

ASHARI AGENCIES LIMITED

CIN: L65921UP1985PLC007030

To,

BOMBAY STOCK EXCHANGE OF INDIA LIMITED

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai- 400001

Ref: Submission of Annual Report for 2018-19 under Regulation 34 of SEBI (LODR) Regulations, 2015

We are hereby submitting the Annual Report of Ashari Agencies Limited For Financial Year ended 2018-19 as required under Regulation 34 of SEBI (LODR) Regulations, 2015.

Kindly consider and take our submission in your records.

Thanking You

Yours faithfully

For Ashari Agencies Limited



Signature:

Name: Ravindra Kumar Garg

Designation: Director

DIN: 00928635

Address: KB- 110, Kavi Nagar,
Ghaziabad- 201001

Regd. Office: 601 Disco Compound, G. T. Road, Ghaziabad-201001, Uttar Pradesh

Email ID: kamleshpratik2001@yahoo.co.in **website:** www.ashariagencies.in

Phone: 0120-4122041, **Fax:** 0120-4569968

ASHARI AGENCIES LIMITED

CIN : L65921UP1985PLC007030

[34TH ANNUAL REPORT 2018-2019]

BOARD OF DIRECTORS

Shri Vijay Kumar Aggarwal (Executive Director)
Shri Ajay Kumar Aggarwal (Non Executive Director)
Shri Ravindra Kumar Garg (Non executive Director)
Shri Anil Kumar Saxena (Independent Director)
Shri Yogesh Devidas Kulkarani (Additional Director)
Ms. Harsha Jayesh Ghelani (Additional Director)

CHIEF FINANCE OFFICER

Shri Kamlesh Kumar

STATUTORY AUDITORS

M/s. P. Jain & Co.,
Chartered Accountants
6, Navyug Market,
Ghaziabad

INTERNAL AUDITORS

M/s. Mukul Mittal & Associates,
Chartered Accountants
B-12, 2nd Floor,
RDC, Raj Nagar,
Ghaziabad

SECRETARIAL AUDITORS

M/s. V. Kumar and Associates,
15/18 Basement, West Patel Nagar,
New Delhi-110 008

BANKERS

Oriental Bank of Commerce
HDFC Bank Ltd.

AUDIT COMMITTEE

Shri Vijay Kumar Aggarwal
Shri Ravindra Kumar Garg
Mrs. Harsha Jayesh Ghelani

NOMINATION & REMUNERATION COMMITTEE

Shri Vijay Kumar Aggarwal
Shri Ravindra Kumar Garg
Mrs. Harsha Jayesh Ghelani

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri Vijay Kumar Aggarwal
Shri Ravindra Kumar Garg
Mrs. Harsha Jayesh Ghelani

REGISTRAR AND TRANSFER AGENT

M/s. Skyline Financial Services Pvt.Ltd.
D-153, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi – 110 020

REGISTERED OFFICE

601, Disco Compound,
G.T. Road,
Ghaziabad-201001

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NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of **M/s Ashari Agencies Limited** will be held on Monday, 30th September, 2019 at 12:30 PM at the registered office of the company at 601, Disco Compound, G.T. Road, Ghaziabad (U.P) to transact the following business:-

ORDINARY BUSINESS:

1. To consider, approve and adopt the audited financial statements of the company for the financial year ended 31st March, 2019 together with the reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Mr. Vijay Kumar Aggarwal who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Regularisation of Mrs. Harsha Jayesh Ghelani as an Independent, Non Executive Director (DIN: 07867420):

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

“RESOLVED THAT pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Mrs. Harsha Jayesh Ghelani (DIN: 07867420), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from November 23, 2018 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

4. Regularisation of Mr. Yogesh Devidas Kulkarni as an Independent, Non Executive Director (DIN: 08286460):

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

“RESOLVED THAT pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Mr. Yogesh Devidas Kulkarni (DIN: 08286460), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from November 23, 2018 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such

authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

For and on behalf of the Board of Directors

Sd/-
(Ravindra Kumar Garg)

Director
DIN : DIN : 00928635
KB-110, Kavi Nagar
Ghaziabad

Date : 26.08.2019
Place : Ghaziabad

- Notes:**
- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. In order to be effective the proxies should be received by the company at its registered office not less than 48 hours before the meeting. Proxies submitted on behalf of corporate including companies, societies etc., must be supported by an appropriate resolution of the Board of Directors or other governing body.
 - (2) The Register of Members and the Share Transfer Books of the Company will remain closed from 21st September, 2019 to 29th September, 2019 (both days inclusive).
 - (3) Members are requested to bring their attendance slip alongwith their copy of Annual Report to the meeting, Proxies should fill in the attendance slip for attending the meeting.
 - (4) Members are requested to quote their Folio Number/Client ID, in all correspondence and intimate any change in their address to the Share Transfer Agent/Depository Participant promptly.
 - (5) An explanatory statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business 5 & 6 is annexed hereto and forms part of this notice.
 - (6) Pursuant to the provisions of Section 101 of the Companies Act, 2013 read with Rules 18 of the Companies (Management and Administration) Rules, 2014, the Company is sending the Annual Report electronically on email addresses registered with the Depositories/the Company's Share Transfer Agent. For others the company will continue to send the printed Annual Reports as usual. Shareholders wishing to receive the Annual Report in electronic mode are requested to provide their email address to the Company's Share Transfer Agent.
 - (7) In compliance with a provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to votes on resolutions proposed to be considered at the 34th Annual General Meeting (AGM) through e-voting Services provided by National Securities Depository Limited (NSDL).

PROCESS FOR E-VOTING:

The instructions for remote e-voting are as under :

- i. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>.
- ii. Click on "Shareholder - Login"
- iii. Put your existing User ID and password.
- iv. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- v. Select "EVEN" Ashari Agencies Limited.
- vi. Now you are ready for "e-Voting" as "Cast Vote" page opens.
- vii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- viii. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at csvivekkumar@gmail.com with a copy marked to evoting@nsdl.co.in.
- ix. The results shall be declared within 48 hours of the conclusion of the Annual General Meeting. The result alongwith the Scrutinizers Report shall also be placed on the Company's Website.
- x. Name and Address of the Stock Exchange at which Company's shares are listed:

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai-400001

Phones:91-22-22721233/4,91-22-66545695(Hunting)

Fax : 91-22-22721919.

- (8) In addition to the facility of remote e-voting, the company shall also be providing the facility for voting at the Venue of the Annual General Meeting, either through ballot or polling paper and Members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right at the meeting.
- (9) A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting. However, in case a shareholder exercises his voting right by casting his vote at the general meeting in addition to remote e-voting, then voting done through remote e-voting shall prevail and voting done at the general meeting will be treated as invalid.

The voting period begins on Friday 27th September, 2019 at 10.00 AM and ends on Sunday 29th September, 2019 at 5.00 PM. During this period members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2019 may cast their vote electronically.

Kindly note that vote once casted cannot be modified. For EVEN, you can log-in any number of times on e-voting platform of NSDL till you have voted all the resolutions or till the end date of voting period.

Note: e-Voting shall not be allowed beyond said time i.e. 29th September, 2019, 5:00 P.M.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that Login to 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 'Forgot Password' option available on the site to reset the same.

Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990. For any further grievance related to the Remote E-voting, members may contact NSDL at the following contact information:

Phone No.+91 22 24994600/24994738

Email ID: evoting@nsdl.co.in

The result of voting will be announced at **601 DISCO COMPOUND G T ROAD GHAZIABAD UTTAR PRADESH Ghaziabad UP 201001** by the Chairperson of the AGM on Monday, 30th September, 2019. The result of the voting will be communicated to the stock exchanges and will also be posted on the website of the Company.

Place: Ghaziabad

Date: 26.08.2019

**By order of the Board
For Ashari Agencies Limited**

Sd/-

Ravinder Kumar Garg

Director (DIN:0092863)

Address:KB-110,Kavi Nagar

Ghaziabad- 201001

Annexure to the Notice**Explanatory statement pursuant to section 102 of the Companies Act, 2013 and also pursuant to Listing Agreement with Stock Exchange.****Item No. 5:** Appointment of Mrs. Harsha Jayesh Ghelani as an Independent, Non Executive Director:

Mrs. Harsha Jayesh Ghelani (DIN: 07867420) was appointed as an Additional Independent Director of the Company by the Board on the recommendation of Nomination & Remuneration Committee in their meeting held on 23rd November, 2018, with effect from 23rd November, 2018. In accordance with provisions of section 161 of the Companies Act, 2013 and applicable SEBI (LODR) Regulation, 2015, she will hold office upto the date of the Annual General Meeting of the Company. Mrs. Harsha Jayesh Ghelani is not disqualified from being appointed as Directors in terms of Section 164 of the Act. As per the recommendation of Nomination and Remuneration Committee and based on the performance evaluation, the Board is considering the regularization of appointment of Mrs. Harsha Jayesh Ghelani (DIN: 07867420) from Additional Independent Director to Independent Director of the Company for a period of five years. The Company has also received a declaration from Ms. Harsha Jayesh Ghelani declaring that she meets the criteria of independence as provided under Section 146(9) of the Companies Act, 2013. In the opinion of the Board, Harsha Jayesh Ghelani fulfills the conditions required to be fulfilled for being appointed as an Independent Director of the Company as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

Item No. 6: Appointment of Mrs. Yogesh Devidas Kulkarni as an Independent, Non Executive Director:

Mr. Yogesh Devidas Kulkarni (DIN: 08286460) was appointed as an Additional Independent Director of the Company by the Board on the recommendation of Nomination & Remuneration Committee in their meeting held on 23rd November, 2018, with effect from 23rd November, 2018. In accordance with provisions of section 161 of the Companies Act, 2013 and applicable SEBI (LODR) Regulation, 2015, she will hold office upto the date of the Annual General Meeting of the Company. Mr. Yogesh Devidas Kulkarni is not disqualified from being appointed as Directors in terms of Section 164 of the Act. As per the recommendation of Nomination and Remuneration Committee and based on the performance evaluation, the Board is considering the regularization of appointment of Mr. Yogesh Devidas Kulkarni (DIN: 08286460) from Additional Independent Director to Independent Director of the Company for a period of five years. The Company has also received a declaration from Mr. Yogesh Devidas Kulkarni declaring that she meets the criteria of independence as provided under Section 146(9) of the Companies Act, 2013. In the opinion of the Board, Mr. Yogesh Devidas Kulkarni fulfills the conditions required to be fulfilled for being appointed as an Independent Director of the Company as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

For and on behalf of the Board of Directors

Sd/-

(Ravindra Kumar Garg)

Director

DIN : DIN : 00928635

KB-110, Kavi Nagar

Ghaziabad

Date : 26.08.2019

Place : Ghaziabad

DIRECTOR'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 34th Annual Report of your company together with the Audited Balance Sheet as on 31st March, 2019 and the statement of Profit & Loss for the year ended on that date.

FINANCIAL RESULTS

The performance of the company for the financial year ended 31st March, 2019 is summarized below :

	<i>(Rs. In Hundred)</i>	
	Year ended 31.03.2019	Year ended 31.03.2018
Income(Gross)	(83,580.26)	1,79,285.71
Profit/(Loss) before depreciation & interest	(1,24,681.77)	1,13,922.62
Less:		
- Depreciation	--	--
- Interest	--	579.30
Profit before Taxes	(1,24,681.77)	1,13,348.01
Taxation		
- Current Tax/MAT	--	(16,342.30)
- MAT Credit Entitlement	(26,576.28)	16,258.40
- Deferred Tax	(2,89,211.71)	64,009.35
Profit/(Loss) After Tax	(4,40,469.76)	1,77,273.46
Profit/(Loss) for the year Carried to Balance Sheet	(4,40,469.76)	1,77,273.46

DIVIDEND

Your Directors intend to plough back available resources for financial requirements and express their inability to recommend any dividend for the financial year.

RESERVES

The company has not transferred any amount from the statement of profit and loss to general reserve during the year under review.

BUSINESS OPERATIONS

Your company is engaged in the business of investments, leasing, financing and trading in F&O Segment. Your company has incurred a net loss of Rs.4,40,489.76 during the year as against the net profit of Rs.1,77,273.46 in the immediate preceding financial year after tax.

DIRECTORS

In accordance with the provisions of section 152 of Companies Act, 2013, Mr. Vijay Kumar Aggarwal (DIN No.01020844) retire by rotation and being eligible, offer himself for re-appointment liable to retire by rotation. The Board recommends his re-appointment at the ensuing Annual General Meeting.

Mr. Pankaj Mittal, Mr. Pradeep Kumar and Mrs. Simran Aggarwal the three directors have resigned from the Board of Directors of the company effective from 30.06.2018, 30.06.2018 and 01.11.2018 respectively.

Mr. Navneet Kunchal, the director of the company departed for his heavenly abode on 28th November, 2018. The Directors expresses their great sorrow on the sad and untimely demise of Mr. Navneet Kunchal and pray for peace to the departed soul.

The Board places on record its deep appreciation for the contribution made by these directors towards the growth and progress of the company during their respective tenure as director on the board.

Mr. Yogesh Devidas Kulkarni (DIN : 08286460) and Ms. Harsha Jayesh Ghelani (DIN : 07867420) were appointed as Additional Directors of the company with effect from 23rd November, 2018 and now has been regularized as Directors.

The company has received requisite notices in writing proposing their candidature for the office of Director.

CHANGE IN NATURE OF BUSINESS

The company is engaged in the business of Investments, Leasing and financing and there has been no change in the nature of business during the year under review.

However, the management is planning to undertake some other viable business activities alongwith the existing business.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

No significant and material orders were passed by any Regulator(s) or Court(s) or Tribunal(s) which would impact the going concern status of the company.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

No material changes and commitment affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of this report.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135(1) of the Companies Act, 2013 are not applicable to the company.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY

The company has no Subsidiary, joint venture and Associate company as at the end of the year.

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

The company has given loans during the year under review as per the particulars given in form No. AOC-2 marked Annexure 'A'. The company has no Subsidiary, Joint Venture and Associate Company.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year were in the ordinary course of company's business and on arm's length basis. There are no materially significant related party transactions made by the company with the promoters, key managerial personnel or other designated persons which may have potential conflict with the interest of the company at large. However the significant related party transactions are given in Form No. AOC-2 annexed to this report and note no. 23.

DEPOSITS

The company has not accepted fixed deposits from the public during the financial year under review. The company did not have any deposits at the beginning of the financial year. Thus, provisions of Section 73 of the Companies Act, 2013 are not applicable to the company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Since the date of last report the following changes have occurred in the composition of the board.

- Three Directors have resigned from the board of directors of the company.
- One Director has passed away for his heavenly abode ; and
- Two Additional Directors have been taken on the board of the company.

At present the board is constituted of one Executive Director, Two Non Executive Directors, One Independent Director and Two Additional Directors.

BOARD MEETINGS

The Board of Directors met 5 times during the financial year on 29.05.2018, 13.08.2018, 13.11.2018, 23.11.2018 and 14.02.2019.

The particulars of Directors, their attendance at Board meetings during the financial year and at the last Annual General Meeting are as under :-

Name	Designation	Attendance	
		Board Meeting	Last AGM
Mr. Vijay Kumar Aggarwal	Executive Director	5	Yes
Mr. Ravindra Kumar Garg	Non-Executive Director	5	NO
Mr. Anil Kumar Saxena	Independent Director	5	NO
Mr. Ajay Kumar Aggarwal	Non-Executive Director	3	Yes
Mrs. Harsha Jayesh Ghelani	Independent Director	1	NA
Mr. Yogesh Devidas Kulkarni	Independent Director	1	NA

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Anil Kumar Saxena, the Independent Director of the company, meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013. Declarations to this effect have also been received from him.

EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

The company has devised a policy for performance evaluation of the individual Directors, Board its Committees which includes criteria for performance evaluation.

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Agreement, the Board carried out an annual performance evaluation of its own performance, the directors, individually as well as the evaluation of the working of the committees of the Board. The performance of the Board was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of processes and information provided to the Board, etc. A separate meeting of the independent Directors was also held during the year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman.

The Nomination and Remuneration Committee also reviewed the performance of the directors based on their knowledge, level of preparation and effective participation in Meetings, understanding of their roles as directors, etc.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Nomination and Remuneration Committee of the Board has devised a policy for selection, appointment and remuneration of directors and senior management. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors. Further, the Committee has also devised a policy relating to remuneration for Key Managerial Personnel and senior management employees.

TRAINING OF INDEPENDENT DIRECTORS

On induction, the new independent directors on Board are familiarized with the nature of industry and the Company's business operations. They are updated on a frequent basis with regard to operations of the Company. The Management encourages participation by the independent directors.

Presently, no formal training programme exists. Until now, learning for the independent directors has been a pervasive ongoing phenomenon via participation.

COMMITTEES OF THE BOARD

Board has constituted three functioning committees in accordance with the provisions of Companies Act, 2013 and SEBI(LODR) Regulations, 2015 namely Audit Committee, Shareholder/Grievance Committee and Remuneration Committee. The detail of each committee is provided as under:-

Audit Committee

The Committee met 4 times during the financial year on 29.05.2018, 13.08.2018, 13.11.2018 and 14.02.2019.

Composition, names of the members and their attendance at meetings during the financial year are as under :-

Name	Designation	Category	No. of meetings attendant
Mr. Vijay Kumar Aggarwal	Member	Non-Executive Director & Chairman	4
Mr. Ravindra Kumar Garg	Member	Non-Executive Director	2
Mr. Pankaj Mittal	Member (Resigned during the year)	Non-Executive Independent Director	1
Mr. Navneet Kunchal	Member (Died during the year)	Non-Executive Independent Director	3
Mrs. Harsha Jayesh Ghelani	Member	Non-Executive Director & Independent Director	1

Shareholders/ Grievance Committee

The Committee met 4 times during the financial year on 29.05.2018, 13.08.2018, 13.08.2018 and 14.02.2019.

Composition, names of the members and their attendance at meetings during the financial year are as under :-

Name	Designation	Category	No. of meetings attended
Mr. Vijay Kumar Aggarwal	Member	Non-Executive Director & Chairman	4
Mr. Ravindra Kumar Garg	Member	Non-Executive Director	2
Mr. Pankaj Mittal	Member (Resigned during the year)	Non-Executive Independent Director	1
Mr. Navneet Kunchal	Member (Died during the year)	Non-Executive Independent Director	3
Mrs. Harsha Jayesh Ghelani	Member	Non-Executive Director & Independent Director	1

Nomination and Remuneration Committee

The Committee met once during the financial year on 14.02.2019.

Composition, names of the members and their attendance at meetings during the financial year are as under :-

Name	Designation	Category	No. of meetings attendant
Mr. Vijay Kumar Aggarwal	Member	Non-Executive Director & Chairman	1
Mr. Ravindra Kumar Garg	Member	Non-Executive Director	1
Mrs. Harsha Jayesh Ghelani	Member	Non-Executive Director & Independent Director	1

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, your directors state that :

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to 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 ;
- (c) 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;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) 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. Internal financial control means the policies and procedures adopted by the company 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; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The company has adequate internal financial control system commensurate with the size of the company and the nature of its business with regards to purchase of fixed assets. The activities of the company do not involve purchase of inventories and sale of goods and services. Except sale and purchase of equity shares.

For the purposes of effective internal financial control, the Company has adopted various procedures 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.

To ensure adequacy of internal financial controls, the procedures adopted by the Company are based on the following parameters:

- (a) Familiarity with Policies and Procedures – the related policies and procedures and the changes thereto, if any, are communicated to the employees at the time of joining and it is ensured that such person understands the policies or procedures correctly.
- (b) Accountability of Transactions – There is a proper delegation of authorities and responsibilities so as to ensure accountability of any transaction.
- (c) Accuracy & Completeness of Financial Statements/ Reports – For accuracy and completeness of information, reconciliation procedure and multiple checking at different level have been adopted. To avoid human error, computer softwares are used.
- (d) Retention and Filing of Base Documents – All the source documents are properly filed and stored in a safe manner.
- (e) Segregation of Duties – Having regard to the size of the company and nature of its business, it is ensured that no person handles all the aspect of a transaction. To avoid any conflict of interest and to ensure propriety, the duties have been distributed at different levels.
- (f) Timeliness – It is also ensured that all the transactions are recorded and reported in a timely manner.

The procedures are also reviewed by the Statutory Auditors and the Directors of the Company from time to time. There has also been proper reporting mechanism implemented in the organization for reporting any deviation from the procedures.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return in form MGT-9 pursuant to the provisions of section 92 read with Rule 12 of the Companies (Management and Administration) Rule 2014 is attached marked Annexure 'B'.

AUDITORS

M/s. P. Jain & Co., Chartered Accountants, Ghaziabad (ICAI Registration No. 000711C), are the Statutory Auditors of the company & hold office upto the conclusion of the ensuing Annual General Meeting. The members have been requested to ratify their appointment for one year from the conclusion of this Annual General Meeting till the conclusion of 37th Annual General Meeting to be held in the year 2022.

AUDITORS REPORT

Auditors' Report on the financial statements of the Company is forming part of this Annual Report and there are no qualifications in the said report except emphasize on note no. 26 B to the financial statement which is self explanatory. No qualifications, reservations or adverse remarks have been made by the Statutory Auditors in the said Report.

SECRETARIAL AUDIT

Pursuant to provisions of sub-section (1) of Section 204 of the Companies Act, 2013, the Company is required to annex with its Board's Report a secretarial audit report, given by a company secretary in practice.

M/s. V. Kumar & Associates, a firm of Practicing Company Secretary (FSC No.8976) has been appointed as Secretarial Auditors of the company for the financial year 2018-19 and their report on the Secretarial Audit for the year under review is annexed and marked Annexure 'C' which form part of this report.

SECRETARIAL AUDIT REPORT

The observations made in Secretarial Audit Report are self explanatory and needs no comment.

However the company is in process of appointing a Whole Time Director and the Whole Time Company Secretary, latest by end of June, 2019.

The company is also taking necessary steps to obtain certificate of Registration of NBFC.

CORPORATE GOVERNANCE

In terms of SEBI (LODR) Regulations, 2015, Compliance with Corporate Governance is not applicable to the company.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The management discussion and analysis report forms part of this Annual Report in compliance with Regulation 34 of SEBI (LODR) Regulations, 2015 and is annexed marked as Annexure 'D'.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company does not have any women employee at work place and therefore the constitution of committee for the prevention and redressal of complaints related to sexual harassment at workplace is not required.

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

Section 134(3)(m) of the Companies Act, 2013 read with a Companies (Disclosure of particulars in the Report of the board of Directors) Rules 8 is not applicable since the company does not have any manufacturing activities.

There has been no expenditure and/or earning in foreign exchange.

EMPLOYEES

In terms of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel Rules 2014). The name and other particulars of the employees, whose remuneration falls within the purview of the said rule, are required to be set out in the Annexure to the Directors Report. However during the year under review or any part

thereof, the company did not employ any person with remuneration falling within the purview as prescribed under the rule.

SEGMENT

The company is engaged in the business of investment, leasing and financing which are governed by the same set of risks and returns and as such are in the same segment.

SHARE CAPITAL

The company has not bought back any of its shares during the year under review.

The company has not issued any "*Sweat Equity*" shares during the year under review.

The company has not provided any stock option scheme to the employees.

RISK MANAGEMENT POLICY

At present, the company has not identified any element of risk which may threaten the existence of the company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed dividend declared and paid in last years, the provisions of Section 125 of the Companies Act, 2013 do not apply.

ACKNOWLEDGEMENT

Yours Directors wish to place on record and acknowledge their appreciation for the continued support and co-operation received from Government agencies and the shareholders. Your Directors also record their appreciation for the total dedication of employees at all levels.

For and on behalf of the Board of Directors

Sd/-
(Ravindra Kumar Garg)
Director
DIN : 009286365

Sd/-
(Vijay Kumar Aggarwal)
Director
DIN : 01020844

Date : 26.08.2019

Place : Ghaziabad

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

- Details of contracts or arrangements or transactions not at arm's length basis.

Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

- Details of contracts or arrangements or transactions at Arm's length basis.

<i>(Rs. In Hundred)</i>					
Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
M/s. Amrit Steels Pvt.Ltd.	Loans & Advances given	Financial Year 2018-19	Fresh Temporary Loan of Rs.19,500.00 was given during the year bearing interest @ 12% per annum. Maximum amount due at any time during the year was Rs.2,31,000/- and the year end balance Rs.77,598.10	13 th Feb, 2018	Nil
	Interest Received	Financial Year 2018-19	Rs.21,231.22	--	Nil
	Fees & Commission received	Financial Year 2018-19	Rs.861.49	--	Nil

(Rs. In Hundred)

Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
Delhi Iron & Steel Co. Pvt. Ltd.	Loans & Advances given	Financial Year 2018-19	Temporary Loans of Rs.3,04,000/- bearing interest @ 12% per annum. Maximum amount due at any time during the year was Rs.3,04,000/- and the year end balance Rs.2,19,061.24	13.08.2018	NIL
	Interest Received	Financial Year 2018-19	Rs.8,956.93	--	Nil
	Fees & Commission received	Financial Year 2018-19	Rs.3,719.44	--	Nil
	Re-imbusement of Electricity Expenses made	Financial Year 2018-19	Rs.90.00	--	Nil
Shri Vijay Kumar Aggarwal	Sale of Equity Shares	Financial Year 2018-19	Rs.37.50	--	
<u>Detail of other contact/loans</u>					
M/s. NSMK Investments Pvt.Ltd.	Loans & advances given	Financial year 2018-19	Rs.1,60,000/-	14.02.2019	NIL

For and on behalf of the Board of Directors

Sd/-
(Ravindra Kumar Garg)
Director
DIN : 00928635

Sd/-
(Vijay Kumar Aggarwal)
Director
DIN : 01020844

Date : 26.08.2019

Place : Ghaziabad

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- I. CIN:- L65921UP1985PLC007030
- II. Registration Date 16/02/1985
- III. Name of the Company ASHARI AGENCIES LIMITED
- IV. Category / Sub-Category of the Company- Company limited by shares
- V. Address of the Registered office and contact details- 601, Disco Compound, G. T. Road , Ghaziabad, Uttar Pradesh - 201001
- VI. Whether listed company: Yes, Company is listed on Bombay Stock Exchange.
- VII. Name, Address and Contact details of Registrar and Transfer Agent, if any:-

Skyline Financial Services Private Limited,
 D153A, 1st Floor, Okhla Industrial Area,
 Phase I, New Delhi 110 020
 Phone: 011- 64732681/82
 Contact Person: Mr. Virender Rana
 Mobile No: 9818456709

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:-

S.No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Investment, Leasing & financing	67	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

The Company do not have any holdings, subsidiary and Associate Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i)Category-wise Share Holding

Category Code	Category of Shareholders	Number of shareholders	Total number of	Number of shares held in	Total Shareholding as a percentage of total number of shares

ASHARI AGENCIES LIMITED

Regd. Office : 601, DISCO Compound, G.T. Road, Ghaziabad-201001 (U.P)

CIN : L65921UP1985PLC007030, Website : www.ashariagencies.in

E-mail : kamleshpratik2001@yahoo.co.in

Telephone : (0120) 4122041, Fax (0120)4569968

			shares	dematerialized form	As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoters and Promoter Group					
(1)	Indian					
(a)	Individual / Hindu Undivided Family	3	1044394	1044394	12.17	12.17
(b)	Central Govt. / State Govt.(s)	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0
(d)	Financial Institutions / Banks	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0
	Sub-Total (A)(1)	3	1044394	1044394	12.17	12.17
(2)	Foreign					
(a)	Individual (Non-Resident Indian / Foreign Individuals)	1	1184500	1184500	13.81	13.81
(b)	Bodies Corporate	0	0	0	0	0
(c)	Institutions	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0
	Sub-Total (A)(2)	1	1184500	1184500	13.81	13.81
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	2228894	2228894	25.98	25.98
(B)	Public Shareholding					
(1)	Institutions	0	0	0	0	0
(a)	Mutual Funds / UTI	0	0	0	0	0
(b)	Financial Institutions / Banks	0	0	0	0	0
(c)	Central Government / State Government(s)	0	0	0	0	0

ASHARI AGENCIES LIMITED

Regd. Office : 601, DISCO Compound, G.T. Road, Ghaziabad-201001 (U.P)

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E-mail : kamleshpratik2001@yahoo.co.in

Telephone : (0120) 4122041, Fax (0120)4569968

(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0
	Sub-Total (B) (1)	0	0	0	0	0
(2)	Non-Institutions					
(a)	Bodies Corporate	43	507700	506965	5.92	5.92
(b)	Individuals -	1906	5328891	5080331	62.12	62.12
i.	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1842	1312230	1285570	15.30	15.30
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	64	4016661	3794761	46.82	46.82
(c)	Any Other (subsidiary company)(specify)	0	0	0	0	0
	Non Resident Indian	5	27150	27150	0.31	0.31
	Clearing Members	13	165435	165435	1.93	1.93
(d)	Hindu Undivided Family	68	320430	319325	3.73	3.73
	Sub-Total (B) (2)	2035	6349606	6099206	74.02	74.02
	Total Public Shareholding B= (B)(1)+(B)(2)	2035	6349606	6099206	74.02	74.02
	TOTAL (A)+(B)	2039	8578500	8328100	100.00	100.00
(C)	Shares held by custodians and	0	0	0	0	0

	against which Depository Receipts have been issued					
--	--	--	--	--	--	--

(ii) Shareholding of Promoters

Sl.no	Shareholder's Name	Shareholding at the beginning of the year 1 st , April 2018			Share holding at the end of the year 31 st , March 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vijay Kumar Aggarwal	4740500	55.26	0	794394	9.27	0	83.22%
2	Ajay Kumar	1184500	13.81	0	1184500	13.81	0	NIL
3	Pradeep Kumar & Sons	125000	1.46	0	125000	1.46	0	NIL
4	Sh. Pradeep Kumar	125000	1.46	0	125000	1.46	0	NIL

(iii) Change in Promoter's shareholding (please specify if there is no change)

Sl. No	Particulars	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
	At the beginning of the year (1 st April, 2018)	6175000	71.98	6175000	71.98
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (Increase due to allotment of Bonus Shares)	3946106	46	3946106	46
	At the end of the Year (31 st , March 2019)	2228894	25.98	2228894	25.98

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Particulars	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
	At the beginning of the Year (1 st April, 2018)	2041542	23.80	2041542	23.80
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / Increase/(Decrease) due to transfer of shares.	394147	4.59	394147	4.59
	At the End of the year (or on the date of separation, if separated during the year) (31 st , March 2019)	2435689	28.39	2435689	28.39

(V) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year 1 st April, 2018		Shareholding at the end of the year 31 st March, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors & KMP				
1	Mr. Vijay Kumar Aggarwal	4740500	55.26	794394	9.26
2	Mr. Ajay Kumar Aggarwal	1184500	13.81	1184500	13.81
3	Mr. Ravindra Kumar Garg	0	0	0	0
4	Mr. Anil Kumar Saxena	0	0	0	0
5	Ms. Harsha Jayesh Ghelani	0	0	0	0
6	Mrs. Simran Aggarwal	0	0	0	0
7	Mr. Yogesh Devidas Kulkarni	0	0	1400	0
8	Mr. Kamlesh Kumar	0	0	0	0

V INDEBTNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
I)Principal Amount II)Interest due but not paid III)Interest accrued but not due				
Total (I+II+III)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
•Addition •Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
I)Principal Amount II)Interest due but not paid III)Interest accrued but not due				
Total (I+II+III)	NIL	NIL	NIL	NIL

VI. Remuneration of Directors and Key Managerial Personnel

A.Remuneration to Managing Director, Whole-time Directors and/or Manager

Mrs. Simran Aggarwal

(Figures in Hundred)

Sl. no	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	i) Simran Aggarwal (Whole – time Director)	7,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0
	(c) Profits in lieu of salary under section 17(3)		

	Income- tax Act, 1961	0	0
	Stock Option	0	0
	Sweat Equity	0	0
	Commission - as % of profit - others, specify	0	0
	Others, please specify	0	0
	Total (A)	0	7,000.00
	Ceiling as per the Act		Within the limit under the Act.

B.Remuneration to other Directors:

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

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

(Figures in Hundred)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (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 Act, 1961	NIL	NIL	5,157.00	5,157.00
		NIL	NIL	685.84	685.84
		NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	5,842.84	5,842.84

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/compo unding Fees imposed	Authority IRD/NCLT/ Court	Appeal made if any give details
NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Sd/-
 (Ravindra Kumar Garg)
 Director
 DIN : 00928635

Sd/-
 (Vijay Kumar Aggarwal)
 Director
 DIN : 01020844

Date : 26.08.2019

Place : Ghaziabad

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,
The Members,
Ashari Agencies Limited,
601, Disco Compound, G.T. Road,
Ghaziabad -201001, Uttar Pradesh**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ashari Agencies Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by **Ashari Agencies Limited** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Ashari Agencies Limited** ("the Company") for the financial year ended on **31st March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Reserve Bank of India Act, 1934.
- (vi) 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, 2013;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (j) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (k) Equity Listing Agreement up to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except as mentioned below.

- a) As per Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company is required to appoint whole time company secretary but the Company has not appointed the Company Secretary since 3rd Feb, 2017
- b) As per the Principal Business Criteria as defined by RBI for NBFCs, this Company is falling in the definition of NBFC and require the Certificate of Registration of NBFC.
- c) As per Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Company shall have Managing Director or Chief Executive Officer or manager and in their absence, a whole time director but Company has failed to comply with this provision.

We 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 subject to the observations given above.

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.

We 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.

Sd/-

Date : 26.08.2019

Place : New Delhi

Signature
V Kumar and Associates
FCS No: - 8976
CP No: - 10438

Annexure-1

To,
The Members,
Ashari Agencies Limited,
601 Disco Compound, G. T. Road,
Ghaziabad, Uttar Pradesh- 201001

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on this secretarial record based on our audit.
2. We have the audit practices and processes 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 record. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of the accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc
5. 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.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Date : 26.08.2019

Place : New Delhi

Sd/-
Signature
V Kumar and Associates
FCS No: - 8976
CP No: - 10438

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Rs. In Hundred)

OPERATING RESULTS OF THE COMPANY

The Company has incurred Net Loss (after tax) of Rs. 4,40,469.76 during the Financial year 2018-19 as against net profit of Rs. 1,77,273.46 in the immediate preceding financial year 2017-18.

INDUSTRY STRUCTURE AND DEVELOPMENT

Presently the company is engaged in the business of Investment, Leasing and financing. The operating results of the company have always been satisfactory except for the financial years 2012-13, 2013-14 and the current year 2018-19.

The management is planning to undertake some other viable business activities in addition to the existing business of investment, leasing and financing.

During last few years, the Government of India has initiated various measures to deepen the reforms in Capital market or economy as a whole including simplification of the Initial Public Offer (IPO) process, Make in India programmer or trust on manufacturing sectors, reforms in power sector, improving roads and other infrastructure etc. All these impacted and bring a positive change in the investment scenario in the country. India's equity market turnover has increased significantly in recent years. BSE Sensex and Nifty has scaled to new heights.

OPPORTUNITY:

Your Directors are of the opinion that due to various economic factors like good monsoon, government initiative for ease of doing business and removing unnecessary government controls/ procedures, reduction in interest rates etc. the current and the forthcoming years will bring lots of investment opportunities and avenues.

PROSPECT & OUTLOOK

The management is of view that the Company will be able to utilize its resources for higher growth activities.

RISKS AND CONCERNS

The Company identified internal and external business risks or threats to the Company's performance and takes continuous and suitable measure to mitigate and prevent these risks to ensure steady growth.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

There are well-established procedures for Internal Controls for operations of the company. The finance & audit functions are well equipped with professionally experienced qualified personnel & play important roles in implementing the statutory obligations.

The Company has an Audit Committee headed by a non-executive independent director, inter-alia, which periodically reviews the internal control systems to ensure their effectiveness and adequacy as also the annual financial statements with particular reference to major accounting entries, involving estimates based on the exercise of judgment by the management as well as other areas requiring mandatory review as per the Listing Agreement with the stock Exchange.

HUMAN RESOURCES

The Company enjoyed harmonious relation with all employees throughout the year. Your Directors wish to place on record their appreciation of the dedicated and commendable services rendered by the staff and workers of the Company.

The industrial relations continued to be cordial throughout the year and human resource and its development continue to be our focus area.

CAUTIONARY STATEMENT

Statements in this management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual might differ from the statements expressed in the above report.

For and on behalf of the Board of Directors

Sd/-
(Ravindra Kumar Garg)
Director
DIN : 00928635

Sd/-
(Vijay Kumar Aggarwal)
Director
DIN : 01020844

Date : 26.08.2019
Place : Ghaziabad

INDEPENDENT AUDITOR'S REPORT

To
The Members of Ashari Agencies Ltd.
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ashari Agencies Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss, *statement of changes in equity* 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 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, 2019, and its loss, *changes in equity* and its 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. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* 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 Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the other information included in the management Discussion and analysis, Board' Report including annexures to the Board's Report, Corporate Governance Report and Shareholders Information, but does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's 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 Company's ability 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other Matter

Emphasis of Matter

Attention is drawn to note no 26B where the management is of the opinion that there is probability of arising future taxable profits against which the deferred tax assets can be utilized.

Our opinion is not modified in respect of this matter.

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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. **As required by Section 143(3) of the Act, we report that:**
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure "B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) As informed to us, 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 derivative contracts for which there were any material foreseeable losses.
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
For P. JAIN & Co.
Chartered Accountants
Firm's Regn. No. 000711C

Sd/-
(Ashok Kumar Sharma)
Partner
M.No. 074198

Date:28.05.2019
Place: Ghaziabad

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (B) The Fixed Assets have been physically verified by the management at the year end, which in our opinion, is reasonable having regard to the size of the company and nature of its business. No material discrepancies between the books records and the physical fixed assets, have been noticed.
- (c) The Company do not have any immovable property.

1. In respect of its inventories, according to the information and explanation given to us, the company has no inventories. Thus, paragraph 3(ii) of the order is not applicable.
2. The company has granted unsecured loans to two body Corporate covered in the register maintained under section 189 of the Companies Act, 2013 (the Act”)
 - (a) In our opinion and according to information given to us, the rate of interest and other terms and conditions on which the fresh loans of Rs.3,23,500.00 and shares on loan Rs.2,51,871.50 (the year end balance of such rupee loans was Rs. 2,96,659.34 and share loan NIL) had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to two these body corporate listed in the register maintained under Section 189 of the Act. The loans are repayable on demand.
3. 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 In respect of loans or investments. No guarantees or/ and security was provided by the company.
4. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
5. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the company.
6. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income Tax and any other statutory dues with the appropriate authorities. As informed to us, Provident Fund, Employees State Insurance, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess are not applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
 - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. .
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course our audit.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the company has not paid or provided any managerial remuneration hence the provisions of para 3 (xi) are not applicable.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the IndAS Financial Statements as required by the applicable accounting standards.

- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as contemplated in Section 192 of the Act. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and Registration Certificate is yet to be obtained.

For and on behalf of

For P. JAIN & Co.

Chartered Accountants

Firm's Regn. No. 000711C

Sd/-

(ASHOK KUMAR SHARMA)

Partner

M.No. 074198

Date: 28.05.2019

Place: Ghaziabad

“Annexure B” to the Independent Auditor’s Report (referred to in Para 2 (F) under “Report or the other legal and regulatory requirements” Section of our report to the member of “Ashari Agencies Limited, of even date)

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 Ashari Agencies Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS 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 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 (‘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 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”), issued by ICAI and Standard of Auditing 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India..

For and on behalf of

For P. JAIN & Co.

Chartered Accountants

Firm's Regn. No. 000711C

Sd/-

(ASHOK KUMAR SHARMA)

Partner

M.No. 074198

Date: 28.05.2019

Place: Ghaziabad

Balance Sheet as at 31st March, 2019

		(Rs. In hundred)	
Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I. ASSETS			
(1) Non-Current Assets			
Property, Plant & Equipment			
Tangible Assets	1	45.40	45.40
Financial Assets			
Investments	2	175,567.05	396,695.19
Deferred Tax Assets (Net)	3	150,030.47	465,818.46
Other Non Current Assets	4	-	-
sub total - Non Current Assets		325,642.92	862,559.05
(2) Current Assets			
Financial Assets			
Investment	2	-	188,304.72
Cash & Cash Equivalent	5	1,791.46	2,419.28
Loans	6	456,659.34	231,000.00
Other Financial Asset	7	5,127.12	1,200.00
Other Current Asset	8	8,848.89	200.00
sub total - Current Assets		472,426.81	423,124.00
TOTAL OF ASSETS		798,069.73	1,285,683.05
I. EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	857,850.00	857,850.00
Other Equity		(67,254.91)	419,295.39
Total Equity		790,595.09	1,277,145.39
Liabilities			
Non-Current Liabilities			
Other Financial Liabilities			
Provisions	10	4,840.96	4,055.77
Total - Non Current Liabilities		4,840.96	4,055.77
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	11	1,999.93	2,790.20
Short Term Provisions			
Employees Benefit	12	633.75	476.60
Current Tax Liability	13	-	1,215.09
Total - Current Liabilities		2,633.68	4,481.89
TOTAL OF EQUITY AND LIABILITIES		798,069.73	1,285,683.05
See accompanying notes to the financial statements.			
Corporate Information	19		
Significant Accounting Policies	20		
Notes to Accounts	21 to 31		

As per our separate report of even date

For P. Jain & Co.

Chartered Accountants

Firm registration No.000711C

Sd/-

(Ashok Kumar Sharma)

Partner

M.No.074198

Date : 28.05.2019

Place : Ghaziabad

For and on Behalf of
the Board of Directors

Sd/-

(Ravindra Kumar

Director

DIN : 00928635

Sd/-

(Vijay Kumar Aggarwal)

Director

DIN : 01020844

Sd/-

(Kamlesh Kumar)

Chief Finance Officer

Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. In Hundred)			
Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
REVENUE			
Revenue from Operations (Gross)	14	(35,684.57)	(218,945.08)
Other Income	15	(47,895.69)	398,230.79
TOTAL INCOME		(83,580.26)	179,285.71
EXPENSES			
Employees benefit expenses	16	32,027.22	31,484.10
Finance Cost	17	-	574.61
Depreciation and Amortisation Expenses	1	-	-
Other Expenses	18	9,074.29	33,878.98
TOTAL EXPENSES		41,101.51	65,937.69
Profit before exceptional items		(124,681.77)	113,348.01
Less: Exceptional items		-	-
Profit before tax		(124,681.77)	113,348.01
Tax Expenses			
Current Tax/MAT		-	(16,342.30)
MAT Credit Entitlement		-	16,258.40
Deferred Tax Adjustment/De-recognition		(289,211.71)	64,009.35
MAT Credit Entitlement		(26,576.28)	-
Profit after Tax		(440,469.76)	177,273.46
Other Comprehensive Income not to be reclassified to Profit & Loss			
Net Gain/(Loss) on FVOCI Equity Securities(net of Tax) adjustment		(46,080.54)	(296,726.70)
Total Other Comprehensive Income for the year		(46,080.54)	(296,726.70)
Total Comprehensive Income for the year		(486,550.30)	(119,453.24)
Earnings per equity shares of face value of Rs.10/- ea	21		
Basic and Diluted		(5.13)	2.08
Corporate Information	19		
Significant Accounting Policies	20		
Notes to Accounts	21 to 31		

As per our separate report of even date

For P. Jain & Co.

Chartered Accountants

Firm registration No.000711C

Sd/-

(Ashok Kumar Sharma)

Partner

M.No.074198

Date 28.05.2019

Place : Ghaziabad

For and on Behalf of
the Board of Directors

Sd/-

(Ravindra Kumar) [Vijay Kumar Aggarwal

Director

DIN : 00928635

Sd/-

Director

DIN : 01020844

Sd/-

(Kamlesh Kumar)

Chief Finance Officer

Cash flow statement for the year ended March 31, 2019

	(Rs. In Hundred)	
	For the year 31.03.2019	For the year ended 31.03.2018
A. Cash flow from operating activities:		
Net Profit/(loss) before tax	(124,681.77)	113,348.01
<i>Adjustments for statement for profit and loss items:</i>		
Depreciation and Amortisation Expenses	-	-
Deffered Revenue Expenditure Written Off.	-	22,900.00
Finance Expenses	-	574.61
Interest Income	(31,049.52)	(1,272.00)
Net (gain)/loss on sale of other investments	88,898.64	(368,902.34)
Dividend income	(5,372.50)	(28,024.45)
Operating loss before working capital changes and other adjustm	(72,205.15)	(261,376.17)
<i>Working capital changes and other adjustments:</i>		
- (Decrease)/increase in other liabilities	152.07	1,879.60
- Decrease/(increase) in Loans & Advances	(234,126.13)	(197,317.74)
Cash generated used in operating activities	(306,179.21)	(456,814.31)
Income tax (paid) / refund received (net)	(4,549.09)	(16,737.50)
Net cash used in operating activities	(310,728.30)	(473,551.81)
B. Cash flow from investing activities:		
(Purchase) / Sale of fixed assets	-	-
Interest	30,274.29	1,272.00
(Purchase) / Sale of investment (Net)	274,453.69	441,812.46
Net gain on sale of other investments		
Dividend Income	5,372.50	28,024.45
Net cash generated from / (used in) investing activities	310,100.48	471,108.91
C. Cash flow from financing activities:		
finance Expenses	-	(574.61)
Net cash generated from financing activities	-	(574.61)
D. Increase/ (decrease) in cash and cash equivalents, net (A+B+C)	(627.82)	(3,017.51)
E. Cash and cash equivalents at the beginning of the year	2,419.28	5,436.79
F. Cash and cash equivalents at the end of the year (D+E)	1,791.46	2,419.28

Notes:

- a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the IndAS 7 "Statement Of Cash Flow" as notified under the Companies (Indian Accounting Standards) rules, 2015.
- b) Cash and cash equivalents comprises of:
- | | | |
|---|-----------------|-----------------|
| Cash on hand | 37.15 | 33.59 |
| Balances with banks | | |
| - in current accounts | 1,754.31 | 2,385.69 |
| Total of cash and cash equivalents | 1,791.46 | 2,419.28 |
- c) Previous year figures have been regrouped and/or reclassified wherever necessary to conform to those of the current year grouping and/or classification.

As per our separate report of even date

For P. Jain & Co.

Chartered Accountants

Firm registration No.000711C

Sd/-

(Ashok Kumar Sharma)

Partner

M.No.074198

For and on Behalf of Board of Directors

Sd/-

(Ravindra Kumar [Vijay Kumar Aggarwal
 Director Director

DIN : 00928635

DIN : 01020844

Sd/-

(Kamlesh Kumar)

Chief Finance Officer

Date : 28.05.2019

Place Ghaziabad

Statement of Changes in Equity for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL					<i>(Rs. In Hundred)</i>
Particulars					Amount
Balance as at 1st April, 2018					857,850.00
Add: Change in Equity Share Capital during the year					-
Balance as at 31st March, 2019					857,850.00
B. OTHER EQUITY					
Particulars	General Reserve	Retained Earnings	Equity Instruments through OCI	Total	
Balance as at 1st April, 2018	590,000.00	347,773.12	287,255.51	1,225,028.63	
Profit for the period		177,273.46		(13,090,179.55)	
Fair value gain/(Loss) on FVOCI financial asset(net of tax)			(296,726.70)	(296,726.70)	
(Utilise) for issue of Bonus Shares	(590,000.00)	(96,280.00)		(686,280.00)	
Balance as at 31st March, 2018	-	428,766.58	(9,471.19)	419,295.39	
Profit/(Loss) for the period		(440,469.76)		(440,469.76)	
Fair value gain/(Loss) on FVOCI financial asset(net of tax)			(46,080.54)	(46,080.54)	
Balance as at 31st March, 2019	-	(11,703.18)	(55,551.73)	(67,254.91)	
Corporate Information	19				
Significant Accounting Policies	20				
Notes to Accounts	21 to 31				

Description of reserves in the statement of change in equity

GENERAL RESERVE:- The company created general reserve in earlier years pursuant to the provisions of the Companies Act wherein

General reserves has been utilised for issue of bonus shares in financial year 2017-18.

As per our separate report of even

For P. Jain & Co.

Chartered Accountant

Firm registration No.000711C

For and on Behalf of
the Board of Directors

Sd/-

(Ashok Kumar Sharma)

Partner

M.No.074198

Sd/-

(Ravindra Kumar

Director

DIN : 00928635

Sd/-

(Vijay Kumar Aggarwal

Director

DIN : 01020844

Date : 28.05.2019

Place : Ghaziabad

Sd/-

(Kamlesh Kumar)

Chief Finance Officer

Notes to Financial Statements for the year ended 31st March, 2019

[1] PROPERTY, PLANT & EQUIPMENT

(Tangible Assets)

(Rs. In Hundred)

Particulars	Gross Carrying value				Depreciation				Net Carrying Value	
	01.04.2018	Add	Adj.	31.03.2019	Upto 31.03.2018	current year	Adj.	Total 31.03.2019	31.03.2019	31.03.2018
Computer	908.00	-	-	908.00	862.60	-	-	862.60	45.40	45.40
Total	908.00	-	-	908.00	862.60	-	-	862.60	45.40	45.40
Previous Year	908.00	-	-	908.00	862.60	-	-	862.60	45.40	45.40

Notes to Financial Statements for the year ended 31st March, 2019

[2] FINANCIAL ASSETS

[A] NON-CURRENT INVESTMENTS

Non Trade - Carried at fair value through OCI

(Rs. In Hundred)

Name of the Bodies Corporate	Face value	AS AT 31.03.2019		AS AT 31.03.2018	
		No. of Shares	Amount	No. of Shares	Amount
(i) In Equity Shares - Quoted, fully paid up					
Gonterman Peipers (India) Ltd.	10	893,268	26,262.08	893,268	70,210.86
H.B. Leasing & Finance co. Ltd.	10	109,507	2,135.39	109,507	2,518.66
H.B. portfolio Ltd.	10	116,412	29,452.23	116,412	67,810.34
HB Estate Development Ltd.	10	-	-	144,608	33,406.82
Hind Zinc Ltd.	2	-	-	20,000	60,110.00
HMT Ltd.	10	60,000	11,400.00	60,000	16,800.00
Krishna Lifestyle Technologies Ltd.	1	350,000	665.00	350,000	665.00
National Aluminium Co. Ltd.	5	-	-	30,000	19,935.00
Panchmahal Steel Ltd.	10	-	-	30,260	11,286.98
SAL Steel Ltd.	10	-	-	71,946	5,288.03
SIL Business Ltd.	10	25000	-	25000	-
Southern Ispat & Ennergy Ltd.	1	270,000	135.00	270,000	135.00
Total of Non - Current Investment		1,824,187	70,049.70	2,121,001	288,166.69
(ii) In Equity Shares - (Unquoted) Carried at fair value					
A.K. Holdings Pvt.Ltd.	10	49,570	4,998.01	49,570	4,958.33
Parkash Finance Pvt.Ltd.	10	186,690	15,012.15	186,940	16,747.81
Radaur Investments Pvt.Ltd.	10	48,998	4,700.58	48,998	4,685.01
Starcom Resources (I) Pvt.Ltd.	10	195,000	62,598.60	195,000	75,967.32
Total of equity shares -unquoted fully paid up		480,258	87,309.34	480,508	102,358.47
(iii) In Preference shares - (unquoted) Carried at fair value					
Mukand Land & Fin. Pvt.Ltd.	100	500	500.00	500	500.00
Parkash Finance Pvt.Ltd.	100	4,500	4,500.00	4,500	4,500.00
Total of Preference shares - unquoted fully paid up		5,000	5,000.00	5,000	5,000.00
(iv) OTHER INVESTMENT (Unquoted) Carried at fair value					
Disco Cables LLP.		0.498%	908.55	0.498%	527.56
S,S, Container LLP,		3.740%	526.15	3.740%	642.47
Total of other investment			1,434.70		1,170.03
Total of Non Current Investment 'A' (i+ii+iii+iv)		2,309,445	163,793.74	2,606,509	396,695.19

(Rs. In Hundred)

Name of the Bodies Corporate	Face value	AS AT 31.03.2019		AS AT 31.03.2018	
		No. of Shares	Amount	No. of Shares	Amount
[B] CURRENT INVESTMENT					
<u>Non Trade - Carried at fair value (Quoted) through OCI</u>					
Tarai Foods Ltd.	10	-	-	58,385	3,217.01
Tilak Nagar Industries Ltd.	10	-	-	902,626	169,242.38
Tuticorn Alkalies Chemical Ltd.	10	-	-	185,978	15,845.33
Total of Current Investment		-	-	1,146,989	188,304.72
Total of [A+B]		2,309,445	163,793.74	3,753,498	584,999.91

Non Trade - Carried at fair value through Profit & Loss Account

H.B. portfolio Ltd.	10	7,500	1,897.50		
HB Estate Development Ltd.	10	50,000	9,870.00		
Oriental Bank of Commerce	10	5	5.81	-	-
			11,773.31		
		Cost	Market value	Cost	Market Value
Aggregate amount of Quoted Investments		170,953.77	81,823.01	536,578.17	476,471.41
Aggregate amount of Unquoted Investments		57867.38	93,744.04	57892.93	108,528.50
Aggregate amount of Impairment in value of investment			-	-	-

- Note :** [1] As all the preference shares above are redeemable at the option of issuer companies hence these are considered at par as Equity instruments.
- [2] The cost of 25000 shares of SIL Business were Written Off in earlier years i.e. in financial year 2010-11.
- [3] The company recognises all investments in Equity Instruments as non-current unless the event after the reporting period suggest otherwise.
- [4] The investments measured through other comprehensive income have been disposed off to take the advantage of favourable market condition to avoid further losses due to unfavourable market conditions.
- [5] The fair value of shares derecognised in respect of whom FVTOCI was measured was Rs. 3,38,763.26 (prev. year Rs.9,43,697.77)
- [6] The cumulative gain from 01.04.2016 to 31.03.2019 on disposal off equity instruments measured through FVTOCI was Rs. 4,37,445.81 (upto Prev. Year Rs. 4,01,083.45)
- [7] composition scheme of arrangement between the two companies as sanctioned by Honb'le NCLT, Chandigarh bench.

[3] DEFERRED TAX ASSETS

(Rs. In Hundred)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Related to unabsorbed defeciciencies carried forward	24,986.88	314,221.51
Disallowance under the Income Tax Act	1,423.42	1,400.50
MAT Credit Entitlement	123,620.17	150,196.45
TOTAL OF DEFERRED TAX ASSETS	150,030.47	465,818.46

Deferred Tax Liability

Accelerated depreciation for tax purposes	-	-
Net Deferred Tax Assets	150,030.47	465,818.46

Reconciliation of Deferred Tax Assets/(Liability) for the year

Particulars	Deferred Tax Assets		Deferred Tax	Total
	MAT Entitlement	Items giving rise to temporary	Accelerated Depreciation for Tax Purposes	
Balance as on 01.04.2017	133,938.05	251,612.66	-	385,550.71
MAT Credit Entitlement (Utilisation/Expire) during the year 2017-18	16,258.40	-	-	16,258.40
DTA on Items giving rise to temporary differences	-	64,009.35	-	64,009.35
DTL on Accelerated Depreciation for Tax Purposes	-	-	-	-
Balance as on 31.03.2018	150,196.45	315,622.01	-	465,818.46
MAT Credit Entitlement (Expired) during the year	(26,576.28)	-	-	(26,576.28)
DTA on Items giving rise to temporary differences & de-recognised (Ref. Note No.26C)	-	(289,211.71)	-	(289,211.71)
DTL on Accelerated Depreciation for Tax Purposes	-	-	-	-
Balance as on 31.03.2019	123,620.17	26,410.30	-	150,030.47

[4] OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2019	As at 31st March, 2018
TOTAL OF LONG TERM LOANS AND ADVANCES	-	-

[5] CASH AND CASH EQUIVALENT

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Cash and Cash equivalents)		
Cash on hand	37.15	33.59
Balances with banks in Current Accounts	1,754.31	2,385.69
TOTAL OF CASH AND BANK BALANCES	1,791.46	2,419.28

[6] **LOANS (CURRENT ASSETS)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans to Related Parties (Unsecured, considered good) (Ref. note no. 23)	296,659.34	231,000.00
Inter Corporate Loans receivable (Unsecured, considered good)	160,000.00	-
	456,659.34	231,000.00

[7] **OTHER FINANCIAL ASSETS**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interim Dividend Receivable	-	1,200.00
Interest Accrued but not due	775.23	-
Fee & Commission Receivable (from related parties) ref. note no. 23	4,351.89	-
	5,127.12	1,200.00

[8] **OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employees Advance	730.00	200.00
Income Tax Refundable	4,784.90	-
Tad Deducted at Source	3,333.99	-
	8,848.89	200.00

[9] **EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of face value of Rs.10/- each	10,000,000	1,000,000.00	10,000,000	1,000,000.00
TOTAL	10,000,000	1,000,000.00	10,000,000	1,000,000.00

(Rs. In hundred)

Issued, subscribed and paid up	No. of shares		No. of shares	
Equity shares of face value of Rs.10/- each fully paid up	8,578,500	857,850.00	8,578,500	857,850.00
	8,578,500	857,850.00	8,578,500	857,850.00
Reconciliation of No. of Shares Outstanding				
As at the beginning	8,578,500		1,715,700	
Shares allotted during the year as fully paid up by way of Bonus shares	-		6,862,800	
Total as at the end of the year	8,578,500		8,578,500	

[a] The company has only one class of Equity Shares having par value of Rs. 10/- each. Each holder of Equity Share is entitled to one vote per share. The company pays dividends in Indian Rupee if declared. The Dividend proposed by the Board of Directors is subject to the approval of the Share Holders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets to the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

[b] The company has issued 68,62,800 Equity Shares of face value of Rs.10/- each as bonus shares in the proportion of 4 (Four) New Equity shares for every 1 (One) Equity Share held by the existing equity shareholders as on record date i.e. 3rd April, 2017 by capitalisation a sum of Rs.6,86,28,000/- out of the sum standing to the credit of general reserves and retained earnings at the opening of the year. Such shares shall be treated at par with existed share holders in all respect.

[c] Detail of share holding in excess of 5% of Share Capital

Name of the Shareholder	As at		As at	
	31st March, 2019		31st March, 2018	
	No. of shares	% held	No. of shares	% held
Mr. Vijay Kumar	794,394	9.26	4,740,500	55.26
Mr. Virpal Singh	-	-	1,616,786	18.85
Mr. Sunil L Bhangdia	670,000	7.81	-	-
Mr. Ajay Kumar	1,184,500	13.81	1,184,500	13.81

[10] PROVISIONS (NON CURRENT)

Particulars	As at	As at
	31st March, 2019	31st March, 2018
Employee's Benefits Obligation (unfunded)		
Gratuity	4,840.96	4,055.77
TOTAL OF PROVISIONS (NON CURRENT)	4,840.96	4,055.77

[11] OTHER FINANCIAL LIABILITIES

Particulars	As at	As at
	31st March, 2019	31st March, 2018
<u>Other financial liabilities</u>		
For Expenses payable	563.28	788.41
For Employees	1,182.00	1,070.00
Tax Deduced At Source	254.65	931.79
TOTAL OF OTHER CURRENT LIABILITIES	1,999.93	2,790.20

[12] SHORT TERM PROVISIONS			(Rs. In hundred)
Particulars	As at		
	31st March, 2019	31st March, 2018	
Employee Leave Encashment benefits	633.75	476.60	
TOTAL OF SHORT TERM PROVISIONS	633.75	476.60	

[13] CURRENT TAX LIABILITIES (NET)		
Particulars	As at	
	31st March, 2019	31st March, 2018
Provisions net of Advance Tax/TDS	-	1,215.09
Total	-	1,215.09

[14] REVENUE FROM OPERATIONS		
Particulars	As at	
	31st March, 2019	31st March, 2018
Profit (LOSS)on day trading	(35,684.57)	(218,945.08)
Total of Revenue From Oprations	(35,684.57)	(218,945.08)

[15] OTHER INCOME		
Particulars	As at	
	31st March, 2019	31st March, 2018
Interest Income	31,049.52	1,272.00
Dividend Income (incl.Rs.537250- from derecognised instruments (Prev.Year2642445)	5,372.50	28,024.45
Capital Gain or (Loss) on derecognition of equity instruments through OCI	(36,362.36)	368,902.34
Gain on fair value on equity instruments FVTPL	2,297.63	-
Capital gain/(Loss) on disinvestment of FVTPL shares	(54,833.91)	
Fee & commission	4,580.93	
Balances written off	-	32.00
TOTAL OF OTHER INCOME	(47,895.69)	398,230.79

[16] EMPLOYEES BENEFIT EXPENSES		
Particulars	As at	
	31st March, 2019	31st March, 2018
Salary, Wages & Allowances	29,967.50	29,020.84
Bonus	591.00	535.00
Gratuity	785.19	1,031.25
Leave Encashment	157.15	374.81
Staff Welfare Expenses	526.38	522.20
TOTAL OF EMPLOYEES BENEFIT EXPENSES	32,027.22	31,484.10

[17] FINANCE COST		
Particulars	As at	
	31st March, 2019	31st March, 2018
other interest	-	574.61
TOTAL OF FINANCE COST	-	574.61

[18] OTHER EXPENSES

(Rs. In Hundred)

Particulars	As at	
	31st March, 2019	31st March, 2018
Advertisement & Publicity	535.50	617.55
Bank Charges (Including Demat Charges)	537.79	1,356.82
Printing & Stationery	6.80	114.97
Postage expenses	11.45	367.37
Telephone expenses	61.83	63.12
Payment to Auditors (Inclusive GST)		
(a) Statutory Auditors		
As Auditors	413.00	
As Auditors for quarter review	295.00	
For Tax Audit	118.00	
(b) Internal Auditors	100.00	100.00
Legal & Professional charges	2,702.07	4,532.46
Electricity Expenses	90.00	90.00
Listing Fee	2,950.00	2,875.00
Deferred Revenue Expenditure Written Off	-	22,900.00
Non Compliance Penalty	1,085.60	-
Travelling & Conveyance	-	248.71
Repair & Maintenance	-	9.30
Misc. Expenses	167.25	72.68
TOTAL OF OTHER EXPENSES	9,074.29	33,878.98

Notes forming part of Financial Statements for the year ended 31st March, 2019

Notes 19: CORPORATE INFORMATION

Ashari Agencies Limited ("the Company") is incorporated in India with its registered office at DISCO Compound, 601, G.T. Road, Ghaziabad (UP) to carry on the business of investment, leasing and financing. At present company is engaged primarily as Investment Company making investment in equity and other financial instruments. The financial instruments for the year ended 31st March, 2019 were approved by the Board of Directors and authorized for issue on 28th May 2019.

Notes 20: SIGNIFICANT ACCOUNTING POLICIES

20.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind As") notified under the Companies (India Accounting Standards) Rules, 2015, read with Section 133 of the Companies Act 2013 ("the Act") with effect from April 01, 2016.

20.2 Basis of preparation of financial statements

The financial statements are prepared and presented on the basis of going concern under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair value at the end of each reported period as explained in other accounting policies, in accordance with

the generally accepted accounting principles in India. 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 Companies Act, 2013.

20.3 Use of Estimates and Judgements

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

Information about critical judgements in applying accounting policies, estimates and assumptions that have the more significant effect on the carrying amounts of the assets and liabilities within the next financial years are included in the following Notes:

- Recognition of Deferred Tax Assets (Liabilities) See Note No.3 and 26.
- Key assumption in fair valuation method of Financial Assets. See Note No. 29(b).

20.4 Property, Plant & Equipment:

Property, plant & equipment are stated at cost and net of recoverable taxes less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. The carrying amount of assets are reviewed at balance sheet date to determine, if there is any indication of impairment based on external/internal factors.

Upon first time adoption of Ind AS, the company has elected to measure all its Property, Plant and Equipments at the Indian GAAP carrying amount as its deemed cost on the date of transition to Ind AS, i.e. April 01, 2016.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and loss when the asset is derecognized

20.5 Depreciation

Depreciation on property, plant and equipment is being provided on written down value method as per useful life of the assets specified in schedule-II to the Companies Act, 2013. Depreciation on property, plant and equipment individually costing Rs. 5,000/- or less is provided @ 100%. Depreciation on additions / deductions is provided on pro-rata basis.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life

20.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instruments of another entity.

Financial Asset

- (a) **Initial recognition and measurement:** On initial recognition, a financial asset is recognized at fair value. In case of financial asset which are recognized at fair value through profit and loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss, while in other cases the transaction cost are attributed to the acquisition value of the financial asset.

- (b) **Subsequent Measurement:** Financial Assets are subsequently classified as measured at (i) Amortised cost, (ii) Fair value through Profit and Loss (FVTPL) & (iii) Fair Value through Other Comprehensive Income (FVOCI).

Financial Assets are not reclassified subsequent to their recognition, except in the period when the Company changes its business model for managing the financial assets.

Financial Assets at Amortised Cost are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets to collect contractual cash flows and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at fair value through other comprehensive income, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payment of principal and interest on the principal amount outstanding and selling financial assets. In this regard company has made an irrevocable election to present in Other Comprehensive Income, subsequent change in the fair value of equity investments not held for trading.

Financial assets are measured at fair value through Profit and Loss unless is measured at amortised or at FVOCI on initial recognition except Equity instruments acquired on or after 01.04.2018 which are recognized and measured through profit and loss account.

De-recognition : The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfer the contractual right to receive the cash flows from the assets sold.

Financial liabilities : On initial recognition all financial liabilities are recognized at fair value and in case of loans and borrowings, net of directly attributable transaction costs.

Subsequent Measurement of Financial Assets / Liabilities :

Financial assets are subsequently classified as measured at Amortised Cost or Fair value through Profit and Loss.

Financial liabilities are measured at amortised cost using the effective interest rate method. Financial liabilities are carried at fair value through profit and loss is measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

De-recognition: The company derecognizes a financial liability when the obligation under the liability is discharged or expires.

20.7 Cash and Cash Equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are highly liquid investments that are readily convertible into known amounts of cash with an original maturity of three months or less and which are subject to insignificant risk of changes in value.

20.8 Revenue Recognition

- (i) Dividend Income is recognized when right to receive the payment is established.
- (ii) Profit on sale of Investment is recognized on the date of its sale.
- (iii) Fee & commission are recognized on time proportion basis taking into account the value of transaction on the date of transaction and agreed rates.

- (iv) Interest Income: Interest income is recognized on a time proportion basis taking into account outstanding and applicable interest rates.

20.9 Employee Retirement Benefits

Gratuity and Leave encashment benefits are provided for on the basis of actual valuation of liability as accrued liability and are recognized in the Statement of Profit and Loss.

20.10 Taxation

Tax expenses for the period comprises of both, current tax and deferred tax. It is recognized in the statement of profit and loss except it relates to the extent to an item which is recognised directly in Equity or other comprehensive income, in such a case the same recognized therein.

Provision for current tax is made on the taxable income for current year at the applicable tax rates enacted or substantively enacted. Current Tax represents the amount of income tax payable in respect of the taxable income for the reporting period. Credit for minimum alternate tax (MAT) is recognised in respect of liability under MAT provisions.

Deferred tax is recognized in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose. Taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that it is possible that taxable profits will be available against which the deferred tax assets can be utilized.

20.11 Provisions and Contingent Liabilities/Assets

Provisions in respect of present obligations arising out of past events are made in the accounts if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations. Such provision is presented in the Statement of Profit and Loss. Contingent liabilities, if material are disclosed by way of notes to accounts. Contingent assets are not recognized but disclosed by way of a brief description when an inflow of benefit is probable and if estimate of its financial effect is practicable. The provisions, contingent liability and assets are reviewed at each balance sheet date.

20.12 Impairment

For Financial Assets (Other than Fair Value): The company assess at each balance sheet date whether a financial assets or a group of financial assets is impaired in compliance of Ind AS 109. Ind AS 109 requires expected credit loss to be measured through loss allowance . The company recognizes life time expected loss for all contract assets. For all other financial assets credit loss are measured at an amount equal to 12 months credit loss or an amount of lifetime expected credit loss if credit risk of on financial assets increases significantly since initial recognition.

Non Financial Assets: If internal/external indication suggest that an asset of the company may be impaired, the recoverable amount of the assets is determined on the balance sheet and if it is less than the carrying amount, the carrying amount is reduced to the said recoverable amount which is measured as a higher of the fair value less cost of disposal and value of use of such asset which is determined by the present value of the future cash flows.

Assessment is also done at each balance sheet date as to whether there is any indication than the impairment loss is recognized in prior period may no longer exist or has reduced, a reversal of an impairment of loss for an asset is recognized through the Profit and Loss Statement.

20.13 Earning per Share

Basic earnings per share is computed by dividing the net profits for the year attributable to the equity

shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

➤ **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

21 **Earning per Share**

Particulars	<i>(Rs. In Hundred)</i>	
	As on 31.03.2019	As on 31.03.2018
Profit/(Loss) for the year after tax	(440469.76)	177273.46
Weighted number of equity shares	8578500	8531034
Earning per shares basic & diluted	(5.13)	2.08

22 **Capital Management**

The company's objective for the capital management is to maximize shareholder value, safeguard business continuity and support the growth of the company. Capital includes equity capital, security premium and other reserves and surplus attributable to the equity shareholder of the company. The operating management is supervised by the board of directors of the company who monitors regularly its financial parameters and takes corrective action wherever necessary.

Financial Risk Management

A company's activities are exposed to a number of financial risk such as market risk, credit risk and liquidity risk.

Market Risk

Market risk is the risk that the Fair Value or future cash flows of financial instruments will fluctuate because of change in market price. Market risk is comprised of Currency risk, interest rate and other price risk such as Equity price risk, financial assets effected by market risk includes loans and investments. At present company is not exposed to any currency risk. The company has not any borrowed fund, hence not exposed to any interest rate risk.

Credit Risk

Credit risk is the risk of financial loss to the Company when a customer or counter party fails to meet its contractual obligation. No risk exists for it being no such financial assets except loans which are repayable on demand.

Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liability. The company has sufficient liquidity as maximum investments are made in an active market alongwith satisfactory position of cash and cash equivalents.

23. **Related Party Transactions**

Disclosures in respect of Account Standard Ind AS 24 **“Related Party Disclosures”** as notified under the Companies (Indian Accounting Standards) Rules 2015.

(a) Name and nature of relationship with related parties :-

<u>Name of the related Parties</u>	<u>Relationship</u>
Mr. Vijay Kumar Aggarwal	Key Managerial Personnel
Mrs. Simran Aggarwal	Key Managerial Personnel
Mr. Kamlesh Kumar	Key Managerial Personnel
M/s. Amrit Steels Pvt.Ltd.	Company in which some Directors are Director or member
M/s. Delhi Iron & Steel Co. Pvt.Ltd.	Company in which some Directors are Director or member
M/s. Mittal Wire Drawings Pvt. Ltd.	Company in which some Directors are Director or member

(b) Detail of Transactions that were carried out with the related parties :-

(Rs. In Hundred)

Nature of transactions	Company in which some Directors are interested		Key Managerial Personnel	
	2018-19	2017-18	2018-19	2017-18
Loans given				
Amrit Steels Pvt. Ltd.	19,500.00	2,33,500.00	--	--
Delhi Iron & Steel Co. Pvt. Ltd.	3,04,000.00	--	--	--
Loans taken				
Amrit Steels Pvt. Ltd.	--	409.10	--	--
Mr. Vijay Kumar Agarwal	--	--	--	98,500.00
Repayment received of Loan given				
Amrit Steels Pvt. Ltd.	1,92,010.00	3,772.00	--	--
Delhi Iron & Steel Co. Pvt. Ltd.	93,000.00	--	--	--
Loan Repaid				

Amrit Steels Pvt. Ltd.	--	412.00	--	--
Mr. Vijay Kumar Agarwal	--	--	--	99,067.86
Remuneration paid				
Mrs. Simran Agarwal	--	--	7,000.00	12,000.00
Mr. Kamlesh Kumar	--	--	5,842.84	5,880.99
Interest Received				--
Amrit Steels Pvt. Ltd.	21,231.22	1,272.00	--	--
Delhi Iron & Steel Co. Pvt. Ltd.	8,956.93	--	--	--
Interest paid				
Amrit Steels Pvt. Ltd.	--	2.90	--	--
Mr. Vijay Kumar Aggarwal	--	--	--	567.86
Fees & Commission received				
Amrit Steels Private Limited	861.49	--	--	--
Delhi Iron & Steel Co. Pvt. Ltd.	3,719.44	--	--	--
Expenses Reimbursed to				
Delhi Iron & Steel Co. Pvt. Ltd.	90.00	90.00	--	--
Sale of Equity Shares				
Mr. Vijay Kumar Aggarwal	--	--	37.50	--
Outstanding Balance				
Amrit Steels Pvt. Ltd.				--
Against Loan	77,598.10	2,31,000.00	--	--
Against Fees & Commission receivable	818.42	--	--	--
Delhi Iron & Steel Co. Pvt. Ltd.				
Against Loan	2,19,061.24	--	--	--
Against Fees & Commission receivable	3533.47	--	--	--

24 Contingent Liabilities and Commitments

As per the best estimate of the management, no provision is required to be made in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

25 Operating Segment

The company is primarily engaged in the activities of investments, leasing and financing. Since all activities are related to one segment, there is no other operating segment as per the Ind AS 108 "Operating Segments".

- 26 (A) In the opinion of the Board of Directors, all current assets and loans & advances, appearing in the balance sheet as at March 31, 2019, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.
- (B) Except referred to in para 'C' below the board is of the opinion that there is probability of future taxable profits against which the remaining deferred tax assets can be utilized.
- (C) Having regard to the present operating combination and other factors, the Board is of the opinion that there is rare possibility of having taxable business income against which the Deferred Tax Assets (DTA) to the extent on unabsorbed brought forward business losses may be utilized and therefore DTA against brought forward business losses have been de-recognised in the current financial year.
- 27 As Ind AS 109 permits that an entity may make an irrevocable election at initial recognition for particular investment(s) in equity instruments that would otherwise be measured at Fair Value Through Profit and Loss account (FVTPL), to present subsequent changes in fair value through other comprehensive income (OCI).

In view of above company elected to measure subsequent change in investments held upto previous year i.e. upto 31.03.2018 in OCI category. Shares bought on or after 1st April, 2018 and held at the end of the year have been measured in FVTPL category.

The company classifies its investment as non- current unless events after reporting period suggest otherwise than initial classification. Assets and liabilities or income and expenses have been regrouped/ reclassified to align with the provisions of Ind AS.

28 Financial Instruments- Classification and Fair Value Measurement

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at 31st March, 2019 is as follows –

(Rs. In Hundred)

Particulars	31.03.2019	31.03.2018
FINANCIAL ASSETS		
Fair Value Through Profit & Loss (Investment)	11,773.31	Nil
Fair Value Through Other Comprehensive Income		
Investment	1,63,793.74	5,84,999.91
Total	1,75,567.05	5,84,999.91
Amortised Cost		
Loans	4,56,659.34	2,31,000.00
Cash & Cash Equivalent	1,791.46	2,419.28
Other Financial Assets	5,127.12	1,200.00
Total	4,63,577.092	8,19,610.19

FINANCIAL LIABILITIES		
Fair Value Through Profit & Loss		
Fair Value Through Other Comprehensive Income		
Amortised Cost	Nil	Nil
Other Financial Liabilities	1,999.93	2,790.20
Total	1,999.93	2,790.20

Carrying amount of loans, other financial assets/liabilities as at 31st March, 2019, approximate the fair value because of short term nature.

- (b) The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels –

Level1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level2: Inputs are other than quoted prices included in level 1 that are observable for the assets or liabilities either directly or indirectly.

Level3: Inputs are not based on observable market data (unobservable inputs)

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below

Fair value of investment in Unquoted Equity Shares and other investment is determined using the net assets value of the investee as on or near the balance sheet date.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below –

(Rs. In Hundred)

Particulars	31.03.2019	31.03.2018
FINANCIAL ASSETS		
Level 1		
Investment in Quoted Equity Shares	81,823.01	4,76,471.41
Level 2	Nil	Nil
Level 3		
Investment in Unquoted Equity Shares & other investment	93,744.04	1,08,528.50
Total Assets	1,75,567.05	5,84,999.91
FINANCIAL LIABILITIES		
Level all	Nil	Nil
Total Liabilities	0	0

(c) **Reconciliation of Level 3 Fair Value Measurement**

(Rs. In Hundred)

Particulars	31.03.2019	31.03.2018
Opening balance of Level 3 Financial Assets/Liabilities	1,08,528.50	1,42,974.01
Add/(Less) : Changes during the year	(22.40)	
Fair Value Gain/(Loss) on investment in Unquoted Instruments through OCI	(14,762.06)	(34,445.51)
Closing balance of Level 3 Financial Assets/Liabilities	93,744.04	1,08,528.50

(d) The company intends to dispose off level 1 instruments as soon as the market becomes favorable

29 Income Tax

a) Amount recognized in Statement of Profit and Loss

Particulars	31.03.2019	31.03.2018
Current Income Tax		
Current Year Tax	Nil	16,342.30
MAT Credit Entitlement	Nil	(16,258.40)
MAT Credit Entitlement of Previous year Written off	(26,576.28)	Nil
Total	(26,576.28)	83.90
Deferred Tax Assets adjustment	(2,89,211.71)	(64,009.35)
Income tax expenses reported in statement of profit and loss	(3,15,787.99)	(63,925.45)

b) Reconciliation of effective tax rate

Particulars	31.03.2019	31.03.2018
Profit/(Loss) before tax	(1,24,681.77)	1,13,348.01
Applicable Statutory Income Tax Rate @ 26% (Prev. year 30.9%)	Nil	35,024.53
Subsequently allowable items	22.92	7,754.31
Expenses never be allowable	(3,15,810.91)	3,252.80
Effects of tax on exempted income	N.A	(1,12,663.65)
Other	Nil	2,706.54
Reported tax expenses	(3,15,787.99)	(63,925.45)
Effectuated rate of tax	0%	0%

- 30 (a) All the notes to financial statements form an integral part of the balance sheet and the Statement of Profit & Loss and have been duly authenticated.
 (b) Previous year's figures have been regrouped or re-arranged to make them comparable with that of current year.

- 31 Disclosure of loans given and investments made, guarantee or security provided u/sec. 186(4) of the Companies Act, 1013.

Sl.no.	Name of Party	Amount outstanding as on 31.03.2019	Purpose of Loan
1.	Amrit Steels Pvt. Ltd.	77,598.10 <i>(2,31,000.00)</i>	General Corporate purpose
2.	Delhi Iron & Steel Co. Pvt. Ltd.	2,19,061.24 <i>(NIL)</i>	General Corporate purpose
3.	NSMK Investments Pvt.Ltd.	1,60,000.00 <i>(NIL)</i>	General Corporate purpose

As per our separate report of even date

for P. Jain & Company

Chartered Accountants

Firm Registration No. 000711C

Sd/-

(Ashok Kumar Sharma)

Partner

M. No. 074198

For and on behalf of the Board of Directors

Sd/-

(Ravindra Kumar Garg)

Director

DIN : 00928635

Sd/-

(Vijay Kumar Aggarwal)

Director

DIN : 01020844

Date : 26.08.2019

Place : Ghaziabad

Sd/-

(Kamlesh Kumar)

Chief Finance Officer