perception of the management which may threaten existence of the Company are discussed in the Management Discussion and Analysis section of the Annual Report.

Corporate Social Responsibility Initiatives

Details of the Corporate Social Responsibility Committee and its policy are given in the Corporate Governance section and also in Management Discussion and Analysis of the annual report which forms part of the Directors' Report.

A report on Corporate Social Responsibility initiatives undertaken by the company during the year are given in **Annexure VII**.

Formal Annual Evaluation of the Board

A statement indicating the performance of the Board and its committee and its individual directors is given in **Annexure VIII**.

Directors

The Company has Eight Directors namely Mr. Vishal Gupta, Mr. Ankur Gupta, Mr. Varun Gupta, Executive Directors and Mr. Abhishek Dalmia, Mr. Hemant Kaul, Mr. Narayan Anand, Ms. Piyul Mukherjee and Ms. Sonal Mattoo, Independent Directors.

During the year under review, there has been no change in the composition of the Board of the Directors of the Company including the Independent Directors.

Subsidiary Companies

During the period under review, a new company namely, Kairav Developers Limited has been incorporated on 03rd January, 2020 as Wholly owned subsidiary of your company.

A statement pursuant to Rule 5 & 8 of Chapter IX of the Companies Act, 2013 i.e. Companies (Accounts) Rules, 2014 containing salient features of the financial statements of the subsidiaries/associate companies/joint ventures of the company and their contribution to the overall performance of the company during the period under review is given in **Annexure IX**.

Fixed Deposits

During the year under review your company had neither invited nor accepted any deposits from the public in terms of the provisions of the Companies Act, 2013 read with Rules.

Orders of Court/Tribunal/Regulator

During the year under review there no order passed by the regulators or courts or tribunals which was material enough to impact the going concern status and operations of your company.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed. Please also refer to Internal Controls section in the Management Discussion and Analysis which forms part of the Director's Report.

Auditors

a) Statutory Auditors

The shareholders of the Company had appointed M/s. VMSS & Associates, Chartered Accountants, as statutory Auditors' of the company for a period of five years from the conclusion of the Annual General Meeting held on 28th August, 2017.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

b) Secretarial Audit Report

The Board has appointed M/s. A.K. Verma & Co., Practising Company Secretary, to conduct Secretarial Audit for the FY 19-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is given in **Annexure X**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The company has complied with the applicable Secretarial Standard Issued by the ICSI.

c) Cost Auditor

Maintenance of Cost Records and Cost Audit as prescribed under section 148 of the Companies Act, 2013 are applicable on our company and accordingly such records and accounts are maintained by the company. Your company also gets annual audit of cost records under this section.

Based on the recommendation of audit committee, Mr. Santosh Pant of M/s. Pant S. & Associates, Cost Accountant having Membership No. 32283, has been appointed by the Board as the Cost Auditors of the company for the FY 19-20 on 18th May, 2019. Further the Board has appointed him as Cost Auditor for the FY 20-21 subject to ratification of remuneration by the Shareholders in their upcoming AGM. The company has received a letter from him to the effect that this appointment would be within the limits prescribed under section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for such appointment in terms of the provisions of the Companies Act, 2013.

Compliance with the provisions under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your company has complied with the provisions of the above Act in letter and spirit. Your company has an Internal Complaints Committee to look after any complaints of this sort.

Transfer of dividend and shares to Investor Education and Protection Fund

The company transferred ₹ 22,53,033/- on 28th November, 2019 to the Investor Education and Protection Fund established by the central

government in compliance with section 125 of the Companies Act, 2013. This amount represented the unclaimed dividend in respect of the financial year 2011-12, which was lying with the company for a period of seven years from the date of transfer to unpaid-unclaimed dividend account. Prior to transferring the aforesaid sum, the company had sent reminders to the shareholders, and have been intimated to the shareholders about unpaid unclaimed dividend in every AGM notice. The company had transferred 1,32,095 number of shares to the Investor Education and Protection Fund established by the Central Government in compliance with section 125 of the Companies Act, 2013. These shares are in respect of which dividend has not been paid or claimed for seven consecutive years. Prior to transferring the aforesaid shares, the company had sent reminders to the shareholders. The Company Secretary, Mr. Nitin Sharma, is the Nodal Officer for the Transfer of Shares to Investor Education Fund and the shareholder can check their details on website <https://www.ashianahousing.com/real-estate-investors/financial-reports#3> or can mail at nitin.sharma@ashianahousing.com.

Particulars of Employees and Related Disclosures

During the year under review none of the employees of the company was in receipt of the remuneration of ₹ 1.02 Crores p.a. or ₹ 8.50 Lakhs as the case may be as specified in rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the provisions of section 197(12) of the Companies Act, 2013, or was in receipt of the remuneration in excess of that drawn by Managing Director or Whole Time Director, and is/was holding, alongwith his/her spouse and dependent children not less than two percent of the equity shares of the company. List of top ten employees in terms of remuneration drawn is given in **Annexure III**.

Other Committees of Board

The details of the other committees of Board had been stated under Corporate Governance Section of the Report.

Acknowledgements

The Board of Directors takes this opportunity to express its grateful thanks and wish to place on record its appreciation to the Government of India, the Govt. of Rajasthan, the Government of Maharashtra, the Govt. of Jharkhand, the Govt. of Gujarat, the Govt. of Haryana, the Govt. of West Bengal and Govt. of Tamil Nadu and their agencies for providing us excellent business opportunities, to our bankers for their continued support and guidance from time to time and to the employees of the company at all levels for the continued co-operation and unstinted support extended to the company. The Directors also express their sincere thanks to all the shareholders, suppliers/vendors, investors and customers for their continued support and trust they have reposed in the Management.

For and on behalf of the Board

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)