



ASAHI INDUSTRIES LIMITED



**27th Annual Report
2019-20**

ASAHI INDUSTRIES LIMITED
CIN: L17120MH1993PLC073267
ANNUAL REPORT 2019-20

BOARD OF DIRECTORS

Shri Manoj Kumar Sharma	- Suspended Director
Mrs. Mansi Wadkar	- Suspended Director
Shri Pushpendra Kumar Pandey	- Suspended Director

Resolution Professional

Ankur Kumar

Company Secretary

Swaroop Singh Bhati

PRINCIPAL BANKERS

Dena Bank

AUDITORS

M/s. Rishi Sekhari & Associates.
Chartered Accountants

REGISTERED OFFICE

Ecomax, Musrane, Taluka Wada,
Dist. Thane – 421 312, Maharashtra

CORPORATE OFFICE

396, Kamat Industrial Estate, Dadar Mumbai

REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Private Limited 21, Shakil Nivas, Opp Satya Sai Baba Temple,
Mahakali Caves Road, Andheri (East) Mumbai – 400 093
Email: info@unisec.in

PLANT

Valsad, Gujarat
Bhilad

<p><i>27th Annual General Meeting to be held on Wednesday, December 30, 2020 at 9.30 a.m at the Registered Office of the Company at Ecomax, Musrane, Taluka Wada, Dist. Thane-421312.</i></p>

DIRECTOR'S REPORT

Dear Members,

This is to apprise the members that pursuant to an application made by Dena Bank, the Hon'ble National Company law Tribunal, Mumbai Bench ("**Adjudicating Authority**"), vide its order dated 21st January, 2019 had ordered the commencement of the corporate insolvency resolution ("**CIR**") process in respect of your company under the provision of the Insolvency and bankruptcy Code, 2016 (the "**Code**"). Thereafter, in accordance with Section 17 of the Code, the powers of the Board of Directors ("**Board**") stood suspended and Mr. Ankur Kumar appointed as interim resolution professional of the Company who was later confirmed as Resolution Professional of the Company on 20th February, 2019 for the management of the affairs of the Company ("**RP**" / "**Resolution Professional**").

During the CIR process only one resolution plans in respect of the Company was received from Safex Realtor Private Limited further the committee of creditors of the Company ("**COC**"), in their meeting held on December 21, 2019, has approved the resolution plan submitted by Safex Realtor Private Limited ("**Resolution Plan**") which was subsequently submitted to the Hon'ble NCLT in accordance with Section 30(6) of the Code. The same is sub-judice with the Hon'ble NCLT.

In compliance with the provision of Section 134(3) of the Companies Act, 2013, a report containing the details and information as required to be disclosed in the Directors' Report to the Shareholders of the Company is provided hereunder.

This Report was discussed in a meeting held with the Key Management Persons and thereafter taken on record by the Resolution Professional. Accordingly, Report for the year ended 31st March, 2020 is as under.

FINANCIAL HIGHLIGHTS

	2019-2020 (Rs. in Lacs)	2018-2019 (Rs. in Lacs)
Revenue from operations	-	1,957.36
Finance Cost	-	20.34
Depreciation and Amortization Expense	183.36	428.92
Provision for Tax		
Current Tax	0.00	0.00
Deferred Tax Assets / (Liabilities)	(38.82)	(365.93)
Profit/Loss after Tax	(260.05)	(820.93)

Note: Previous year figures have been regrouped/ rearranged wherever necessary.

DIVIDEND

There is no recommendation of Dividend on the Equity Shares of the Company.

REVIEW OF PERFORMANCE

During the year, the Turnover of Company is NIL as against Rs. 1957.36 Lac in respect of the previous Financial Year ended 31st March, 2019. The Profit/ Loss after Tax decreased to Rs (260.05) Lac in the Financial Year ended 31st March, 2020 as against Rs. (820.93) Lac in the previous financial year ended 31st March, 2019 after considering deferred tax of Rs. (38.82) Lac as against (365.93) Lac in the previous financial year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Clause 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") entered into with the Stock Exchanges. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “**Annexure A**”.

MEETINGS OF THE BOARD

No meetings of the Board of Directors and audit committee were held during the year. For further details.

DIRECTOR EVALUATION

In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company Undergoing CIR process is not required to comply with the requirement of conducting evaluation of the independent directors. Therefore, subsequent to commencement of the CIR process the evaluation of the independent directors of the company was Not required to be carried out under the provisions of the Regulation 17(10) SEBI LODR Regulations. Further, in accordance with Rule 8(4) of the Companies (Accounts) Rules, 2014, the board of directors of a company are required to evaluate its own performance and that of its committees and individual directors. However pursuant to commencement of the CIR process of the company, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or the resolution professional, as the case may be, in accordance with the provisions of the Code.

DECLARATION OF INDEPENDENT DIRECTORS

Pursuant to commencement of the CIR process of the company, the powers of the board of directors stand suspended and are exercised by the resolution professional, as the case may be, in accordance with the provisions of the Code.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

pursuant to commencement of the CIR process of the company, the powers of the board of directors stand suspended and are exercised by the resolution professional, as the case may be, in accordance with the provisions of the Code.

REMUNERATION POLICY

Pursuant to commencement of the CIR process of the company, the powers of the board of directors stand suspended and the Company is under CIR Process, the approval of CoC is necessary for the appointment and remuneration of Directors and Key Managerial personnel of the Company

DIRECTORS' RESPONSIBILITY STATEMENT / STATEMENT BY THE COMPANY SECRETARY AND TAKEN ON RECORD BY RESOLUTION PROFESSIONAL:

To the best of knowledge and beliefs and according to the information and explanations obtained by management, Company Secretary make the following statement in terms of Section 134(3)(c) of the companies Act 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed and there is no material departures;
- b. the Company Secretary have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c. the Company Secretary have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Company Secretary have prepared the annual financial statements have been prepared on a going concern basis;
- e. the Company Secretary have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. the Company Secretary have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

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

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20.

No of complaints received : Nil

No of complaints disposed off : Nil

PREVENTION OF INSIDER TRADING:

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

RELATED PARTY TRANSACTIONS:

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2019-20 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Notes to the financial statements. The Company has also adopted Related Party Transaction Policy as required under Regulation 23 of SEBI Listing Regulations.

The Board has approved the policy on Related Party Transactions. The policies have been uploaded on the Company's website, under the web link <http://asahiind.com/wp/related-party-transactions>.

All related Party Transactions prior to the commencement of the CIR process were authorized by the Audit Committee / Board, as applicable for approval and thereafter by the Resolution Professional who in turn, was authorized by the COC.

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2020

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2020).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure -B to the Board's report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures relating to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the company, will be provided upon request.

In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

FIXED DEPOSITS:

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

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Detail of loans, investments, guarantees and securities covered under the provision of section 186 of Companies' Act 2013 are given in the notes to the financial statement.

INSURANCE:

The properties, stock, assets of your Company are adequately insured.

REPORT ON CORPORATE GOVERNANCE

The Company is fully compliant with the Corporate Governance guidelines, as laid out in Chapter IV of SEBI Listing Regulations. The details of the Code of Conduct are furnished in the Corporate Governance Report attached to this Report. The Managing Director has given a certificate of compliance with the Code of Conduct, which forms part of this Directors' Report, as required under Chapter IV of SEBI Listing Regulations.

M/s. Rishi Sekhari & Associates., Practicing Chartered Accountants, Statutory Auditor of the Company has examined the requirements of Corporate Governance with reference to Chapter IV of SEBI Listing Regulations and has certified the compliance, as required under Chapter IV of SEBI Listing Regulations. The Certificate in this regard is attached to this Report.

HUMAN RESOURCES MANAGEMENT

The Company recognizes that in a people-intensive business, major gains can be scored in the area of productivity management. In view of this, the Company has strengthened its people management through performance-linked incentives, amenities, training, Multi-skilling and career path identification.

The Company is of firm belief that good Human Resource (HR) Management would ensure success through high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity, the goal is set to increase the production capacity of the plant and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team is being made to the plant to meet the employees and also interaction meetings are conducted to get their feedback, based on which HR policies are improved continuously. The process has resulted in better employer-employee relationship.

The Company lays due emphasis on all-round development of its human resource. Hence, training of the employees is aimed at systematic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Chapter IV of SEBI Listing Regulations.

CONSERVATION OF ENERGY:

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

During the period under review there was no foreign exchange earnings or out flow.

AUDITOR'S REPORT / SECRETARIAL AUDIT REPORT:

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013. As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Certain observations made in the report with regard

to non filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent.

SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Ajay Goyal & Associates, Company Secretaries in practice to undertake the Secretarial Auditor of the Company.

COST AUDITOR

As per the requirements of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013, your Company carries out an audit of cost records every year.

STATUTORY AUDITOR

M/s. Rishi Sekhri & Associates, Chartered Accountants, (Membership No. 126656 & Firm Registration No.128216W) has been appointed as Auditors of the Company. In accordance with the provisions of Section 139 of the Act, M/s. Rishi Sekhri & Associates, Chartered Accountants, (Membership No. 126656 & Firm Registration No.128216W) to hold office till the conclusion of the Twenty Eight Annual General Meeting of the Company to be held in the year 2022, subject to ratification of such appointment by the Members at every subsequent Annual General Meeting, if so required under the Act.

ACKNOWLEDGEMENT

The Resolution Professional together with the KMP expresses their sincere thanks to all employees and support extended by Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

Place: Mumbai
Date: 07th December, 2020

Sd/-
Mansi Wadkar
(Suspended Director)
DIN: 05309693

Sd/-
Swaroop Singh Bhati
(Company Secretary)

Taken on record

sd/-
Ankur Kumar
Resolution Professional

ANNEXURE-A**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2019****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.****I REGISTRATION & OTHER DETAILS:**

I	CIN	L17120MH1993PLC073267
li	Registration Date	2/8/1993
lii	Name of the Company	Asahi Industries Ltd
lv	Category/Sub-category of the Company	Public Limited
V	Address of the Registered office & contact details	Ecomax, Musrane, Tal. Wada, Thane, Maharashtra - 421312. Contact No.02526-220179
Vi	Whether listed company	BSE
Vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt. Ltd. 21 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Mumbai - 400093.

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

SI No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Textiles	17/171	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	-	-	-	-	-
2.	-	-	-	-	-

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	0	0	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corporates	0	32225870	32225870	48.50	0	32225870	32225870	48.50	0	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	48.50	0	0.00
SUB TOTAL:(A)										
(1)	0	32225870	32225870	48.50	0	32225870	32225870	48.50	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the Year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total Shares		
(2) Foreign	0	0	0	0.00	0	0	0	0.00	0	0.00
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (A)										
(2)										
Total Shareholding of Promoter (A)= (A) (1)+(A)(2)	0	32225870	32225870	48.50	0	32225870	32225870	48.50	0	0.00
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	7500	7500	0.01	0	7500	7500	0.01	0	0.00
b) Banks/FI	0	100	100	0.00	0	100	100	0.00	0	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (B)(1):	0	7600	7600	0.01	0	7600	7600	0.01	0	0.00