



## Ahimsa Industries Ltd.

102, Iscon Elegance, Nr. Shapath-5, Prahladnagar Junction,  
S. G. Highway, Ahmedabad - 380 015 (INDIA).

T. +91 79 27445901 / 02

info@ahimsa-ind.com | ahimsa-greenpet@gmail.com

CIN: L25200GJ1996PLC028679

To,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai-400051

NSE Scrip Symbol: **AHIMSA**

Dear Sirs,

**Subject: Certified True copy of Annual Report of Ahimsa Industries Limited  
for the F.Y.2016-17**

As per the requirement of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Annual Report of Ahimsa Industries Limited for the Financial year 2016-17 has approved and adopted in the 22<sup>nd</sup> Annual General Meeting of the Company held on 17<sup>th</sup> July, 2017 at 3:00 P.M. at Registered Office of Company at 102, Iscon Elegance, Nr. Shapath- 5, Prahladnagar Junction, S. G. Highway, Ahmedabad- 380015

We request you to kindly take the above said information on record.

Encl: True Copy of Annual Report for F.Y. 2016-17

For Ahimsa Industries Limited

  
Ashutosh D. Gandhi  
(Managing Director)  
(DIN No. 00654563)



Date: 18/07/2017

Place: Ahmedabad



AHIMSA INDUSTRIES LIMITED

CIN: L25200GJ1996PLC028679



ANNUAL REPORT 2016-17

# MANUFACTURER & EXPORTER OF PET PREFORMS



## ABOUT AHIMSA INDUSTRIES LIMITED

Ahimsa Industries Limited is one of the leading PET Performs manufacturers under brand name **greenpet<sup>TM</sup>** (Trademark is being applied for registration); PET performs are produced on world Class- Husky H- PET Injection Molding machines & on brand new Husky Molds.

We, at Ahimsa, shall always strive to achieve the highest level of customer satisfaction and shall aim to share a long lasting & growing relationship with our customers. To achieve this, we shall use innovative technology in developing better products industries and develop capabilities competent with the global standards at a cost, which is value for money. We shall constantly have a pursuit for value addition, continual improvement and dedicated service provisions in all aspects of our business.

One of the significant aspects of Ahimsa's manufacturing functions has been its emphasis on increasing productivity on a continuing basis through improvements in manufacturing processes. Our in- house machine tools manufacturing facility has contributed significantly to this. The company has laid emphasis on indigenization & adaptation of techniques acquired from better technologies which has helped in productivity improvements.

### Features of AHIMSA INDUSTRIES LIMITED

- Vast experience of plastics
- Equipments from the world leader Husky
- Commitment, "Just in Time" Delivery, safety and uncompromising quality
- Well organized infrastructure with High Preform and resin storage capacity
- Experience of serving Organized nationalized players
- Infrastructure built keeping in mind future expansion
- Skilled and properly trained staff and workforce

## COMPANY INFORMATION

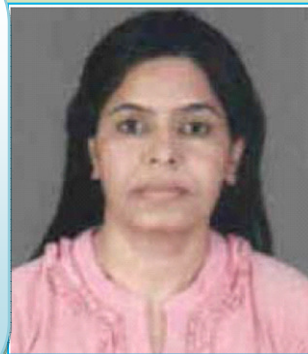
## BOARD OF DIRECTORS

Mr. Ashutosh D. Gandhi (DIN: 00654563):	Managing Director
Mrs. Sneha A. Gandhi (DIN: 00654675):	Whole time Director
Mr. Jignesh A. Shah (DIN: 00006339):	Non-Executive Director
Mr. Ashish N. Shah (DIN: 00089075):	Non- Executive and Independent Director
Mr. Bhadresh A. Trivedi (DIN: 07218969):	Non- Executive and Independent Director
Mr. Kiritkumar H. Trivedi (DIN: 07506870):	Non-Executive Director



**Mr. Ashutosh Damubhai Gandhi**, Promoter and Managing Director of our Company. He is a highly qualified and dynamic personality who is helping the Company to achieve new heights in business. He is a Plastic Engineer (With In-Plant Training) from Technical Examinations Board, Ahmedabad, Gujarat. From 1988-1989 he worked with Jyoti Plastic Industries at Vatva. Thereafter till year 1990 he worked with SDC Polyurethane Private Limited as a Design Engineer and as a Site in-Charge. After that he worked as Consultant in Overseas Project Consultancy for Polymer processing at African countries from 1990-1995. From 1996 he started his own business under the name of Ahimsa Industries Private Limited and presently the company converted into Public Company i.e. Ahimsa Industries Limited

**Mrs. Sneha Ashutosh Gandhi**, Promoter and Whole Time Director of our Company. She is a Bachelor of Arts from Gujarat University. She heads Administration department of Ahimsa Industries Limited since 1996. She was also handling marketing department of General Additives Private Limited.





**Mr. Jignesh Anubhai Shah**, Non-Executive Director of our Company. He is a Bachelor of Commerce from Gujarat University, and a Practicing Company Secretary. From 1996 to 1999 he worked for Metrochem Industries Limited as Assistant Company Secretary. Post that, from 1999 to 2001, he worked with Alka Spinners Limited. He commenced his own Company Secretary Practice from 2001 onwards.

**Mr. Ashish Navnitlal Shah**, Non-Executive & Independent Director of our Company. He is a Bachelor of Engineering in Mechanical Branch from L.D Engineering College, Gujarat University, Ahmedabad. From 1984 to 1992 he worked for HPCL as Sales Officer in marketing division at Mumbai. In the year 1992 he co-founded Dalal & Shah Fiscal Services Ltd at Ahmedabad. Thereafter in the year 2002, he founded Wealth First Portfolio Managers Pvt Ltd. at Ahmedabad in the area of financial services & wealth management & broking.





**Mr. Kiritkumar H. Trivedi**, Non- Executive Director of our Company. He is a practicing Chartered Accountant in the name and style of K. H. Trivedi & Co. since 1984. He has vast experience in the field of Accounting, Auditing and Assurance, Company law matters; Finance related Matters, Direct and Indirect Taxation, Preparing rehabilitation package for BIFR and Management Consultancy. In addition, he has more than 15 years of experience in Finance management of Manufacturing Industries.

**Mr. Bhadresh Arvindbhai Trivedi**, Non-Executive & Independent Director of our Company. He is Bachelor of Arts from Gujarat University. He worked in Electrical Project site, stores handling, labour handling and material purchasing of the Ahmedabad Electricity Limited from 1987 to 2000. Thereafter he worked in stores department of Torrent Power Limited from 2000 to 2005 after that he was shifted to LTMD department till 2014, currently he is working in the Key Accounts Management department of Torrent Power Limited. He is also working as an agent of Life Insurance Corporation of India since January 1987. He is also a member of Chairman Club of LIC for last 15 years.



**BANKERS**

1. Corporation Bank  
S. G. Highway Branch  
Ahmedabad
2. HDFC Bank Limited  
Praladnagar Branch,  
Ahmedabad

**AUDITORS**

M/S Mistry & Shah  
Chartered Accountants  
Gandhinagar

**REGISTRAR AND TRANSFER AGENT**

Bigshare Services Private Limited  
E2 Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri East,  
Mumbai-400072  
Tel. No: +91 22 40430200

**REGISTERED OFFICE**

102, Iscon Elegance, Nr. Shapath-5,  
Praladnagar Junction,  
S. G. Highway, Ahmedabad – 380015,  
Gujarat, India  
Ph. No.- +91 79 27445901 / 02  
Email Id:- legal@greenpet.in &  
info@ahimsaind.com

**FACTORY ADDRESS**

160, Devraj Industrial Park,  
Piplaj Pirana Road, Village Piplaj,  
Ahmedabad- 382405,  
Gujarat, India  
Ph. No.- +91 79 29708292  
Email Id:-[ceo@greenpet.in](mailto:ceo@greenpet.in)

**CONTENTS OF ANNUAL REPORT**

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- Directors' Report and Management discussion analysis
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- Independent Auditors Report
- Balance Sheet as on 31<sup>st</sup> March, 2017
- Statement of Profit and Loss for the year ended on 31<sup>st</sup> march, 2017
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**NOTICE****22<sup>nd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that 22<sup>nd</sup> Annual General Meeting of the members of the company will be held on Monday, 17<sup>th</sup> July, 2017 at 3:00 P.M. at the registered office of the company at 102, Iscon Elegance, Nr. Shapath-5, Prahladnagar Junction, S. G. Highway, Ahmedabad – 380015, Gujarat, India to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the company for the financial year ended on March 31, 2017 together with the Report of Board of Directors and Report of Auditors thereon.
2. To appoint Mr. Jignesh A. Shah (DIN: 00006339), who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint Auditors of the company to hold office from the conclusion of 22<sup>nd</sup> AGM until the conclusion of the 26<sup>th</sup> AGM and to fix their remuneration and to pass the following resolution thereof.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and the Rules made there under, M/s Mistry & Shah, Chartered Accountants, Gandhinagar (Firm Registration No. 122702W), be and are hereby reappointed as the Statutory Auditors of the Company, to hold office from the conclusion of 22<sup>nd</sup> Annual General Meeting until the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM) on such remuneration as may be determined by the Board of Directors of the Company on a year to year basis”.

**SPECIAL BUSINESS****4. ALTERATION OF MEMORANDUM OF ASSOCIATION OF COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, the consent of the shareholders of the Company be and is hereby accorded to add following clause III (2) sub Clause (E) after the sub clause of clause III (2) (D) of the Memorandum of Association of Company:

(2)

(E) To carry on the business of manufacturing, processing, selling, trading, importing, exporting, purchasing of textile and textile products and packing materials.

**“RESOLVED FURTHER THAT** Mr. Ashutosh D. Gandhi (DIN: 00654563), Managing Director of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-form with the Registrar of Companies, Gujarat.”

**“RESOLVED FURTHER THAT** Mr. Nitesh Shah, Practicing Company Secretary, Ahmedabad, be and is hereby authorized to certify the e-forms and other documents as may be required to be certified in the capacity of a Practicing CS and do all such other acts, deeds and things as may be necessary to give effect to the said resolution.”

**For, AHIMSA INDUSTRIES LIMITED**

**Place: Ahmedabad**

**Date: 17<sup>th</sup> June, 2017**

**Poonam P. Panchal**

**Company Secretary**

**(Membership No: A44616)**

### **NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business under Item no 4 of the Notice is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing a proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

5. The Record Date for the purpose of determining the eligibility of the Members to attend the 22<sup>nd</sup> Annual General Meeting of Company will be 7<sup>th</sup> July, 2017.
6. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 10.00 a.m. to 12.00 p.m. prior to date of Annual General Meeting.
7. The Notice of 22<sup>nd</sup> Annual General Meeting and the Annual Report 2016-2017 of the Company, circulated to the members of the Company, will be made available on the Company's website at **www.ahimsa-ind.com** and **www.greenpet.in**
8. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
12. Non-Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:
  - i. Change in their residential status on return to India for permanent settlement.
  - ii. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

**Contact Details:**

**Company:** Ahimsa Industries Limited (CIN: L25200GJ1996PLC028679),  
102, Iscon Elegance, Nr. Shapath-5,  
Praladnagar Junction, S. G. Highway,  
Ahmedabad – 380015, Gujarat, India  
E-mail ID: info@ahimsa-ind.com, legal@greenpet.in

**Registrar and Transfer Agent:** Bigshare Services Private Limited  
E2, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri East, Mumbai-400072  
Tel. No: +91 22 40430200

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****FOR ITEM NO: 4**

The company was incorporated on 24<sup>th</sup> January, 1996 as a private company. The company is growing rapidly in the field of plastic packaging and plastic moulds business. Foreseeing the business expansion, the Directors of the company feel, inclusion of the new objects in the main object clause shall be extremely beneficial for the company in the future. The company is already successful in the plastic packaging and molding business inclusion of food and beverages and processed food business shall be extremely beneficial for the company and company is also involved in the textile business.

The Members are therefore requested to approve, by passing a special resolution, alteration in the Object Clause of MOA of company by addition of a new sub clause (E) in the second main object clause in the MOA of the Company.

The Board of Directors recommend passing of the Special Resolution as contained in the Notice.

None of the Directors or Key Managerial Personnel and / or their relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

**For, AHIMSA INDUSTRIES LIMITED**

**Place: Ahmedabad**  
**Date: 17<sup>th</sup> June, 2017**

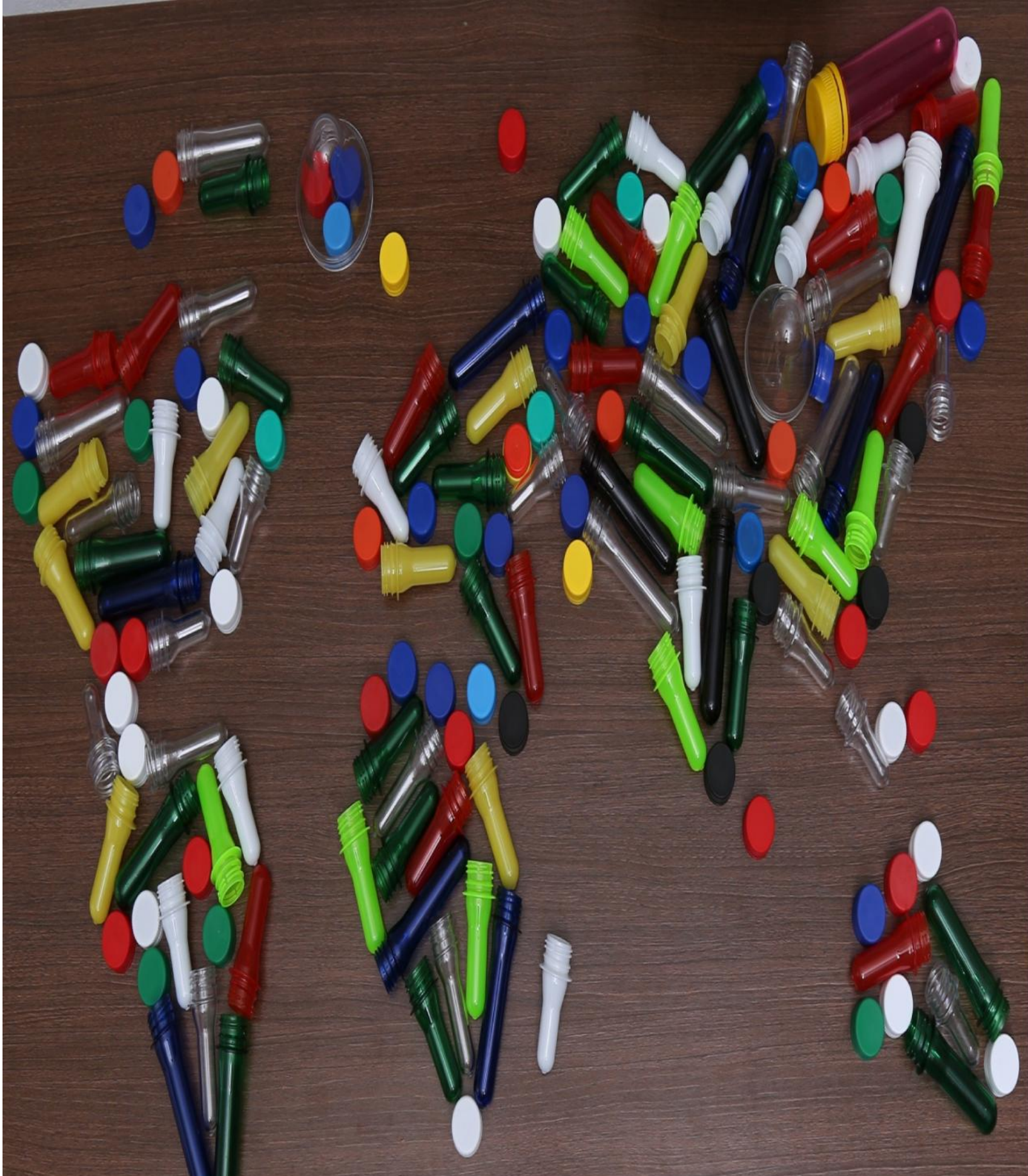
**Poonam P. Panchal**  
**Company Secretary**  
**(Membership No. A44616)**

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Details of the Directors seeking Appointment /Re-Appointment in the 22<sup>nd</sup> Annual General Meeting of the company pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

**1. MR. JIGNESH A. SHAH – Non- Executive Director**

<b>Name of Director</b>	<b>JIGNESH A. SHAH</b> <b>DIN: 00006339</b>
<b>Date of Birth</b>	3 <sup>rd</sup> December, 1970
<b>Date of Appointment</b>	18 <sup>th</sup> December, 2014
<b>Relationship with other Directors Inter se</b>	NA
<b>Profile &amp; Expertise in Specific functional Areas</b>	Work as Practicing Company Secretary since 2001
<b>Qualification</b>	Company Secretary and B. Com
<b>No. of Equity Shares held in the Company</b>	Nil
<b>List of other Companies in which Directorships are held</b>	Nil
<b>List of committees of Board of Directors (across all other Companies) in which Chairmanship/Membership is held</b>	Nil



## **DIRECTORS' REPORT**

**2016-17**

**DIRECTORS' REPORT**

To  
The Members,  
AHIMSA INDUSTRIES LIMITED  
AHMEDABAD

Your Directors have pleasure in presenting their Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

**FINANCIAL SUMMARY**

(In ₹)

Particulars	2016-2017	2015-2016
Total Revenue	597,939,019.14	608,806,639.31
Total Expenditure	577,174,595.05	587,424,333.48
Profit /(Loss) Before Tax	20,764,424.09	21,382,305.83
Less: Current Tax	(5,940,944.00)	(6,665,957.00)
Deferred Tax	(1,286,498.00)	3,678,183.00
Profit /(Loss) after Taxation	13,536,982.09	18,394,531.83
Balance carried to Balance Sheet	13,536,982.09	18,394,531.83

**FINANCIAL HIGHLIGHTS AND OPERATION**

The Key highlights pertaining to the business of the company for the year 2016-17 and period subsequent there to have been given hereunder:

- The total revenue of the Company during the financial year 2016-17 was ₹ 597,939,019.14 against the total revenue of ₹608,806,639.31 in the previous financial year 2015-16.
- The total expenses of the Company during the financial year 2016-17 was ₹ 577,174,595.05 against the expenses of ₹587,424,333.48 in the previous financial year 2015-16.
- The Profit after tax is ₹13,536,982.09 for the financial year 2016-17 as compared to ₹18,394,531.83 in the previous financial year 2015-16.
- The Directors trust that the shareholders will find the performance of the company for financial year 2016-17 to be satisfactory. The Earning per Share (EPS) of the company is 2.47 per share.

**DIVIDEND**

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

**RESERVES**

During the current financial year our Company's net profit was ₹ 13,536,982.09 as against the profit of ₹ 18,394,531.83 in P.Y. 2015-16, Your Directors have transferred whole amount of Profit ₹ 13,536,982.09 to Reserve for strengthen the financial position of the Company in nearest future.

**CHANGE IN THE NATURE OF BUSINESS**

For sustained growth in the future, Company wants to rely on the main businesses of company; there is no change in the nature of the business of the Company during the year.

**CAPITAL STRUCTURE**

The Authorized Share Capital of the Company is ₹ 75,000,000 (Rupees Seven Crore Fifty lacs only) divided into 7,500,000 (Seventy-Five lacs) equity shares of ₹ 10 each.

The Paid up share capital of the Company is ₹ 54,739,900 (Rupees Five Crore Forty-Seven lacs thirty-Nine thousand Nine hundred only) divided into 5,473,990 (Fifty-Four lacs Seventy-Three Thousand Nine hundred and Ninety) equity shares of ₹ 10 each.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****• DIRECTOR RETIRED BY ROTATION**

Mr. Jignesh A. Shah (DIN: 00006339), Director of the Company retires from office by rotation in accordance with the requirement of the Companies Act, 2013 and being eligible, offers himself for reappointment.

**• APPOINTMENT OF DIRECTOR**

Appointment of Mr. Kiritkumar H. Trivedi as an additional director in the Board meeting held on 26<sup>th</sup> May, 2016 and regularized him as a Non- Executive Director in the Annual General Meeting held on 30<sup>th</sup> June, 2016 of the Company.

#### • CHANGES IN KEY MANAGERIAL PERSONNEL

- The Company has taken note of the resignation given by Ms. Gajara J. Joshi (Membership No. A37875) as Company Secretary and Compliance Officer of Company as on 4<sup>th</sup> April, 2016.
- The Company has appointed Ms. Poonam P. Panchal (Membership No. A44616) as Company Secretary and Compliance Officer of Company in the meeting of Board of Directors held on 26<sup>th</sup> May, 2016.

#### DISCLOSURE OF REMUNERATION OF EMPLOYEES COVERED UNDER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the employees of the company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2016-17.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement annexed herewith as **Annexure I**.

#### MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company met 7 times during the year on 02/04/2016, 26/05/2016, 09/08/2016, 15/10/2016, 28/10/2016, 13/01/2017 and 17/02/2017 in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes book kept by the Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013

Name of Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM held on 30 <sup>th</sup> June, 2016	No. of committee/ membership in which he/she is a member and Chairperson
Mr. Ashutosh D. Gandhi	Promoter / Managing Director	7	7	Yes	None
Mrs. Sneha A. Gandhi	Whole-time Director	7	7	Yes	None
Mr. Ashish N. Shah	Independent & Non-Executive Director	7	7	No	Chairman in two Committee. Member in four Committee

Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	7	7	No	Chairman in two Committee. Member in four Committee
Mr. Jignesh A. Shah	Non-Executive Director	7	7	Yes	Member in three Committee
Mr. Kiritkumar H. Trivedi	Non-Executive Director	6	5	Yes	None

#### MEETING OF AUDIT COMMITTEE

The members of Audit Committee met 6 times during the year on 02/04/2016, 22/04/2016, 26/05/2016, 09/08/2016, 28/10/2016 and 17/02/2017 as per provisions of Section 177 of the Companies Act, 2013 and applicable provisions.

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

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	6	6
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	6	6
Mr. Jignesh A. Shah	Non-Executive Director	6	6

#### MEETING OF NOMINATION AND REMUNERATION COMMITTEE

The members of Nomination and Remuneration Committee met 5 times during the year on 02/04/2016, 26/05/2016, 09/08/2016, 28/10/2016 and 17/02/2017 as per provisions of Section 178 of the Companies Act, 2013 and applicable provisions.

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

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	5	5
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	5	5
Mr. Jignesh A. Shah	Non-Executive Director	5	5

**MEETING OF STAKEHOLDER RELATIONSHIP COMMITTEE**

The members of Stakeholder Relationship Committee met 5 times during the year on 02/04/2016, 26/05/2016, 09/08/2016, 15/10/2016 and 13/01/2017 as per provisions of Section 178 of the Companies Act, 2013 and applicable provisions.

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

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	5	5
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	5	5
Mr. Jignesh A. Shah	Non-Executive Director	5	5

**MEETING OF INDEPENDENT DIRECTORS**

The independent directors of company met 3 times during the year on 02/04/2016, 09/08/2016 and 13/01/2017 as per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	3	3
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	3	3

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and as per the provisions of SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholder Relationship Committees and takes care of recommendation made by independent directors.

**DECLARATION BY INDEPENDENT DIRECTORS:**

A declaration by both Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is enclosed as **Annexure II and III.**

**REMUNERATION POLICY**

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

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

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

**AUDITORS****1. STATUTORY AUDITOR**

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

- AUDITORS' REPORT**

The notes on financial statement referred to in the auditor's report are self-explanatory. There is adverse remark made by the auditors in their report as follows:

The total amount outstanding relating to Tax Deducted at Source (TDS) which are verified through the Traces Portal are attached in the below mentioned table:

Financial Year	Default ( Amount in ₹)
2015-16	7,426.50
2013-14	124.00
Prior Years	62,946.00
<b>Total</b>	<b>70,496.50</b>

**Clarification by Board:**

Company has taken up the matter with Income Tax Department to understand the nature of pending TDS liabilities. Company has also submitted justification report & Consolidation File on Traces Portal. Company understands that there is no pending TDS liability as per its records. However, after verifying the reason and response to be received from the Income Tax Department, Company will discharge the TDS liability, if any arises.

## 2. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made there under, Mr. Nitesh P. Shah, Practicing Company Secretary, Ahmedabad have been reappointed as a Secretarial Auditor of the Company in the meeting of Board of Director held on 28<sup>th</sup> October, 2016. The report of the Secretarial Auditor is enclosed as **Annexure IV** to this report. The report is self-explanatory and do not call for any further comments.

## 3. INTERNAL AUDIT & CONTROLS

The Company in its Board Meeting held on 13<sup>th</sup> January, 2017 appointed M/s Abhijit Wani & Associates (F.R.N. No. 142935W), Chartered Accountant, Ahmedabad as Internal Auditor of the Company to fill the Casual Vacancy caused by the resignation of M/S Pooja C. Shah & Associates (F.R.N. No. 137341W), Chartered Accountant, Ahmedabad.

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

## REPORTING ON SUSTAINABILITY

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

## VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established and Chairman of Audit Committee is responsible for issue pertaining to same.

## EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE V**.

## INTERNAL CONTROL SYSTEMS

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.

- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

### DEPOSITS

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

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

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

#### Details of Loans:

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

#### Details of Investments:

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

#### Details of Guarantee / Security Provided:

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

**PARTICULARS OF MATERIAL CONTRACTS OR ARRANGEMENTS MADE WITH THE RELATED PARTIES**

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

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

There was no case filled during the year, under the sexual harassment of women at workplace (Prevention, Prohibition & Redresser) Act, 2013. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

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

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(3)(c) and (5) of the Companies Act, 2013, it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for the period ended 31.03.2017.
- that the Directors had 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;
- that the Directors had prepared the annual accounts on a going concern basis.
- that 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.
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CORPORATE GOVERNANCE**

Details regarding Corporate Governance Report of the Company regarding compliance of the conditions of Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges are annexed herewith as **Annexure VII**

**ACKNOWLEDGEMENT**

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

The Directors also take this opportunity to thank all the stakeholders, Investors, Clients, Banks, Government, Regulatory Authorities and Stock Exchange for their continued support.

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

Place: Ahmedabad  
Date: 17<sup>th</sup> June, 2017

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

Place: Ahmedabad  
Date: 17<sup>th</sup> June, 2017

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

To  
**AHIMSA INDUSTRIES LIMITED**  
**AHMEDABAD**

**ECONOMIC REVIEW**

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

The global gross domestic product (GDP) in the year 2017 grew is tepid and is likely to be moderate in terms of the international events. However, India is better placed. This momentum is expected to be maintained in the coming year with the new government and pro-growth policies.

### INDIAN GDP GROWTH

GDP growth of India has been under significant pressure over the last two years. As per central statistical office (CSOs) provisional estimates, India's GDP has at 7.1% in Financial year 2016-17 as against 7.6% growth in Financial year 2015-16. The domestic concerns of the log jam in the infrastructure sector, slack capital investment cycle, slowdown in economic activities and high inflation continued to linger in Financial year 2015-16. This is likely to improve with the new pro-growth government. Inflation continued to haunt in financial year 2016-17 with consumer price index (CPI) inflation showing an upward trend.

### INDIAN MARKET

The sentiment of Indian Industry was positive due to change in Government. The economy was showing the sign of returning to growth path and fiscal & current account deficit were lower. Effects of demonetization have highly shown in the whole Indian Economy.

The manufacturing sector was benefited from lower interest rates, stable commodity prices & falling oil prices. However, there was a need of Government focus on infrastructure and require greater attention for overall growth of manufacturing & economy of India.

It is expected that the Indian economy is poised for higher growth beating growth rate of China in coming year. There are positive signs for such expectation like inflation are in control, oil prices are stable at lower level, interest rates expecting to fall further, stable commodity prices and positive expectation from present Government on reform & policy matters.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Indian plastic and beverages market is highly competitive. Your company had focused on quality product to sustain its business and performed satisfactory on Indian market & done reasonably well on export front.

The Company has tried its best to lower the impact of high price inventory of first half and take advantage of lower prices by timing the purchase of raw materials.

The Company is also judging the consumer taste in timely manner and introduced few new designs of Pet Preform articles. The company has developed market for its products in domestic as well as international geographies.

### OPPORTUNITIES AND THREATS

Looking to present optimistic environment in view of growth oriented Government policies related to trade, commerce and business, the future of your company is bright and hopeful. However, the issue of concern is threat from international as well domestic trade.

### SEGMENT WISE PERFORMANCE

Total revenue of our company is derived from Plastic & beverages segment as well as from Textile segment. Indian plastic & beverage and textile market is highly competitive. But our company has always put great emphasis to sustain satisfactory performance by focused on quality product to its customers and by performing reasonably well on export front.

**RECENT TREND AND FUTURE OUTLOOK**

In recent years' Indian economy under the new government has gathered strong momentum. The company is optimistic about the recovery of Indian economy and the capital market. The country has to grow economically to with stand any international pressures from foreign countries. The way to economic growth begins with capital market development. The capital market industry in other words is backbone to economic growth in country.

**RISKS AND CONCERNS**

Our industry is mainly dependent on economic growth of country. The industrial growth is very sensitive which is dependent on many factors which may be social, financial, economic or political and also natural climatic conditions in the country. However, with the positive attitude of country which can mitigate the avoidable risks.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The total revenue of the Company during the financial year 2016-17 was ₹ 597,939,019.14 against the total revenue of ₹ 608,806,639.31 in the previous financial year 2015-16. The total expenses of the Company during the financial year 2016-17 was ₹ 577,174,595.05 against the expenses of ₹ 587,424,333.48 in the previous financial year 2015-16. The Profit after tax is ₹ 13,536,982.09 for the financial year 2016-17 as compare to ₹ 18,394,531.83 in the previous financial year 2015-16.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has implemented proper system for safeguarding the operations/business of the company, through which the assets are verified and frauds, errors are reduced and accounts, information connected to it are maintained such, so as to timely completion of the statements. The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

The company gets internal audit and verification done at regular intervals. The requirement of having internal auditor compulsory by statue in case of listed and other classes of companies as prescribed shall further strengthen the internal control measures of company.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT**

Your Company has undertaken employee's development initiatives, which have very positive impact on the morale and team spirit of the employees. The company has continued to give special attention to human resources and overall development.

**CAUTIONARY STATEMENT**

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since Company's operations are influence by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

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

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

Place: Ahmedabad  
Date: 17<sup>th</sup> June, 2017

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

Place: Ahmedabad  
Date: 17<sup>th</sup> June, 2017

**ANNEXURE TO DIRECTOR'S REPORT**  
**ANNEXURE INDEX**

Annexure	Content
I	Details for Remuneration paid to Employees
II	Declaration by Independent Director Mr. Ashish N. Shah
III	Declaration by Independent Director Mr. Bhadresh A. Trivedi
IV	MR-3 Secretarial Audit Report
V	Extract of Annual Return in MGT 9
VI	Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo
VII	Corporate Governance Report

## ANNEXURE I

## PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT &amp; REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Sr. No.	Name	Ratio
1	Mr. Ashutosh D. Gandhi (Managing Director)	11.79 : 1
2	Mrs. Sneha A. Gandhi ( Whole time Director)	7.86 : 1

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	% increase
1	Mr. Ashutosh D. Gandhi	Managing Director	9.23 %
2	Mrs. Sneha A. Gandhi	Whole time Director	9.23 %
3	Mr. Shrenik M. Khatwala	Chief Financial Officer	7.11 %
4	Mr. Sanjay B. Agrawal	Chief Executive Officer	25.53 %
5	Ms. Poonam P. Panchal	Company Secretary	-

- iii. The percentage increase in the median remuneration of employees in the financial year : 8.99%
- iv. The number of permanent employees on the rolls of company: 38
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:
- The average percentage increase already made in the salary of the employees other than managerial personnel in the financial year i.e. 2016-17 is 10.95% whereas Remuneration of managerial Personnel is 23.02%
- vi. If remuneration is as per the remuneration policy of the company: Yes

By Order of the Board of Directors  
AHIMSA INDUSTRIES LIMITED

Place: Ahmedabad  
Date: 17<sup>th</sup> June, 2017

Ashutosh Damubhai Gandhi  
Managing Director  
(DIN: 00654563)

## ANNEXURE II

## DECLARATION OF INDEPENDENCE BY ASHISH SHAH

To,  
The Board of Directors  
AHIMSA INDUSTRIES LIMITED  
Ahmedabad-380015

**Sub: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015**

I, **Mr. Ashish N. Shah (DIN:00089075)**, hereby certify that I am a Non-Executive Independent Director of **Ahimsa Industries Limited**, Ahmedabad and comply with all the criteria of independent director as envisaged in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - holds together with my relatives 2% or more of the total voting power of the company; or
  - is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

#### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

**Thanking you,  
Yours faithfully,**

**Mr. Ashish N. Shah  
(DIN: 00089075)  
Non-Executive & Independent Director**

**Date: 03/04/2017  
Place: Ahmedabad**

## ANNEXURE III

## DECLARATION OF INDEPENDENCE BY BHADRESH TRIVEDI

To,  
The Board of Directors  
AHIMSA INDUSTRIES LIMITED  
Ahmedabad-380015

**Sub: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013 and the Regulation 16 of SEBI(LODR), Regulation, 2015**

I, **Mr. Bhadresh A. Trivedi (DIN:07218969)**, hereby certify that I am a Non-Executive Independent Director of **Ahimsa Industries Limited**, Ahmedabad and comply with all the criteria of independent director as envisaged in the the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. Not any one of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;

- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - holds together with my relatives 2% or more of the total voting power of the company; or
  - is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

#### Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,

Mr. Bhadresh A. Trivedi  
(DIN: 07218969)  
Non-Executive & Independent Director

Date: 03/04/2017  
Place: Ahmedabad

## ANNEXURE IV

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017

[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,  
Ahimsa industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AHIMSA INDUSTRIES LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by AHIMSA INDUSTRIES LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
- As informed by the Management, there are no other laws that are applicable specifically to the company

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange (SME Platform);

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

I further report that based on the information provided and representation made by the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

**Date: 17<sup>th</sup> June, 2017**

**Place: Ahmedabad**

**Nitesh Parasmal Shah**

**Nitesh Shah & Associates**

**ACS No: A35681**

**C P No.: 13222**

**Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.**

**'ANNEXURE A'**

**To,**

**The Members,**

**Ahimsa Industries Limited**

**Ahmedabad**

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 these secretarial records based on our audit.
2. We have followed 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 records. 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 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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Date: 17<sup>th</sup> June, 2017**  
**Place: Ahmedabad**

**Nitesh Parasmal Shah**  
**Nitesh Shah & Associates**  
**ACS No: A35681**  
**C P No.: 13222**

## ANNEXURE V

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2017

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014**

#### 1. REGISTRATION & OTHER DETAILS

1	CIN	L25200GJ1996PLC028679
2	Registration Date	24 <sup>th</sup> January, 1996
3	Name of the Company	Ahimsa Industries Limited
4	Category/Sub-category of the Company	Company Limited by shares Non- Government Company
5	Address of the Registered office & contact details	102, Iscon Elegance. Shapath V, Prahladnagar Junction, S. G. Highway, Ahmedabad-380015, Gujarat, India
6	Whether listed company	Listed Company
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Bigshare Services Private Limited</b> E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai-400072

**2. 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	Manufacturing Plastic products, non-metallic mineral products, rubber products, fabricated metal products	C	43.32%
2	Trade- Wholesale Trading	G	56.68%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

**4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3792522	0	3792522	69.28%	3792522	0	3792522	69.28%	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub- total (A) (1)</b>	<b>3792522</b>	<b>0</b>	<b>3792522</b>	<b>69.28%</b>	<b>3792522</b>	<b>0</b>	<b>3792522</b>	<b>69.28%</b>	<b>0</b>
<b>(2) Foreign</b>									
a)NRIs- Individuals	0	0	0	0	0	0	0	0	0
b)other Individuals	0	0	0	0	0	0	0	0	0
c)Bodies Corp.	0	0	0	0	0	0	0	0	0

d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub- total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)(1)(2)</b>	<b>3792522</b>	<b>0</b>	<b>3792522</b>	<b>69.28%</b>	<b>3792522</b>	<b>0</b>	<b>3792522</b>	<b>69.28%</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>	<b>156000</b>	<b>0</b>	<b>156000</b>	<b>2.85%</b>	<b>156000</b>	<b>0</b>	<b>156000</b>	<b>2.85%</b>	<b>0</b>
i) Indian	156000	0	156000	2.85%	156000	0	156000	2.85%	0
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	588012	0	0	10.74%	558012	0	558012	10.19%	(0.55%)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	774000	0	0	14.14%	804000	0	804000	14.69%	0.55%
<b>c) Others (NRI)</b>	<b>163456</b>	<b>0</b>	<b>163456</b>	<b>2.99%</b>	<b>163456</b>	<b>0</b>	<b>163456</b>	<b>2.99%</b>	<b>0</b>
<b>Sub-total (B)(2):-</b>	<b>1681468</b>	<b>0</b>	<b>1681468</b>	<b>30.72%</b>	<b>1681468</b>	<b>0</b>	<b>1681468</b>	<b>30.72%</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1681468</b>	<b>0</b>	<b>1681468</b>	<b>30.72%</b>	<b>1681468</b>	<b>0</b>	<b>1681468</b>	<b>30.72%</b>	<b>0</b>

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5473990	0	5473990	100%	5473990	0	5473990	100%	0

## ii. Shareholding of Promoter

	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledge/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge/ encumbered to total shares	
1	Mr. Ashutosh D. Gandhi	2010000	36.72%	0	2010000	36.72%	0	-
2	Mrs. Sneha A. Gandhi	1573950	28.75%	0	1573950	28.75%	0	-
3	Ms. Saloni A. Gandhi	208566	3.81%	0	208566	3.81%	0	-
4	Ashutosh D. Gandhi HUF	6	0.00%	0	6	0.00%	0	-

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year					
	Change during the year			No Change		
	At the end of the year					

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

SN	Shareholding of Top 10 Shareholders	Date	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

<b>1. MAYURBHAI BABUBHAI PATEL</b>					
At the beginning of the year	01/04/2016	174000	3.18%	174000	3.18%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	174000	3.18%	174000	3.18%
<b>2. NISHIT CHANDULAL JOSHI</b>					
At the beginning of the year	01/04/2016	174000	3.18%	174000	3.18%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	174000	3.18%	174000	3.18%
<b>3. SALIM SHABUDIN LAKHANI</b>					
At the beginning of the year	01/04/2016	163456	2.99%	163456	2.99%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	163456	2.99%	163456	2.99%
<b>4. CHOICE EQUITY BROKING PRIVATE LIMITED</b>					
At the beginning of the year	01/04/2016	150000	2.74%	150000	2.74%
Change during the year	23/09/2016	6000	0.11%	156000	0.11%
	04/11/2016	6000	0.11%	162000	0.11%
	18/11/2016	-12000	0.22%	150000	0.22%
	27/01/2017	-6000	0.11%	144000	0.11%
At the end of the year	31/03/2017	144000	2.63%	144000	2.63%
<b>5. HARDIK HEMENDRA KAPADIA</b>					
At the beginning of the year	01/04/2016	120000	2.19%	120000	2.19%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	120000	2.19%	120000	2.19%
<b>6. HEMENDRA JAYANTILAL KAPADIA</b>					
At the beginning of the year	01/04/2016	120000	2.19%	120000	2.19%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	120000	2.19%	120000	2.19%
<b>7. BATUL MURTUZA KARACHIWALA</b>					
At the beginning of the year	01/04/2016	36000	0.66%	36000	0.66%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	36000	0.66%	36000	0.66%
<b>8. RASHIDA ZOHER KARACHIWALA</b>					
At the beginning of the year	01/04/2016	36000	0.66%	36000	0.66%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	36000	0.66%	36000	0.66%
<b>9. SAKINA ABBAS KARACHIWALA</b>					
At the beginning of the year	01/04/2016	36000	0.66%	36000	0.66%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	36000	0.66%	36000	0.66%
<b>10. MURTUZA ABBAS KARACHIWALA</b>					
At the beginning of the year	01/04/2016	36000	0.66%	36000	0.66%
Change during the year	-	-	-	-	-
At the end of the year	31/03/2017	36000	0.66%	36000	0.66%

**v. Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Ashutosh D. Gandhi</b>				
	At the beginning of the year	2010000	36.72%	2010000	36.72%
	Change during the year	-	-	-	-
	At the end of the year	2010000	36.72%	2010000	36.72%
<b>2.</b>	<b>Sneha A. Gandhi</b>				
	At the beginning of the year	1573950	28.75%	1573950	28.75%
	Change during the year	-	-	-	-
	At the end of the year	1573950	28.75%	1573950	28.75%
<b>3.</b>	<b>Sanjay B. Agrawal</b>				
	At the beginning of the year	6	0.00%	6	0.00%
	Change during the year	-	-	-	-
	At the end of the year	6	0.00%	6	0.00%
<b>4.</b>	<b>Shrenik M. Khatwala</b>				
	At the beginning of the year	6	0.00%	6	0.00%
	Change during the year	6000	0.11%	6000	0.11%
	At the end of the year	6006	0.11%	6006	0.11%

**5. INDEBTEDNESS:**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	10,30,37,687	NIL	NIL	10,30,37,687
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>10,30,37,687</b>	<b>NIL</b>	<b>NIL</b>	<b>10,30,37,687</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	24,51,400	NIL	NIL	24,51,400
* Reduction	1,58,69,382	NIL	NIL	1,58,69,382

<b>Net Change</b>	<b>1,34,17,982</b>	<b>NIL</b>	<b>NIL</b>	<b>1,34,17,982</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,96,19,705	NIL	NIL	8,96,19,705
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>8,96,19,705</b>	<b>NIL</b>	<b>NIL</b>	<b>8,96,19,705</b>

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### i. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD	WHD	
1	Gross salary	21,30,000	14,20,000	35,50,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>21,30,000</b>	<b>14,20,000</b>	<b>35,50,000</b>
	<b>Ceiling as per the Act</b>			<b>60,00,000</b>

### ii. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		-----	----	
1	Independent Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
2	Other Non-Executive Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0

	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act	0	0	0

**iii. Remuneration to key managerial personnel other than MD/ Manager/ WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary	8,73,935	3,56,749	1,95,865	14,26,549
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit				
	others, specify...				
5	Others, please specify	0	0	0	0
	<b>Total</b>	<b>8,73,935</b>	<b>3,56,749</b>	<b>1,95,865</b>	<b>14,26,549</b>

**7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**ANNEXURE VI****1. CONSERVATION OF ENERGY:**

- Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.
- Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- Various on-going measures for conservation of energy include (i) use of energy efficient lighting and better use of natural lighting, (ii) reduction of energy loss, and (iii) replacement of outdated energy intensive equipment.

**2. THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATIVE SOURCES OF ENERGY**

- Ahimsa Industries Limited installed Solar Roof Top Project in November, 2016 at the roof of its manufacturing facilities with capacity to generate power of 142 KW at a total cost of ₹ 90 lacs.
- As per the feasibility study conducted by technical consultants, Solar Roof Top Project is expected to generate power worth ₹ 1 lacs to ₹ 15 lacs per month.
- Power generated by the above mentioned Solar Roof Top modules is summarized as under

Month	KWH
January, 2017	44,000 KWH
February, 2017	55,000 KWH
March, 2017	74,000 KWH

**3. POWER CONSUMPTION IN RESPECT OF:**

- Total energy consumption and energy consumption per unit of production is given in the table below:

Particular	Unit	2016-17	2015-16
Total Unit	KWH	22,21,281	21,57,703
Total Amount	₹	1,32,45,150	1,52,96,150
Rate per Unit	₹	5.96	7.09

**4. TECHNOLOGY ABSORPTION:**

- The efforts made towards technology absorption: NA
- The benefits derived from technology absorption: NA
- The Company has not imported any technology for its products.
- The Company has not specific Research and Development Department. However, the Company carries out research and development in several areas including material & process developments towards efficiency improvements, quality improvements, waste reduction etc. Apart from process improvements, the research and development also aims at finding equivalent substitutes of various inputs and packaging materials to have cost savings without compromising quality.
- The Company has derived benefits of product diversification, cost reduction and better quality as a result of the above efforts.
- The research and development is an on-going exercise and suitable efforts will continue to be made in future.

**5. FOREIGN EXCHANGE EARNING AND OUTGO:**

- The information required to be given in respect of foreign exchanges Earning and outgo for the F.Y. 2016-17 are as follows:

**i. Foreign Exchange Earnings during F.Y. 2016-17:**

Particulars	Amount ( In ₹ )
CIF Value of Exports	2,62,72,958.32
FOB Value of Exports	61,08,970.00
<b>Total</b>	<b>3,23,81,928.32</b>

**ii. Foreign Exchange Outgo during F.Y. 2016-17:**

Particulars	Amount ( In ₹ )
Advertisement Expenses	1,34,024.00
Travelling Expenses	1,19,928.00
<b>Total</b>	<b>2,53,952.00</b>

**ANNEXURE VIII****CORPORATE GOVERNANCE****1) PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE:**

Good Governance ensures adoption of best business practices, and accountability of the person's in-charge of the company's operations. Your Directors are committed to good Governance practices and the company has been sharing all important information about its various business segments and operations of the company through Directors' report, half yearly Results and Annual Reports. Further as required by the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 report on Corporate Governance is given below:

**2) CORPORATE GOVERNANCE PRACTICE**

The Ahimsa Industries Limited maintains the highest standard of Corporate Governance; it is the Company's constant endeavor to adopt the best Corporate Governance Practice.

**3) ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS:**

The Company Secretary plays a key role in ensuring that the Board and Committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the Meetings. The Company Secretary is primarily responsible for assisting and advising the Board in conduct the affairs of the Company, to ensure the compliances with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of Meetings. The Company Secretary interfaced between the Management and regulatory authority for governance matters.

**4) BOARD OF DIRECTORS**

The Ahimsa Industries Limited has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013; Listing Agreement entered with the Stock Exchanges and is in accordance with best practices in Corporate Governance.

As on 31<sup>st</sup> March, 2017; The Board comprised of six Directors i.e. Managing Director, Whole Time Director, and four Non -Executive Directors comprising two independent Directors. The Chairman of the Board is Non -Executive Director.

**i. COMPOSITION AND CATEGORIES OF BOARD OF DIRECTORS:**

Name of Directors	Category	Outside Directorship		No. of Committees Chairpersonship / Membership held including Ahimsa Industries Limited	
		Public	Private	Chairmanship	Membership
Mr. Ashutosh D. Gandhi	Promoter / Managing Director	-	1	-	-
Mrs. Sneha A. Gandhi	Whole-time Director	-	-	-	-
Mr. Ashish N. Shah	Independent & Non-Executive Director	4	4	3	4
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	-	-	1	2
Mr. Jignesh A. Shah	Non-Executive Director	-	-	-	1
Mr. Kiritkumar H. Trivedi	Non-Executive Director	-	-	-	-

Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Companies have been considered.

**ii. ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS HELD DURING 2016-2017 AND THE LAST ANNUAL GENERAL MEETING HELD ON 30<sup>TH</sup> JUNE, 2016:**

During the Financial Year 2016-17 the Board met 7 times during the year on 02/04/2016, 26/05/2016, 09/08/2016, 15/10/2016, 28/10/2016, 13/01/2017 and 17/02/2017

Name of Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM held on 30 <sup>th</sup> June, 2016
Mr. Ashutosh D. Gandhi	Promoter / Managing Director	7	7	Yes
Mrs. Sneha A. Gandhi	Whole-time Director	7	7	Yes

Mr. Ashish N. Shah	Independent & Non-Executive Director	7	7	No
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	7	7	No
Mr. Jignesh A. Shah	Non-Executive Director	7	7	Yes
Mr. Kiritkumar H. Trivedi	Non-Executive Director	6	5	Yes

Mr. Kiritkumar H. Trivedi was appointed on the Board of Director on 26<sup>th</sup> May, 2016

**iii. EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31<sup>ST</sup> MARCH, 2017:**

Sr. No.	Name of the Non-Executive Director	No. of Shares
1	Mr. Ashish N. Shah	NIL
2	Mr. Bhadresh A. Trivedi	NIL
3	Mr. Jignesh A. Shah	NIL
4	Mr. Kiritkumar H. Trivedi	NIL

**5) INDUCTION & FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS:**

On appointment, the concerned Director is issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization program. The aim of program is to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

**Web link of Website for the Familiarization Policy for Independent Directors**  
<http://www.ahimsaind.com/images/final-familiarisation-policy-for-independent-directors.pdf>

**i. INDEPENDENT DIRECTORS MEETING:**

In Compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Regulations) Requirement, 2015; the Independent Directors' Meeting of the Company was held on 2<sup>nd</sup> April, 2016, 9<sup>th</sup> August, 2016 and 13<sup>th</sup> January, 2017. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

## ii. ATTENDANCE OF INDEPENDENT DIRECTORS IN INDEPENDENT DIRECTORS' MEETING

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

Name of Director	Meeting held during the year	Meeting Attended
Mr. Ashish N. Shah	3	3
Mr. Bhadresh A. Trivedi	3	3

## 6) AUDIT COMMITTEE:

The Company has an independent Audit Committee. The composition, procedure, Role/ Function of the committee complies with the requirements of the Companies Act, 2013 as well as those of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:

### i. BRIEF TERMS OF REFERENCE:

- Overseeing the Company's financial report process and the disclosure of its financial information.
- To recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- To review, with the management, the financial Statements and Auditor's Report thereon before submitting to the board for approval.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- To review, with Management, the statement of uses/ application of funds raised through issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- To review and monitor the auditor's independence and performance, and effectiveness of audit process
- To approve any subsequent modification of transactions of the listed entity with related parties
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the listed entity, wherever it is necessary.

- Evaluation of internal financial controls and risk management systems.
- To review the adequacy of internal control systems with the management, external & internal auditors.
- To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- Discussion with external auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

**ii. COMPOSITION AND ATTENDANCE OF MEMBERS AT THE MEETINGS OF THE AUDIT COMMITTEE HELD DURING 2016-2017**

The members of Audit Committee met 6 times during the year on 02/04/2016, 22/04/2016, 26/05/2016, 09/08/2016, 28/10/2016 and 17/02/2017 as per provisions of Section 177 of the Companies Act, 2013 and applicable provisions.

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

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	6	6
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	6	6
Mr. Jignesh A. Shah	Non-Executive Director	6	6

The Company Secretary acts as the Secretary of the Committee.

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors.

**7) NOMINATION AND REMUNERATION COMMITTEE.**

**1. COMPOSITION:**

The members of Nomination and Remuneration Committee met 5 times during the year on 02/04/2016, 26/05/2016, 09/08/2016, 28/10/2016 and 17/02/2017 as per provisions of Section 178 of the Companies Act, 2013 and applicable provisions.

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

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	5	5
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	5	5
Mr. Jignesh A. Shah	Non-Executive Director	5	5

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The committee has been constituted to recommend/ review the remuneration package of Managing/ Whole Time Directors.

## 2. PERFORMANCE EVALUATION

In compliance with the provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Regulations) Requirement, 2015; the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured mechanism was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors

was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### 3. NOMINATION AND REMUNERATION POLICY

#### PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Corporate Governance as per SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company has constituted “Nomination and Remuneration Committee” with two Non-executive Independent Directors and one Non-Executive Director as Members of the Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

#### I. OBJECTIVE

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### II. DEFINITIONS

- a) **“Board”** means Board of Directors of the Company.
- b) **“Company”** means Ahimsa Industries Limited.
- c) **“Employees’ Stock Option”** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

- d) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- e) **“Key Managerial Personnel” (KMP)** means
- Chief Executive Officer or the Managing Director or the Manager,
  - Whole-time Director,
  - Chief Financial Officer
  - Company Secretary, and
  - Such other officer as may be prescribed.
- f) **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- g) **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- h) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- i) **“Senior Management”** mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

### III. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and/or any other SEBI Regulation(s) as amended from time to time.

### IV. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay

reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

#### **V. ROLE OF THE COMMITTEE**

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **VI. MEMBERSHIP**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

**VII. CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**VIII. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**IX. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**X. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**XI. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT****a) Appointment criteria and qualifications:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or

at Senior Management level and recommend to the Board his / her appointment.

- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**b) Term / Tenure:**

**i. Managing Director/Whole-time Director/Manager (Managerial Person):**

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

**ii. Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

**c) Evaluation:**

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

**d) Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

**e) Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT****a) General:**

- The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
- Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any

liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**b) Remuneration to Managerial Person, KMP and Senior Management:**

**1. Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

**3. Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**c) Remuneration to Non-Executive / Independent Director:**

**1. Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

**2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**3. Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**4. Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.**XIV. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**XV. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**DETAILS OF REMUNERATION TO DIRECTORS DURING THE YEAR ENDING ON 31<sup>ST</sup> MARCH, 2017:**

Remuneration paid during the Financial Year 2016-17 to Executive Directors are:

Name of Director	Yearly Remuneration (in ₹)
Mr. Ashutosh D. Gandhi(DIN: 00654563)	21,30,000
Mrs. Sneha A. Gandhi (DIN: 00654675)	14,20,000
<b>Total</b>	<b>35,50,000</b>

The company is neither paying any sitting fees nor providing any perquisite to its Directors.

**8) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The company has constituted Stakeholder Relationship Committee shall consider and resolve the grievances of the security holders of the company including complaints

related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

**(i) COMPOSITION:**

The members of Stakeholder Relationship Committee met 5 times during the year on 02/04/2016, 26/05/2016, 09/08/2016, 15/10/2016 and 13/01/2017 as per provisions of Section 178 of the Companies Act, 2013 and applicable provisions.

Mr. Bhadresh A. Trivedi (DIN: 07218969) is the Chairman of Stakeholders relationship Committee.

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Mr. Ashish N. Shah	Independent & Non-Executive Director	5	5
Mr. Bhadresh A. Trivedi	Independent & Non-Executive Director	5	5
Mr. Jignesh A. Shah	Non-Executive Director	5	5

**(ii) COMPLIANCE OFFICER**

Ms. Poonam P. Panchal, Company Secretary is the Compliance Officer for complying with requirements of Companies Act, Securities laws, SEBI (LODR) Regulations, 2015 with Stock Exchanges.

During the year, the company has not received any complaints/ correspondence from Shareholders regarding non receipt of Share Certificates/ issuance of Duplicate Share Certificates / Dividend Warrants etc.

**9) GENERAL BODY MEETINGS:**

**i. LOCATION AND TIME OF LAST THREE AGM'S HELD:**

Year	Location	Date	Time
2015-16	102, Iscon Elegance, Nr. Shapath – 5, Prahladnagar Junction, S. G. Highway, Ahmedabad-380015	30 <sup>th</sup> June, 2016	05:00 P.M.
2014-15	102, Iscon Elegance, Nr. Shapath – 5, Prahladnagar Junction, S. G. Highway, Ahmedabad-380015	30 <sup>th</sup> September, 2015	11:00 A.M.
2013-14	102, Iscon Elegance, Nr. Shapath – 5, Prahladnagar Junction, S. G. Highway, Ahmedabad-380015	29 <sup>th</sup> September, 2014	11:00 A.M.

No resolution is proposed to be passed through postal ballot during the ensuing meeting and no special resolutions passed in last three Annual General Meetings.

**Disclosures:**

- No transaction of material has been entered into by the company with its promoters, Directors or management or relatives etc. that may have potential conflict with the interest of the company.
- There were no instances of non-compliances or penalty imposed on the company by Stock Exchanges or SEBI or any other statutory authority or any matter related to capital markets, during the last three years. The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the same is posted on the website of the Company.
- The Company is complying with all mandatory requirements of SEBI(Listing and Disclosure Requirements), Regulation, 2015

**Means of Communication:**

During the year, the half yearly financial results as on 30<sup>th</sup> September, 2016 & 31<sup>st</sup> March, 2017 and yearly financial results for the financial year ended on 31<sup>st</sup> March, 2017 of the company were submitted to Stock Exchanges immediately after the meeting of the Board of Directors. The Company has also published its Financial Results on its websites i.e. [www.ahimsaind.com](http://www.ahimsaind.com) and [www.greenpet.in](http://www.greenpet.in) .

**ii. GENERAL SHAREHOLDER INFORMATION:****Annual General Meeting:**

The ensuing (22<sup>nd</sup>) Annual General Meeting ("the AGM") of the company will be held on Monday, 17<sup>th</sup> July, 2017 at 3:00 P.M., at the registered office of the Company at 102, Iscon Elegance, Nr. Shapath – 5, Prahladnagar Junction, S. G. Highway, Ahmedabad-380015

**Financial Calendar**

The Financial year of the company is for period of 12 months from 1<sup>st</sup> April to 31<sup>st</sup> March. The financial result of the company is scheduled to be published as under:

Audited Results for the second half year and the financial year ending on 31<sup>st</sup> March, 2017 has been adopted and published as on the date of 22<sup>nd</sup> May, 2017, and the Annual General Meeting for the year ending on March, 2017 will be held on 17<sup>th</sup> July, 2017.

**Record Date:**

The Record Date for the purpose of determining the eligibility of the Members to attend the 22<sup>nd</sup> Annual General Meeting of Company will be 7<sup>th</sup> July, 2017.

**Dividend Payment:**

The board of directors of the company has not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2017.

**Policy on dealing with Related party Transactions:**

The company has formulated the policy on dealing with Related party Transactions and also put said policy on the websites of the company for the pursuance of Stakeholders of the company.

**Web link:**

<http://www.greenpet.in/images/final-related-party-transaction-policy.pdf>

**Listing on Stock Exchange:**

The NSE Stock Exchange Emerge, SME Platform, Mumbai  
The listing fees of NSE Stock Exchange have been paid.

**Symbol: AHIMSA**

**Reconciliation of Share Capital Audit**

As stipulated by SEBI, Mr. Nitesh P. Shah, a qualified practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total listed and paid-up share capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Audit is carried out Quarterly basis in a year and the report thereon is submitted to the Stock Exchange. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in physical mode.

**Dematerialization of Shares**

As on March 31, 2017, all Equity Shares of the Company are held in dematerialized form. The breakup of the equity shares held in dematerialized and physical form as on March 31, 2017 are as follows:

Particulars	No. of share holders	No. Of shares	Percent of Total
NSDL	52	1867456	34.1151 %
CDSL	62	3606534	65.8849 %
PHYSICAL	NIL	NIL	NIL
<b>TOTAL</b>	<b>114</b>	<b>5473990</b>	<b>100.0000 %</b>

The ISIN No. for Equity Shares of the Company-INE136T01014

### Share holding pattern and Distribution of Shareholdings as on 31st March, 2017

#### i. Shareholding pattern.

Category	No. of Shares held	% of Shareholding
1.Promoters	37,92,522	69.2826 %
2.Mutual Funds	Nil	Nil
3.Banks, Fls, Insurance companies	Nil	Nil
4.Private Bodies Corporate	1,56,000	2.8498 %
5.Clering Members	Nil	Nil
6.Non-Resident Indians	1,63,456	2.9860 %
7.Indian Public	13,62,012	24.8816 %
<b>TOTAL</b>	<b>54,73,990</b>	<b>100.0000 %</b>

#### ii. Distribution of Shareholdings

No. of equity shares held	No. of shareholders	% of Shareholders	Share Amount ₹	% of Shareholding
1-5000	2	1.7391%	120	0.0002 %
5001-10000	95	82.6087%	57,00,060	10.4130 %
10001 and Above	17	15.6522%	4,90,39,720	89.5868 %
<b>TOTAL</b>	<b>114</b>	<b>100.00</b>	<b>54739900</b>	<b>100.0000 %</b>

#### iii. High And Low Prices of Shares and its composition with NSE Emerge

Month & Year	NSE Emerge(SME platform)- Ahimsa Industries Limited		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April,2016	25.20	25.20	6695.25	6316.15
May, 2016	25.20	25.20	6842.65	6463.70
June, 2016	25.20	25.20	6990.50	6630.55
July,2016	25.20	25.20	7357.45	7003.90
August, 2016	25.20	25.20	7520.45	7215.40
September, 2016	25.00	25.00	7634.50	7303.95
October, 2016	25.00	25.00	7605.65	7371.35
November,2016	25.65	25.15	7539.10	6751.15

December,2016	25.25	25.25	7112.25	6711.65
January,2017	27.25	26.00	7483.90	6955.45
February,2017	26.00	26.00	7746.15	7366.90
March, 2017	26.00	26.00	8005.75	7659.25

Stakeholders Relationship Committee attends to share transfer formalities normally twice in a month. Demat requests are normally confirmed within 15 days from the date of receipt of requests.

**Registered Office:** 102, Iscon Elegance, Nr. Shapath – 5,  
Prahladnagar Junction,  
S. G. Highway, Ahmedabad-380015  
Ph. No. +91 79 27445901/02  
Email Id: legal@greenpet.in & info@ahimsa-ind.com

**Registrar and Transfer Agents:** Big Shares Services Pvt. Limited  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai-400 072  
Tel. No: +91 22 40430200

**Factory Address:** 160, Devraj Industrial Park,  
Piplaj Pirana Road, Village Piplaj,  
Ahmedabad- 382405,  
Gujarat, India  
Ph. No. +91 79 29708292  
Email Id: [ceo@greenpet.in](mailto:ceo@greenpet.in)

#### Investors / Shareholders Correspondence:

Investors / Shareholders may Correspondence with the company at the Register Office of the company at 102, Iscon Elegance, Nr. Shapath – 5, Prahladnagar Junction, S. G. Highway, Ahmedabad-380015  
Contact No.: +91 79 27445901 / 02  
Email Id: legal@greenpet.in & info@ahimsa-ind.com

#### DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and senior management.

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

Place: Ahmedabad  
Date: 17<sup>th</sup> June, 2017

**Sanjay B. Agrawal**  
Chief Executive Officer

**CEO/CFO CERTIFICATION**

**To,  
The Board of Directors  
AHIMSA INDUSTRIES LIMITED**

Certificate by Chief Executive Officer (CEO) / Chief Financial Officer (CFO) under Corporate Governance pursuant to the Regulation 33(1)(e) and Schedule IV of SEBI(Listing Obligation and Disclosure Requirements), Regulation 2015

I, Sanjay B. Agrawal, the Chief Executive Officer(CEO) of the Company and I, Shrenik M. Khatwala, the Chief Financial Officer (CFO) of the Company do hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year ending 31<sup>st</sup> March, 2017 and that to the best of their knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee of the Company.
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For, AHIMSA INDUSTRIES LIMITED**

**Place: Ahmedabad  
Date: 17<sup>th</sup> June, 2017**

**Sanjay B. Agrawal  
(CEO)**

**Shrenik M. Khatwala  
(CFO)**



## AUDITORS' REPORT

2016-17



## INDEPENDENT AUDITORS' REPORT

### To the Members of Ahimsa Industries Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Ahimsa Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

### 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 Act, we give in the "**Annexure A**" statement on the matters specified in the paragraph 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 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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (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. The details of pending Litigations on its financial position in its financial statements are mentioned in **Note No. 3.43 and 3.44** of financial Statements.
  - 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.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer **Note No. 3.12**;

**For Mistry and Shah**  
**Chartered Accountants**  
**F.R.N: - 122702W**

**Krunal Shah**  
**Partner**  
**M.NO. 144596**

**Date: 22<sup>nd</sup> May, 2017**  
**Place: Ahmedabad**

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### **“Annexure A” to the Independent Auditors’ Report**

The Annexure referred to in our Independent Auditors’ Report to the members of the company on the financial statements for the year ended 31 March 2017, we report that:

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 in a phased manner, designed to cover all the items over a reasonable period, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The title deeds of immovable properties are held in the name of the company.
2. As explained to us, the management has conducted the physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Hence, this clause is not applicable to us.
4. 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, investments, guarantees, and security.
5. 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.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



7. (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 Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on March 31, 2017 for a period of more than six months from the date on when they become payable, however there is undisputed Default of ₹ 70,496.50 with Income Tax Department in relation to TDS payment.

(b) Details of dues of income tax, sales tax, service tax, Excise Duty, Customs Duty value added tax which have not been deposited as on March 31, 2017 on account of dispute are given below:

Name of Statue	Nature of the Dues	Forum where dispute is pending	Amount (In ₹)	Amount paid under Protest (In ₹)	Period to which the amount relates
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Ahmedabad	2,14,510.00	1,000.00	A.Y. 2016-17

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. Accordingly, Paragraph 3(viii) of the order is not applicable.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) , however company has raised funds through term loans and the same have been used for purpose for which it have been raised.
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 year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read



with Schedule V to the Companies Act. For details refer **Note No. 3.25** of significant accounting policies.

12. In our opinion and the information and explanations given by the management, 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 **Note No. 3.27** 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Mistry and Shah**  
**Chartered Accountants**  
**F.R.N: - 122702W**

**Krunal Shah**  
**Partner**  
**M.NO. 144596**

**Date: 22<sup>nd</sup> May, 2017**  
**Place: Ahmedabad**



## **“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Ahimsa Industries Limited**

### **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 Ahimsa Industries Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the 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 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 March 31, 2017, 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 Mistry and Shah**  
**Chartered Accountants**  
**F.R.N: - 122702W**

**Krunal Shah**  
**Partner**  
**M.NO. 144596**

**Date: 22<sup>nd</sup> May, 2017**  
**Place: Ahmedabad**

## AHIMSA INDUSTRIES LIMITED

CIN NO: L25200GJ1996PLC028679

Balance Sheet as at March 31, 2017

In ₹

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3.1	54,739,900.00	54,739,900.00
(b) Reserves and Surplus	3.2	71,486,133.92	57,949,151.83
		<b>126,226,033.92</b>	<b>112,689,051.83</b>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3.3	15,472,868.00	24,248,371.00
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
		<b>15,472,868.00</b>	<b>24,248,371.00</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	3.4	74,146,836.59	78,789,316.29
(b) Trade Payables	3.5		
Micro, Small and Medium Enterprise		452,048.00	156,012.00
Others		154,456,961.18	22,273,780.30
(c) Other Current Liabilities	3.6	3,145,020.31	2,432,241.95
(d) Short Term Provision	3.7	1,826,952.00	2,438,399.63
		<b>234,027,818.08</b>	<b>106,089,750.17</b>
<b>Total</b>		<b>375,726,720.00</b>	<b>243,027,173.00</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	3.8		
Tangible Assets		116,306,411.57	113,250,802.67
Intangible Assets		-	-
Capital Work-In-Progress		-	5,607,241.00
Intangible Assets Under Development		-	-
(b) Non-Current Investments		-	-
(c) Deferred Tax Asset		2,391,685.00	3,678,183.00
(c) Long-Term Loans and Advances	3.9	3,421,278.99	3,628,248.99
(d) Other Non-Current Assets			
		<b>122,119,375.56</b>	<b>126,164,475.66</b>
<b>Current Assets</b>			
(a) Inventories	3.10	52,709,918.00	47,874,818.00
(b) Trade receivables	3.11	175,965,370.91	41,241,398.24
(c) Cash and Cash Equivalents	3.12	16,633,775.54	19,855,285.78
(c) Short Term Loans and Advance	3.13	76,141.00	80,000.00
(d) Other Current Assets	3.14	8,222,138.99	7,811,195.32
		<b>253,607,344.44</b>	<b>116,862,697.34</b>
<b>Total</b>		<b>375,726,720.00</b>	<b>243,027,173.00</b>

Background 1

Significant Accounting Policies 2

Notes On Financial Statements 3

As per our report of even date

For Mistry & Shah  
Chartered Accountants  
FRN:122702W

For and on behalf of the Board of Directors

Ashutosh D Gandhi  
Managing Director  
DIN:00654563

Sneha A Gandhi  
Wholetime Director  
DIN:00654675

Krunal Shah  
Partner  
M. No. 144596

Poonam Panchal  
Company Secretary  
M.No. A44616

Shrenik M. Khatwala  
CFO

Place : Ahmedabad

Place : Ahmedabad

Date : 22nd May, 2017

Date : 22nd May, 2017

## AHIMSA INDUSTRIES LIMITED

CIN NO: L25200GJ1996PLC028679

## Statement Of Profit &amp; Loss For the year ended 31st March,2017

		In ₹	
Particulars	Note No.	Current Year	Previous Year
<b>INCOME:</b>			
Revenue from Operations	3.15	592,931,828.85	606,262,202.31
Other Income	3.16	5,007,190.29	2,544,437.00
		<b>597,939,019.14</b>	<b>608,806,639.31</b>
<b>EXPENDITURE:</b>			
Cost of Materials Consumed	3.17	174,635,616.22	151,871,427.29
Purchase of Stock-in-Trade	3.18	339,935,970.27	363,679,981.93
Change in Inventories	3.19	(6,541,192.88)	(3,612,732.00)
Employee Benefit Expenses	3.20	9,794,210.32	8,579,268.00
Finance Costs	3.21	9,502,166.60	10,897,002.00
Depreciation & Amortization	3.8	21,205,717.00	22,305,525.00
Other Expenses	3.22	28,626,772.52	33,652,494.26
Interest & Penalty	3.23	15,335.00	51,367.00
		<b>577,174,595.05</b>	<b>587,424,333.48</b>
<b>Profit before Exceptional and Extraordinary Items and Tax</b>		<b>20,764,424.09</b>	<b>21,382,305.83</b>
Exceptional Items			
<b>Profit before Extraordinary Items and Tax</b>		<b>20,764,424.09</b>	<b>21,382,305.83</b>
Extraordinary Items			
<b>Profit Before Tax</b>		<b>20,764,424.09</b>	<b>21,382,305.83</b>
<b>Tax Expenses</b>			
Current Tax		(5,940,944.00)	(6,665,957.00)
Excess provision for IT written back / provided			
MAT Credit due			
Deferred Tax		(1,286,498.00)	3,678,183.00
<b>Profit after Tax for the year</b>		<b>13,536,982.09</b>	<b>18,394,531.83</b>
<b>Earnings per Equity Share</b>			
-Basic		2.47	3.90
-Diluted		2.47	3.90

Background	1
Significant Accounting Policies	2
Notes On Financial Statements	3

As per our report of even date

For Mistry & Shah  
Chartered Accountants  
FRN:122702W

For and on behalf of the Board of Directors

Ashutosh D Gandhi  
Managing Director  
DIN:00654563

Sneha A Gandhi  
Wholetime Director  
DIN:00654675

Krunal Shah  
Partner  
M. No. 144596

Poonam Panchal  
Company Secretary  
M.No. A44616

Shrenik M. Khatwala  
CFO

Place : Ahmedabad  
Date : 22nd May, 2017

Place : Ahmedabad  
Date : 22nd May, 2017

**AHIMSA INDUSTRIES LIMITED**  
CIN NO: L25200GJ1996PLC028679

**CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2017**

		In ₹	
Sr. No	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>1</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) As per Profit & Loss Account	13,536,982.09	18,394,531.83
a)	Tax and Extra-Ordinary Item		
	Income Tax	5,940,944.00	6,665,957.00
	Deferred Tax Asset	1,286,498.00	(3,678,183.00)
	Net Profit (Loss) before tax	20,764,424.09	21,382,305.83
b)	Adjustments:-		
	Effect in Depreciation Chart due to Schedule II of Companies Act,2013	-	25,380.37
	Interest and finance cost	9,502,166.60	10,897,002.00
	Loss on sale of fixed asset and Profit		
	Profit on sale of fixed asset and Profit		
	Depreciation	21,205,717.00	22,305,525.00
	Subsidy Written off	-	(1,500,000.00)
	Interest Income	(663,434.20)	(736,776.00)
	Deffered Tax Asset Reversed	-	3,102,665.00
	Operating profit(loss) before working capital changes	30,044,449.40	34,093,796.37
c)	Adjustments:-		
	Decrease/(Increase) in Trade Receivables	(134,723,972.67)	95,612,559.76
	Decrease/(Increase) in Inventories	(4,835,100.00)	(12,363,233.00)
	(Decrease)/Increase in Trade Payables	132,479,216.88	(109,659,122.70)
	(Decrease)/Increase in Short term Borrowings	(4,732,042.70)	(12,087,646.71)
	(Decrease)/Increase in Other Current liabilities	712,778	(9,577,182.05)
	(Decrease)/Increase in Short term Provision	(2,169,177.63)	(2,248,875.37)
	Decrease/(Increase) in Other Current Asset	(410,943.57)	(947,608.36)
	Decrease/(Increase) in Short term loans and advances	3,859.00	(56,338.00)
	Net Cash Flow before tax and extra ordinary item	(13,675,382.33)	(51,327,446.43)
	Direct Taxes Paid	(4,383,214.00)	(1,979,057.00)
	Less: Extraordinary Items		
	<b>Net Cash Flow from Operating Activities</b>	<b>32,750,277.16</b>	<b>2,169,598.77</b>
<b>2</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
a)	Acquisition of Fixed Assets	(18,654,085.00)	(10,501,047.00)
b)	Sale of Fixed Assets	-	-
c)	Interest Income	663,434.20	736,776.00
d)	Interest and finance cost	(9,502,166.60)	(10,897,002.00)
e)	Decrease/(Increase) in Long term loan and advances	206,970.00	(565,482.99)
	<b>Net Cash Flow from Investing Activities</b>	<b>(27,285,847.40)</b>	<b>(21,226,755.99)</b>
<b>3</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
a)	Increase in Share Capital	-	15,180,000.00
b)	Repayment of Long Term Borrowings	(8,685,940.00)	(20,229,923.00)
c)	Share Premium Received	-	22,770,000.00
	<b>Net Cash Flow from Financing Activities</b>	<b>(8,685,940.00)</b>	<b>17,720,077.00</b>
	Net Increase in Cash and Equivalent	(3,221,510.24)	(1,337,080.22)
	Cash And Cash Equivalents as at the Beginning of the year	19,855,285.78	21,192,366.00
	<b>Cash And Cash Equivalents as at the Closing of the year</b>	<b>16,633,775.54</b>	<b>19,855,285.78</b>

As per our report of even date

For Mistry & Shah  
Chartered Accountants  
FRN:122702W

For and on behalf of the Board of Directors

Ashutosh D Gandhi  
Managing Director  
DIN:00654563

Sneha A Gandhi  
Wholetime Director  
DIN:00654675

Krunal Shah  
Partner  
M. No. 144596

Poonam Panchal  
Company Secretary  
M.No. A44616

Shrenik M. Khatwala  
CFO

Place : Ahmedabad  
Date : 22nd May, 2017

Place : Ahmedabad  
Date : 22nd May, 2017

**Notes on Financial Statements for the Year ended on March 31,2017****Note 1. Background:**

The Company was incorporated as Ahimsa Industries Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation having CINU25200GJ1996PLC02867 dated January 24, 1996, in Ahmedabad. The name of the Company changed to “Ahimsa Industries Private Limited” vide fresh certification of Incorporation having CIN U25200GJ1996PLC02867 dated March 06, 1996 Further, Company was converted into public limited company i.e. Ahimsa Industries Limited having CIN L25200GJ1996PLC028679 vide fresh certificate of incorporation dated May 25, 2015.

The registered office of the company is situated at 102, Iscon Elegance, NR. Shapath-5, Prahlad Nagar Junction,S.G. Highway, Ahmedabad, Gujarat-380015, India

Ahimsa Industries Limited was formed in 1996. Ahimsa Industries Limited (the “Company”) is a limited company incorporated in India under the provisions of the Companies Act 1956. The company is engaged in Manufacturing PET of preform & trading of sugar confectionary machinery, plastic processing machinery, injection moulds and textiles. The Company’s registered office is in Ahmedabad and its factory is situated at Devraj Industrial Area. The Company is a Non-Small and Medium Sized Company (Non-SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013.

**Note 2. Significant Accounting Policies:****1. Basis of Accounting:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”), the Accounting Standards (“AS”) as specified under section 133 of The Companies Act, 2013, read with applicable rules of Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). The financial statements are prepared on the basis of going concern under the historical cost convention using the accrual method of accounting.

**2. Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

### 3. Valuation of Inventories:

As per (AS) 2, The inventories are physically verified at regular intervals by the Management. Raw materials, stores and Spares are valued at cost and net of credits under scheme under CENVAT Rules and VAT Rules. Finished Goods and Trade Goods are valued at Cost or Market Value/Contract Price Whichever is lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

### 4. Cash and Cash Equivalents (for the purpose of Cash Flow Statement):

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, fixed deposits with banks which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 5. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

### 6. Event Occurring After Balance Sheet Date:

As per AS 4 Events occurring after the balance sheet date are those significant events, both favorable and unfavorable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors in the case of a company, and by the corresponding approving authority in the case of any other entity.

#### **These events can broadly be classified in two ways:**

- a) Those which provide further evidence of conditions that existed at the balance sheet date; and
- b) Those which are indicative of conditions that arose subsequent to the balance sheet date.

Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.

**7. Revenue Recognition:**

Revenue has been considered as per AS 9- Revenue Recognition issued by Institute of Chartered Accountants of India. AS-12 Accounting for Government Grants have also been considered for the purpose of recognition of Interest subsidy received from the State Government.

Income from sale is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales are recorded net of- Sales Tax / VAT, returns, rebates, discounts and excise duties.

Interest income is recognised on accrual basis.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Revenue is recognised when consideration receivable for the sale of goods, the rendering of services or from the use by others of enterprise resources is reasonably determinable. When such consideration is not determinable within reasonable limits, the recognition of revenue is postponed.

When recognition of revenue is postponed due to the effect of uncertainties, it is considered as revenue of the period in which it is properly recognised.

**8. Property, Plant and Equipment & Capital Work-In-Progress:**

Property, Plant and Equipment represents a significant proportion of the asset base of the company. The change in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and the residual value of the company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Property, Plant and Machinery are stated at cost less depreciation / amortisation and impairment losses, if any. The cost of Fixed Assets comprises its purchase price net of any taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as part of the cost of such asset, up to the date of acquisition / completion of construction.

Projects under which Property, Plant and Machinery are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Gains or Losses arising from derecognition of Property, Plant and Machinery are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less accumulated amortization and accumulated impairment, if any. Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the Asset and are recognized in the statement of profit and loss when the asset is derecognized.

Deprecation on Property, Plant and Machinery is provided on "Written down Value Method" over the useful lives of the assets estimated by the Management. The Management estimates are based on the useful life provided in the Schedule II to Companies Act 2013, however for certain assets the Management Estimates differs from the useful life mentioned in Schedule II. The Useful Life of Various assets are mentioned in the below mentioned Chart.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Sr. No	Major Head	Assets Included	Useful Life
1.	Buildings	Office Sakar V, Office Iscon Elegance	60 Years
2.	Buildings	Building Factory (Kirby)	30 Years
3.	Plant & Machinery	All types of Moulds, Air Dryer, Heat Exchanger, Colour feed Master Batch Dosing, Fuse Gear and Control	5 Years
4.	Plant & Machinery	All Other Plant and machinery (Including Solar Roof Top)*	15 Years
5.	Furniture and Fittings	All Furniture and Fixtures	10 Years
6.	Motor Vehicle	Renault Duster, Honda city, Mercedes Benz, Innova	8 Years
7.	Motor Vehicle	Splendor, Passion Pro, Bajaj Discover	10 Years
8.	Office Equipment	Air Conditioner, EPBX, Fan, Refrigerator, Mobile, Counting Machine, Digital Camera, CC TV Camera, Finger Print Machine, Water Cooler.	5 Years
9.	Computer and Data Processing Units	Computers and Printers	3 Years
10.	Laboratory Equipments	Laboratory Instruments	15 Years
11.	Electrical Installations and Equipments	Electrical Material Expense Iscon Office	10 Years

\* As per Schedule II of Companies Act, 2013, The Useful life of Electric Distribution Plant is 35 Years. Company has purchased and installed solar Roof top plant for generation and utilization of electricity in factory premises, However Company has obtained Civil Engineer's Certificate regarding useful life of Solar Roof Top Plant which is estimated as 15 years.

#### 9. Foreign Currency Transactions: -

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction.

As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognized in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

Any income or expense on account of exchange difference between the date of transaction and on settlement Date or on translation is recognized in the profit and loss account as income or expense except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

#### 10. Government Grants: -

Grants/Subsidy is recognized until and unless it is reasonably assured to be realized and the company has complied with the conditions attached to the grant/subsidy. Here Company has reasonable assurance that it will comply with the conditions attached to Government Grants and also the company is reasonably certain about the ultimate receipt of the Grants. Hence government grants are recorded as Income in Books of Accounts on fulfillment of criteria for recognition of Grants as per AS 12 "Accounting for Government Grants." The schedule relating to government Grant is provided in Notes to Accounts.

A contingency related to a government grant, arising after the grant has been recognized, should be treated in accordance with Accounting Standard (AS) 4, Contingencies and Events Occurring after the Balance Sheet Date.

Government grants that become refundable should be accounted for as an extraordinary item (see Accounting Standard (AS) 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies).

**11. Investments: -****Recognition and Measurement**

Long-term investments are carried individually at cost, on disposal of investment, the difference between its cost and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Current investments are carried at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

**Presentation and disclosures**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current assets. All other investments are classified as long term investments.

Interest and Rentals on Investment from long term and current investments, Gross Income are stated and the amount of Tax deducted at Source is disclosed separately.

**12. Employee Benefits: -****Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

**Post-Employment Benefits:****a) Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

**b) Defined Benefit Plans**

For defined benefit plans in the form of Gratuity Fund, the company is maintaining gratuity fund with Life Insurance Corporation of India, premium paid to Life Insurance Corporation of India is debited to Profit and Loss account for the respected accounting period in which they occur.

**13. Borrowing Cost:-**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**14. Segment Reporting: -**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. The Company's operating businesses are organized and managed separately according to the nature of products and services provided. The table showing detailed segment reporting is provided in the **Notes no. 3.26** of financial statement.

In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis that the enterprise actually used to price those transfers. The pricing of inter-segment Transactions are carried at cost.

Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. In respect of Financial Services Segment, the interest expenses on borrowings are accounted as segment expenses. Expenses which relate to the Company as a whole and not allocable to segments are included under "Unallocable expenditure"

Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable income".

**15. Earnings Per Share: -**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Detailed working for the same is mentioned in **Note No. 3.29** in Notes to financial statement.

**16. Taxes on Income: -**

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profit of the year at applicable tax rates.

Deferred taxes on income reflect the impact of timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years if any.

The Company has Policy of offsetting deferred tax asset and deferred tax liabilities as it is a legally enforceable right to set off assets against liabilities representing current tax and it relates to same governing taxation laws.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date

#### **17. Impairment of Assets: -**

Pursuant to "AS-28 Impairment of Assets" issued by the Central Government under the Companies (Accounting Standard) Rules 2006 for determining Impairment in the carrying amount of fixed assets, the management has concluded that since recoverable amount of fixed Assets is not less than its carrying amount, therefore no provision is required for impairment in respect of fixed Assets owned by the Company.

#### **18. Provisions and Contingent Liability: -**

A Provision is recognized, if as a result of past event the company has present obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the Obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **19. Research and Development: -**

Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortized over the period of expected future benefit.

**Note No-3.1.1 Share Capital**

Particulars	As at March 31,2017		As at March 31,2016	
	Number	In ₹	Number	In ₹
<b>Equity Share Capital of ₹ 10/- each</b>				
Authorized Share Capital	7,500,000	75,000,000.00	7,500,000	75,000,000.00
Issued Share Capital	5,473,990	54,739,900.00	5,473,990	39,559,900.00
Subscribed and Fully Paid Up	5,473,990	54,739,900.00	5,473,990	54,739,900.00
		<b>54,739,900.00</b>		<b>54,739,900.00</b>

**Note No-3.1.2 Reconciliation of share capital**

Particulars	As at March 31,2017		As at March 31,2016	
	Number	In ₹	Number	In ₹
<b>Equity Shares (Face Value ₹ 10.00)</b>				
Shares outstanding at the beginning of the year	5,473,990	54,739,900.00	3,955,990	39,559,900.00
Shares Issued during the year		-	1,518,000	15,180,000.00
Shares bought back during the year				
Shares outstanding at the end of the year	5,473,990	54,739,900.00	5,473,990	54,739,900.00

1. The company has only one class of shares viz. equity shares having a par value of ₹ 10/- each as above. All equity shares, in present and in future, rank pari passu with the existing equity shares of the company and each shareholder is entitled to one vote per share.
2. The company is neither a subsidiary nor a holding company of any other body corporate. Disclosures as regards the Shareholdings in or by such body-corporate, accordingly, are not applicable on the company.
3. In the Event of Liquidation of the company, the share holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.
4. The company did not have outstanding calls unpaid by directors and officers of the company (Previous year NIL) and also did not have any amount of forfeited shares Previous Year NIL).

**Note No 3.1.3 Shareholders holding more than 5% of Share**

Particulars	As at March 31,2017		As at March 31,2016	
	Number	% of Holding	Number	% of Holding
Ashutosh Gandhi	2,010,000	36.72 %	2,010,000	36.72 %
Sneha Gandhi	1,573,950	28.75 %	1,573,950	28.75 %

5. The Company has not allotted any fully paid up equity shares without payment being received in cash and nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date, however company has issued 31,60,450 bonus shares as per resolution passed by Extra Ordinary General Meeting on Date 18-12-2014 by capitalization of reserves.
6. As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## Note No- 3.2 - Reserves and Surplus

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Share Premium</b>		
Opening Balance	33,884,600.00	11,114,600.00
Add: During the Year		22,770,000.00
Less: Utilized for Issue of Bonus Share		
Closing Balance	<b>33,884,600.00</b>	<b>33,884,600.00</b>
<b>Subsidy Central- CLCSS*</b>		
Opening Balance	-	1,500,000.00
Add: During the Year	-	-
Less: Written off	-	(1,500,000.00)
Closing Balance		-
<b>General Reserve</b>		
Opening Balance	24,064,551.83	5,670,020.00
Add: Net profit/(Net loss) for the Current Year	13,536,982.09	18,394,531.83
Less: Utilized for Issue of Bonus Share		
Closing balance	<b>37,601,533.92</b>	<b>24,064,551.83</b>
<b>Total</b>	<b>71,486,133.92</b>	<b>57,949,151.83</b>

\*As per the records available, in financial year 2014-15, Management has estimated that the company will receive Subsidy Central- CLCSS amounting to ₹ 15,00,000.00 in the next coming financial year however in financial year 2015-16 no such incidence has taken place, thus it has been subsequently reversed.

## Note No -3.3 Long Term Borrowings

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Secured Loans</b>		
<b>From Banks</b>		
<b>Term Loan Corporation Bank TLS No. 0006#</b>	-	669,156.00
To be paid in Equated Quarterly Principal Installments of ₹ 28,30,000 .00 + Interest to be paid monthly		
<b>Term Loan Corporation Bank TLS No. 0001#</b>	-	13,929,557.00
To be paid in Equated Quarterly Principal Installments of ₹ 1990000.00 + Interest to be paid monthly		
<b>Term Loan Corporation Bank TLS No. 0004#</b>	4,370,000.00	7,130,000.00
To be paid in Equated Monthly Principal Installments of ₹ 230000.00 + Interest to be paid monthly		
<b>Term Loan Corporation Bank TLS No. 16001#</b>	4,797,000.00	2,519,658.00
To be paid in Equated Monthly Principal Installments of ₹ 133250.00 + Interest to be paid monthly		
<b>Term Loan Corporation Bank TLS No. 60005#</b>	5,355,318.00	-
To be paid in Equated Monthly Principal Installments of ₹1,37,500.00 + Interest to be paid monthly		
<b>Hdfc Car Loan No. 45606160#</b>	950,550.00	-
To be paid in Equated Monthly Installments of ₹ 77465.00		
<b>Total</b>	<b>15,472,868.00</b>	<b>24,248,371.00</b>

# 1. The Term loans from Corporation Bank is secured by way of hypothecation of entire plant & machinery, electrical installations of the Company situated at Plot no. 160, Devraj Industrial Park, Piplaj - Pirana Road, Village Piplaj, Ahmedabad 382405.

# 2. The above Term Loan from Corporation Bank is also secured by way collateral security of EMG/First charge on factory land admeasuring 4724 Sq. Yds. and building thereon at Plot No. 160, Devraj Industrial Estate, Prana Piplaj Road, Village - Piplaj, Ahmedabad owned by company.

# 3. The above Term Loan from Corporation Bank is also secured by way collateral security of EMG/First charge on commercial property i.e. office situated at 12. 2nd floor, Sakar V, Behind Natraj Cinema, Off Ashram Road, Ahmedabad owned by company.

# 4. The above Term Loan from Corporation Bank is also secured by way collateral security of EMG/First charge on office at No. 102, 1st Floor, Iscon Elegance, Nr. Divya Bhaskar, S.G. Road, Ahmedabad owned by company.

# 5. The above Term Loan from Corporation Bank is also secured by way collateral security of EMG/First charge on entire P&M and other movable assets of the company except vehicle financed by other banks/FIs both existing & Proposed.

# 6. The above Term Loan from Corporation Bank is also secured by way of personal guarantee of Mr. Ashutosh D Gandhi (MD) & Mrs. Sneha A Gandhi. (whole Time Director)

# 7. The above Term Loan from Corporation Bank is Secured by way of hypothecation of Roof Top Solar Power Plant and Other Moulds stated in Sancation Letter

#8. The above Car Loan from HDFC Bank is secured by way of Hypothecation of Innova Crysta Car owned in the name of Ahisma Industries Limited.

## Note No-3.4 Short Term Borrowings

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b><u>Secured</u></b>		
Cash Credit facility from Corporation Bank A/c No. 065800401120001*	50,418,273.59	50,979,316.29
Corporation Bank PCFC A/c**	-	4,171,000.00
<b><u>CURRENT MATURITIES OF LONG TERM BORROWING</u></b>		
<b>1). Term Loan Corporation Bank TLS No. 0006#</b> To be paid in Equated Quarterly Principal Installments of ₹ 28,30,000.00 + Interest to be paid monthly	2,289,156.00	11,320,000.00
<b>2). Term Loan Corporation Bank TLS No. 0001#</b> To be paid in Equated Quarterly Principal Installments of ₹ 1990000.00 + Interest to be paid monthly	13,929,557.00	7,960,000.00
<b>3). Term Loan Corporation Bank TLS No. 0004#</b> To be paid in Equated Monthly Principal Installments of ₹ 230000.00 + Interest to be paid monthly	2,760,000.00	2,760,000.00
<b>4). Term Loan Corporation Bank TLS No. 16001#</b> To be paid in Equated Monthly Principal Installments of ₹ 133250.00 + Interest to be paid monthly	1,599,000.00	1,599,000.00
<b>5). Term Loan Corporation Bank TLS No. 60005#</b> To be paid in Equated Monthly Principal Installments of ₹ 1,37,500.00 + Interest to be paid monthly	1,650,000.00	-
<b>Hdfc Car Loan No. 45606160#</b> To be paid in Equated Monthly Installments of ₹ 77465.00	1,500,850.00	-
<b>Total</b>	<b>74,146,836.59</b>	<b>78,789,316.29</b>

\*The Cash Credit Loan with Corporation Bank is secured by way of first charge by way of hypothecation of Inventory & books debts and other current assets both present & future, of the company

\*\*The PCFC A/c with Corporation Bank is secured by way of hypothecation of Inventory & book debts of the company (Both Manufacturing & Trading), of the company

# Collateral Security of above Short Term Borrowings are same as of Long Term Borrowings mentioned in Note No. 3.3

## Note No-3.5 Trade Payables

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b><u>Micro and Small Enterprise*</u></b>		
Principal Amount due and remaining unpaid	452,048.00	156,012.00
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further remaining due and payable in succeeding year	-	-
<b><u>Other than Micro and Small Enterprise</u></b>	154,456,961.18	22,273,780.30
<b>Total</b>	<b>154,909,009.18</b>	<b>22,429,792.30</b>

\*The Company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received.

Balances of Trade Payable are subject to Confirmations.

## Note No-3.6 Other Current Liabilities

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b><u>Other Payables</u></b>		
Deposit from OM Tans Logistic (Rent Deposit)	75,000.00	75,000.00
Advance received from Customers	-	1,455,000.00
Outstanding Expense	1,855.00	-
Deposit from Debtor for compliance of "C" Form*	689,733.50	455,323.50
<b><u>Duties and Taxes</u></b>		
CST Payable	417,933.81	-
Service Tax	101,436.00	46,039.86
Swach Bharat Cess	3,622.00	-
Krishi Kalyani Cess	3,622.00	-
VAT Payable	894,030.00	-
VAT Payable (Maharashtra)	668,111.00	313,384.59
TDS Payable	289,677.00	81,650.00
TDS Payable Maharashtra	-	5,844.00
<b>Total</b>	<b>3,145,020.31</b>	<b>2,432,241.95</b>

\* As per CST law in case of Inter State Sales, purchaser can request Seller to charge only 2% CST instead of charging full Tax, However Seller can charge lower rate of 2% CST instead of full Tax only if purchaser provides him with "C Form".However many times C Form are received at later stage, Hence Company being Seller has practice of taking deferential Tax amount as deposit i.e. (Total Tax Amount less CST Amount). When Purchaser gives " C Form" to Company, at that time Company gives back the Deposit amount to purchaser.

**Note No-3.7 Short Term Provision**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Others</b>		
Salary Payable	8834.00	-
Provision for Audit Fees	115500.00	-
Provision for Income Tax	1,557,730.00	2,380,550.00
Provision for Expense	45,915.00	13,258.63
ESIC Payable	14,998.00	8,831.00
Provident Fund Payable	83,975.00	35,760.00
<b>Total</b>	<b>1,826,952.00</b>	<b>2,438,399.63</b>

**NOTE NO-3.9 Long term Loans and Advances**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Unsecured Considered Goods</b>		
AUDA- Development Charge Deposit	9,186.00	9,186.00
AUDA- Development Charge Deposit Land	3,062.00	3,062.00
AUDA- Tree Plantation Permission Deposit	22,965.00	22,965.00
IRCTC- Earnest Money Deposit (Tender)*	1,000,000.00	852,500.00
NSE Deposit**	-	379,500.00
Navkar Tradecom Private Limited	-	1,600.00
The Abad Electric Co. Ltd.- Sakar	540.00	540.00
Torrent Power- Factory deposit	2,096,579.00	2,096,579.00
Torrent Power- Iscon Elegance Deposit	8,400.00	8,400.00
Vijay Bhai Jani- Rent Deposit	-	10,000.00
Vodafone Essar Gujarat Limited	1,000.00	1,000.00
Wealthfirst Portfolio Mangers Ltd Deposit	3,000.00	-
<b>Balances With Government Authorities</b>		
Income Tax Refund	248,546.99	214,916.99
VAT Security Deposit- Maharashtra	25,000.00	25,000.00
Ventura Securitized Deposit	3,000.00	3,000.00
<b>Total</b>	<b>3,421,278.99</b>	<b>3,628,248.99</b>

\* In order to fulfill requirement of IRCTC Tender, company has deposited ₹ 10,00,000.00 as an Tender Deposit Fees

\*\* Company has deposited ₹ 3,79,500.00 with National Stock Exchange to fulfill requirement of SME IPO of the Company and the same has been refunded by National Stock Exchange as per SEBI/SCRA regulations in Current Financial year

**NOTE NO-3.10 Inventories**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
Finished Stock	35,796,984.00	28,135,395.00
Raw Material	14,755,850.00	16,461,943.00
Trading Goods	2,157,084.00	3,277,480.00
<b>Total</b>	<b>52,709,918.00</b>	<b>47,874,818.00</b>

**NOTE NO-3.11 Trade Receivables**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
Outstanding for More than 6 months*	8,934,358.34	9,726,171.00
Outstanding for Less Than 6 months*	167,031,012.57	31,515,227.24
<b>Total</b>	<b>175,965,370.91</b>	<b>41,241,398.24</b>

\*Balances of Trade Receivables are subject to confirmation

**NOTE NO-3.12 Cash and Cash Equivalents**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Balances with banks in Current Account</b>		
Corporation Bank Current A/c No.340	7,591,779.86	7,504,580.86
Corporation Bank Current A/c No.4096	31,053.10	63,805.10
HDFC Plus A/c No. 1244	160,709.08	60,123.87
SBI Duty draw back A/c	343.00	343.00
HDFC Bank- 4345 Mumbai	4,667,857.50	5,712,862.50
Corp. Bank - EEFC Euro A/c No. 50	-	-
Corp. Bank - EEFC USD A/c No. 49	-	-
<b>Cash on hand</b>		
Cash on hand factory	35,625.00	162,506.50
Cash on hand office	296,408.00	1,646,063.95
<b>Bank Deposit with more than 12 months maturity</b>		
FDR A/c No. KCC 01111349	1,500,000.00	1,500,000.00
FDR A/c No. KCC/01/141285	-	480,000.00
FDR A/c No. KCC 01150483	-	375,000.00
FDR A/c No. KCC 01/151155	540,000.00	540,000.00
FDR A/c No. 130092	1,810,000.00	1,810,000.00
<b>Total</b>	<b>16,633,775.54</b>	<b>19,855,285.78</b>

**Disclosure of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-**

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2,543,500.00	734,777.00	3,278,277.00
(+) Permitted receipts	-	999,650.00	999,650.00
(-) Permitted payments	-	459,173.00	459,173.00
(-) Amount deposited in Banks	2,543,500.00	687,320.00	3,230,820.00
Closing cash in hand as on 30.12.2016	-	587,934.00	587,934.00

**NOTE NO -3.13 Short Term Loans and Advances**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
Staff Loan	76,141.00	80,000.00
<b>Total</b>	<b>76,141.00</b>	<b>80,000.00</b>

**NOTE NO -3.14 Other Current Assets**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
Expenses Paid In Advance	453,027.00	340,522.60
Accrued Interest on FD- Corp. Bank	1,564,347.19	1,243,741.99
Accrued Interest on other (Torrent)	146,027.00	141,169.71
Accrued Interest Subsidy State	188,967.00	413,139.00
Cenvat	1,551,650.39	3,529,889.11
Cenvat Credit on Maharashtra Stock	12,786.00	-
CST Receivable	20,697.41	20,697.41
Excise Personal Ledger Account	70,208.00	4,500.00
Focus Market Scheme License Duty Drawback*	1,001,798.00	-
FDR A/c No. FD/01/170076 LC#	2,300,000.00	-
Godown Deposit	500,000.00	500,000.00
HDFC Credit Card	-	1,940.00
Imprest Account	-	28,973.00
MAT Credit Receivable	-	1,375,682.00
SBI Credit Card	2,903.00	-
Suresh Raval & Associate(Advance)	-	20,000.00
TDS Receivable	-	31,710.00
VAT Credit on Roof Top Solar	409,728.00	-
VAT Receivable	-	159,230.50
<b>Total</b>	<b>8,222,138.99</b>	<b>7,811,195.32</b>

\* Focus Market Scheme is an Incentive Scheme from which ₹ 10,01,798.00 were received but unutilized as on balance sheet date

# Fixed Deposit A/c No. FD/01/170076 LC is kept as security against letter of Credit which is to be matured on 15th July 2017.

Note No. 3.8 Depreciation Chart											
Particulars	Gross Block			Depreciation / Amortization					Net Block		
	As at April 1, 2016	Addition during the year	Ded/Adj during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Ded/Adj during the year	Effect on Depn as per Co. Act, 2013	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>TANGIBLE ASSETS</b>											
Buildings	27,388,828.87	649,496.00		28,038,324.87	8,388,682.92	1,568,053.00			9,956,735.92	18,081,588.95	19,000,145.95
Plant and Machinery	136,471,624.09	19,677,871.00		156,149,495.09	58,993,541.26	17,999,648.00			76,993,189.26	79,156,305.83	77,478,082.93
Furniture and Fittings	5,231,534.00	1,230,124.00		6,461,658.00	3,135,874.45	839,189.00			3,975,063.45	2,486,594.55	2,095,659.55
Motor Vehicles	6,866,346.00	2,445,410.00		9,311,756.00	5,292,291.00	587,010.00			5,879,301.00	3,432,455.00	1,574,055.00
Office Equipments	1,027,034.00	76,769.00		1,103,803.00	855,533.26	92,178.00			947,711.26	156,091.74	171,500.74
Computers and Data Processing Units	308,999.50	181,656.00		490,655.50	267,376.00	72,657.00			340,033.00	150,622.50	41,623.50
Laboratory Equipment	103,840.00			103,840.00	39,670.00	11,723.00			51,393.00	52,447.00	64,170.00
Electrical Installation and Equipment	328,979.00			328,979.00	206,314.00	35,259.00			241,573.00	87,406.00	122,665.00
Land - Factory	12,702,900.00									12,702,900.00	12,702,900.00
Capital Work in Progress*	5,607,241.00		5,607,241.00								5,607,241.00
<b>Total :</b>	<b>196,037,326.46</b>	<b>24,261,326.00</b>	<b>5,607,241.00</b>	<b>214,691,411.46</b>	<b>77,179,282.89</b>	<b>21,205,717.00</b>	<b>-</b>	<b>-</b>	<b>98,384,999.89</b>	<b>116,306,411.57</b>	<b>118,858,043.67</b>

Fixed Assets are stated at Actual Cost. Company has a policy of deducting depreciation from Fixed Assets. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working condition for its intended use but net of CENVAT.

\* Capital Work-in- Progress is capitalized in previous year and the same has been put to use in Current Financial Year.

Pursuant to "AS-28 Impairment of Assets" issued by the Central Government under the Companies (Accounting Standard) Rules 2006 for determining impairment in the carrying amount of fixed assets, the management has concluded that since recoverable amount of fixed Assets is not less than its carrying amount, therefore no provision is required for impairment in respect of fixed Assets owned by the Company.

During the year under Audit, certain Furniture and Fixture and Air Conditioner whose useful Life has already expired were standing in the balance sheet at a value which is less than its residual value (i.e. less than 5% of the Original Cost of Assets), consequently the effect of Companies Act, 2013 was provided in the current year and thus total difference of ₹ 1958.67 is written off as Prior period Expenses in the Profit and Loss Account.

**NOTE NO :-3.15 Revenue from Operations**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Sale Of Products</b>		
Export Sales	32,309,515.56	57,724,316.00
Sales	560,519,338.29	548,537,886.31
<b>Other Operating Revenues</b>		
Job Work Income	102,975.00	-
<b>Total</b>	<b>592,931,828.85</b>	<b>606,262,202.31</b>

**NOTE NO :-3.16 Other Income**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Interest Income</b>		
Interest on F.D. with Corporation Bank	501,182.20	492,644.00
Interest on Income Tax refund	-	87,277.00
Interest on Security Deposit with Torrent	162,252.00	156,855.00
Commission on Agency Sales	-	168,320.00
Commission on Bank Guarantee	-	1,884.00
Discount Received	752.00	158,697.00
Duty Drawback*	167,576.00	758,333.00
Focus Market Scheme Incentives	2,078,859.00	-
Foreign Exchange Gain	829,623.07	-
Prior Period Income (MAT)	-	579,367.00
Rent of Sakar Office	240,000.00	141,060.00
Written Off Net Credit Balance	1,026,946.02	-
<b>Total</b>	<b>5,007,190.29</b>	<b>2,544,437.00</b>

\*Duty Drawback is recorded on Receipt/Receivable Basis.

**NOTE NO :-3.17 Cost of Materials Consumed**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Manufacturing Goods</b>		
Opening Stock of Raw Material	16,461,943.00	7,711,442.00
<b>Add:</b>		
Raw Material Imported	26,924,458.00	11,480,731.40
Raw Material Domestic	135,656,185.87	141,582,534.16
<b>Less</b>		
Closing Stock Raw Material	(14,755,850.00)	(16,461,943.00)
Packing Material Consumed	3,583,240.35	3,478,321.73
Job Work Charges	6,765,639.00	4,080,341.00
<b>Total</b>	<b>174,635,616.22</b>	<b>151,871,427.29</b>

**NOTE NO :-3.18 Purchase Stock-in-Trade**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
Trading Materials Imported	11,905,274.00	6,464,658.00
Trading Materials Purchased	328,030,696.27	357,215,323.93
<b>Total</b>	<b>339,935,970.27</b>	<b>363,679,981.93</b>

**NOTE NO :-3.19 Change In Inventories**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Finished Goods</b>		
Stock at Head Office	(35,694,696.00)	(28,135,395.00)
Stock at Branch	(102,287.88)	-
Less: Stock at the beginning at the year	28,135,395.00	17,633,861.00
<b>Change in Inventories of Finished Goods</b>	<b>(7,661,588.88)</b>	<b>(10,501,534.00)</b>
<b>Trade Goods</b>		
Opening Stock of Trading Goods	3,277,480.00	10,166,282.00
Less: Closing Stock of Trading Goods	(2,157,084.00)	(3,277,480.00)
<b>Change in Inventories of Finished Goods</b>	<b>1,120,396.00</b>	<b>6,888,802.00</b>
<b>Total</b>	<b>(6,541,192.88)</b>	<b>(3,612,732.00)</b>

**NOTE NO :-3.20 Employee Benefit Expenses**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Salary and Wages</b>		
Salary, Wages and Allowances	8,586,624.00	7,318,737.00
Bonus	369,585.00	602,447.00
Leave Encashment	219,983.00	310,271.00
Welfare Expense		
<b>Contribution to Provident Fund &amp; ESIC</b>		
Provident Fund	380,671.32	218,549.00
ESIC	92,438.00	75,612.00
<b>Other Expenses</b>		
Labour Welfare Contribution	402.00	276.00
Gratuity	144,507.00	53,376.00
<b>Total</b>	<b>9,794,210.32</b>	<b>8,579,268.00</b>

**NOTE NO :-3.21 Finance Costs**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b>Interest Expenses</b>		
Interest on CC	4,125,094.00	2,975,132.00
Interest on CCSDL 15001	-	899,689.00
Interest on EPC Limit	11,066.00	182,617.00
Interest on Term Loan-2 Corp. Bank	2,089,526.00	3,408,081.00
Interest on Term Loan- Corp. Bank*	743,033.00	2,422,536.00
Interest on Term Loan- TLS 140004	973,337.00	1,441,255.00
Interest on Term Loan- TLS4 1600001	595,477.00	3,326.00
Interest on Term Loan- TLS 5 160005	213,477.00	-
Subsidy Term Loan Interest (Income)	-	(937,998.00)
<b>Bank Charges</b>	357,913.60	391,350.00
<b>Processing Fees</b>	393,243.00	111,014.00
<b>Total</b>	<b>9,502,166.60</b>	<b>10,897,002.00</b>

\* Company has credited Rs. 1,88,967.00 of Interest State Subsidiary against Interest on Term Loan from Corporation Bank.

**NOTE NO :-3.22 Other Expenses**

In ₹

Particulars	As at March 31,2017	As at March 31,2016
<b><u>Payment To Auditors</u></b>		
<b><u>As Auditor</u></b>		
Audit Fees	126,500.00	115,075.00
<b><u>Prior Period Items</u></b>		
Prior Period Expense	133,559.00	252,082.46
<b><u>Power &amp; Fuel</u></b>		
Electricity Expense	13,449,821.71	15,482,477.00
Fuel Expense	165,760.55	118,408.00
<b><u>Repairs and Maintenance</u></b>		
Electrical Expenses	23,700.00	-
Repair and Maintenance (P & M)	581,772.50	583,425.00
Stores & Spares	1,579,716.26	892,564.58
Computer Expense	71,593.00	30,420.00
Vehicle Repairs and Maintenance	208,955.00	107,524.00
Repairs and Maintenance to Building	-	40,562.00
<b><u>Insurance</u></b>		
Insurance Expenses	346,558.45	312,067.00
<b><u>Rates and taxes</u></b>		
Custom Duty	1,861,261.70	-
Municipal Tax	137,784.00	137,773.00
Professional Tax	2,400.00	2,400.00
Service Tax	138,816.24	63,939.00
Value Added Tax Expense	47,725.00	-
<b><u>Miscellaneous Expenses</u></b>		
Accounting Charges	11,475.00	25,650.00
Advertisement Expense	735,200.00	10,129.00
Clearing, Forwarding and Transportation	3,597,338.90	5,682,343.00
Commission Expenses	735,781.00	-
Consultancy Fees	198,598.00	64,914.00
Conveyance Expense	20,123.00	84,696.00
Courier Charges	144,410.00	254,625.28
Demat Charges	300.00	-
Detention Charges	-	60,225.00
DGFT Charges	-	13,766.00
Digital Signature Expense	-	5,550.00
Discount Given	722.00	12,035.00
Export Expense	-	58,248.00
Factory Expense	328,754.00	566,801.00
GPCB CCA Fees- Reapply	12,000.00	-
Health License Fee	10,000.00	10,500.00
Internet Charges	40,797.00	-
IPO Professional Fees Expense*	77,846.00	4,257,097.00
IRCTC Tender Fees	525.00	525.00
Kasar Vata	1,129.31	1,467.00
Laboratory Charges	25,087.00	-
Labour Charges	178,461.00	73,998.00
Late Filing Fees	-	3,000.00
Legal Expense	80,800.00	52,489.00
Listing Fees	17,175.00	-

Particulars	As at March 31,2017	As at March 31,2016
Membership Fees	19,396.00	27,729.80
Miscellaneous Expenses	9,394.00	-
Mobile, Telephone and Internet Expense	166,700.74	229,436.44
Mukadmi Expense	116,111.00	127,160.00
News paper and Magazine Expense	11,750.55	9,388.00
NSDL - AMC Charges	-	332.50
Office Expenses	188,968.86	69,796.24
Packing Expense	327,978.00	500,678.00
Passport and VISA fees	-	5,100.00
Printing & Stationery	123,098.00	173,204.00
Professional Fees	689,819.00	616,703.00
Rent Expense	1,300,976.00	1,351,143.00
ROC Fess	14,200.00	14,900.00
Sample Expense	-	19,278.00
Tea Coffee and Refreshment	198,919.00	193,725.00
Trade Mark Expenses	-	2,500.00
Travelling Expense	331,493.00	325,195.90
Web Hosting Expense	25,796.00	44,823.00
Write off	9,726.75	564,626.06
<b>Total</b>	<b>28,626,772.52</b>	<b>33,652,494.26</b>

\*IPO Professional Fees relates to Professional Charges paid by the company for listed on SME Platform of NSE

#### NOTE NO :-3.23 Interest & Penalty

In ₹

Particulars	As at March 31,2017	As at March 31,2016
Interest on CST		50.00
Interest on ESIC	221.00	-
Interest on Excise		15.00
Interest on M VAT	1,182.00	1,055.00
Interest on Professional Tax	46.00	20.00
Interest on Service Tax	3,327.00	802.00
Interest on TDS	4,157.00	1,426.00
Interest on VAT	5,102.00	47,999.00
Penalty of Professional Tax	1,000.00	-
Penalty of VAT	300.00	-
<b>Total</b>	<b>15,335.00</b>	<b>51,367.00</b>

**3.24 Retirement Benefits:-**

Disclosure Requirement as per AS-15 (Revised 2005) "Employee Benefits" notified under section 133 of the Companies Act, 2013

a) Defined Contribution Plan (Provident Fund) included in Employee Benefit Expenses during Current Year is ₹ 3,44,994.00 (Previous Year i.e. F.Y. 2015-16 ₹ 1,94,279.00)

b) Defined Benefit Plan: -

Ahimsa Industries Limited has defined benefit gratuity plan.

The company has created a gratuity fund which is managed by the Life Insurance Corporation of India. The premium paid for the gratuity is treated as deductible expense for the company and is not treated as perks in the hands of the employees. The amount paid by the Company for the Gratuity fund to LIC is mentioned in the below mentioned table: -

Year	Amount (in ₹)
F.Y. 2015-16	53,376.00
F.Y. 2016-17	1,44,507.00

**3.25 Management Remuneration:-**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in the below mentioned table: -

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**  
(In ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		MD	WTD	
1.	Gross Salary	21,30,000.00	14,20,000.00	35,50,000.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961.			
	b) Value of perquisites u/s 17 (2) of Income Tax Act, 1961			
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock option	0	0	0

3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
5.	Any other Benefits	0	0	0
	<b>Total</b>	<b>21,30,000.00</b>	<b>14,20,000.00</b>	<b>35,50,000.00</b>
	<b>Ceiling as per the Act</b>			<b>60,00,000.00</b>

**B. Remuneration to key managerial personnel other than MD/ Manager/ WTD:**  
(In ₹)

Sr. No.	Particulars of Remuneration	Name of Managerial Person other than MD/WTD/Manager			Total Amount
		CEO	CFO	CS	
1.	Gross Salary	8,73,935.00	3,56,749.00	1,95,865.00	14,26,549.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act,1961	0	0	0	0
	b) Value of perquisites u/s 17 (2) of Income Tax Act,1961	0	0	0	0
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2.	Stock option	0	0		0
3.	Sweat Equity	0	0		0
4.	Commission	0	0		0
5.	Any other Benefits	0	0		0
	<b>Total</b>	<b>8,73,935.00</b>	<b>3,56,749.00</b>	<b>1,95,865.00</b>	<b>14,26,549.00</b>

**3.26 Segment Reporting:-****Information about Primary (Business) Segment:**

The Company operates in business segment of "PET/Preform/Cap/Machine/Die" and "Textiles" which are considered as different segment as envisaged in Accounting Standard (AS) 17 "Segment Reporting" Segment Reporting of the company based on Product is described in the below mentioned table: -

(In ₹)

Particulars	PET/Preform/ Cap/Machine ry/DIE	Textiles	Unallocated	Elimination of Inter Branch Sales	Total
Revenue					
Revenue from Operations	25,45,11,068.84	33,84,20,760.01	-	-	59,29,31,828.85
Inter Branch Sales	5,17,67,537.31	-	-	5,17,67,537.31	-
Other Income	50,07,190.29		-	-	50,07,190.29
Segment Results before Depreciation	3,90,23,824.28	1,24,48,483.68	-	-	5,14,72,307.96
Depreciation	2,12,05,717.00	-	-	-	2,12,05,717.00
Segments results after depreciation	1,69,14,673.28	1,24,48,483.68	9,03,434.00	-	3,02,66,590.96
Unallocable income net of Expenses	-	-	(95,02,166.60)	-	(95,02,166.60)
Profit before Tax	-	-	-	-	2,07,64,424.09
Less: Current Tax	-	-	-	-	(59,40,944.00)
Less: Deferred Tax	-	-	-	-	(12,86,498.00)
Profit after Tax	-	-	-	-	1,35,36,982.09
<u>Other Information as at 31/03/2017</u>					
Segment Assets	20,63,19,442.20	3,29,91,473.50	-	-	23,93,10,915.70
Assets to be eliminated (Income Tax Asset)	(52,68,781.99)				(52,68,781.99)
Segment Liabilities	12,19,41,049.5	46,80,814.39	-	-	12,66,21,863.80
Liabilities to be eliminated (Income Tax Liabilities)	(23,80,550.00)	-	-	-	(23,80,550.00)

**3.27 Related Party Disclosure (AS 18):-**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the below mentioned table: -

(In ₹)

Nature of Transaction	Period	
	2016-17	2015-16
<b>1. Mr. Ashutosh D. Gandhi (MD)</b>		
Remuneration (Gross Paid)	21,30,000.00	19,50,000.00
Rent Paid	600,000.00	600,000.00
<b>2. Mrs. Sneha A. Gandhi (WTD)</b>		
Remuneration(Gross Paid)	14,20,000.00	13,00,000.00
Rent Paid	600,000.00	600,000.00
<b>3. Mr. Sanjay Bholashanker Agrawal(CEO)</b>		
Remuneration(Gross Paid)	8,73,935.00	6,96,154.00
<b>4. Mr. Shrenikbhai Madhukarbhai Khatwala (CFO)</b>		
Loan Given		150,000.00
Loan Given-Repaid	80,000.00	70,000.00
Remuneration(Gross Paid)	3,56,749.00	3,33,042.00
<b>5. Ms. Gajara J. Joshi (Resignation as on 4th April, 2016)</b>		
Remuneration(Gross Paid)	1,006.00	2,03,854.00
<b>6. Ms. Poonam P Panchal (CS)</b>		
Remuneration(Gross Paid)	1,95,865.00	-
<b>7. Ms. Saloni A. Gandhi- Daughter of MD</b>		
Remuneration(Gross Paid)	2,73,877.00	2,36,815.00
<b>8. Mrs. Chetana S. Khatwala- Wife of CFO</b>		
Remuneration(Gross Paid)	2,10,020.00	96,067.00
<b>9. Mrs. Priti S. Agrawal- Wife of CEO</b>		
Remuneration(Gross Paid)	6,26,562.00	4,62,246.00

### 3.28 Accounting for Taxes on Income (AS 22) Deferred Tax liability/Asset in view of Accounting Standard – 22:-

“Accounting for Taxes on Income” as at the end of the year/period is reported in the below mentioned table:

Particulars	(In ₹)	
	As at 31 March, 2017	As at 31 March, 2016
Deferred tax asset	36,78,183.00	31,02,665.00
Tax effect of items constituting deferred tax liability		
On difference between depreciation as per books and as per tax		
On expenditure deferred in the books but allowable for tax purposes		
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others (DTA reversed during the year)		(31,02,665.00)
Tax effect of items constituting deferred tax liability		
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits		
Provision for doubtful debts / advances		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		
On difference between depreciation as per books and as per tax	(9,56,789.00)	25,41,509.00
Unabsorbed depreciation carried forward		
Brought forward business losses		
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others - Preliminary Expenses	(3,29,709.00)	11,36,674.00
Tax effect of items constituting deferred tax assets		
<b>Net deferred tax asset</b>	<b>23,91,685.00</b>	<b>36,78,183.00</b>

# The Company has recognised deferred tax asset on Depreciation as per books and depreciation allowable as per Income Tax Act 1961, and had also created deferred tax assets on preliminary expenses.

#The net deferred tax asset is classified as non-current assets and disclosed on the face of the Balance Sheet.

**3.29 Earnings per Share (AS 20):-**

The Calculation of Weighted Average Number of Equity Shares as per (AS) 20 is described below: -

Particulars	Current Year			Previous year		
	No. Of Shares outstanding	No. Of Months outstanding	Weighted average number of Shares	No. Of Shares Outstanding	No. Of Months outstanding	Weighted average number of Shares
Number of Shares outstanding at the Beginning of the year	54,73,990	12	54,73,990	39,55,990	12	39,55,990
<b>Shares issued during the year: -</b>	-	-	-	-	-	-
By way of Bonus Issue	-	-	-	-	-	-
Other than bonus Issue	-	-	-	15,18,000	6	7,59,000
Total Shares outstanding at the end of the year	54,73,990	-	54,73,990	54,73,990	-	47,14,990

The following reflects the profit and share data used in the Basic and Diluted EPS computation: -

Particulars	(In ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Net Profit as per Profit and Loss	1,35,36,982.09	18,394,531.83
Weighted Average Number of Equity Shares	54,73,990	47,14,990
Nominal Value per Share	10.00	10.00
Basic and Diluted Earnings Per Share	2.41	3.90

**3.30 Government Grants:-**

Government Grants are recorded in the books as per (As) 12. Total Government Grants recorded in the books of accounts are mentioned in the table attached below:

(In ₹)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Details of government grants		
Government grants received by the Company during the year towards		
- Subsidies (recognised under Other operating revenues)*	1,88,967.00	18,55,345.00
- Duty drawback (recognised under Other operating revenues)	1,67,576.00	7,58,333.00
-Other incentives (specify nature) #	20,78,859.00	NIL
The Company has received certain equipments and facilities free of cost carrying on research and development. These assets are required to be returned on completion of the specified activity.	NIL	NIL

\*In the financial year 2016-17, Company has credited ₹ 1,88,967.00 against Interest expense.

#The other incentives includes incentives under Focus Market Scheme which can be utilized as Cenvat credit in excise payment.

**3.31 Duty Drawback:-**

Duty Drawback, which is received, and receivable for F.Y. 2016-17 are recorded.

**3.32 Preliminary Expenses:-**

Preliminary Expenses for the financial year 2015-16 relates to IPO Expenses under the companies Act 2013 they have been expensed out in that particular financial year.

**3.33 Prior Period Expenses:**

All identifiable items of Income and Expenditure pertaining to prior period are accounted as "Prior Period Items". "Exceptional items" are accounted depending on the nature of transaction.

**3.34 Excise Duty:-**

While valuing the inventories of final products, the cost of inputs consumed is taken at net as Net of Inputs i.e. the cost as reduced by the CENVAT Credit availed against the payment of Excise duty.

The balance under CENVAT Scheme available for adjustment against the excise duty payable on final products at the close of the year has been included in the ASSETS side under the head other current assets.

**3.35 Realizations:-**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**3.36 MAT Credit:-**

In the previous financial years deferred Tax Asset amounting to ₹ 31,02,665 was outstanding in the balance sheet, the above Deferred Tax Asset was wrongly created on MAT Credit which is transferred to MAT Credit receivable in the financial year 2015-16 and the same has been fully utilized in financial year 2016-17.

**3.37 Impairment of Assets:-**

The management of the company has carried out an exercise to ascertain impairment of Fixed Assets, if any, In the opinion of the management of the company there are no indication of impairment of assets as at 31/03/2017 and therefore no effect of impairment is required to be given in the books of account.

**3.38 CIF Value of Imports:**

(In ₹)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Raw Material	2,69,24,458.00	1,09,30,106.00
Stores, Spares and Packing Materials	-	-
<b>Total</b>	<b>2,69,24,458.00</b>	<b>1,09,30,106.00</b>

**3.39 Expenditure in Foreign Currency:**

(In ₹)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Advertisement Expense	1,34,024.00	-
Travelling Expense	1,19,928.00	-
<b>Total</b>	<b>2,53,952.00</b>	<b>-</b>

**3.40 Earnings in Foreign Exchange:**

(In ₹)

	Year Ended 31st March 2017	Year Ended 31st March 2016
CIF Value of Exports	2,62,72,958.32	3,69,25,816.51
FOB Value of Exports	61,08,970.00	36,62,587.00

**3.41 Micro Small and Medium Enterprise(MSME) Creditors:-**

The Micro Small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006 have been taken based on the list of MSME creditors provided by the management. However, as the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

**3.42 General Notes: -**

Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

Balances shown under Long-term borrowings, Long term provisions, Short term provisions, Trade payables, Other current liabilities, Long term loans and advances, inventories, Trade Receivables, Short term loans and advances and other current assets, etc. are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the current year's financial statements.

Cash Balance is taken as valued & certified by management.

Confirmations / certificates in respect of unsecured loans, advances from customers, advances recoverable in cash or in kind, investments and various other parties are awaited.

**3.43 Pending Litigations and Criminal Proceedings: -**

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors, our Promoters and our Group Entities and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding ` 1 lakh, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule V to the Companies Act) other than unclaimed liabilities of our Company and no

disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters, our Directors and Group Entities.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, our Promoters, our Directors or our Promoter Group Entities, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Further, apart from those as stated below, there are no show-cause notices / claims served on our Company, our Promoters, our Directors or our Group Entities from any statutory authority / revenue authority that would have a material adverse effect on our business.

### 3.44 Contingent Liabilities:-

**The below mentioned contingent Liabilities are standing as on the Balance Sheet Date:**

- i. The State of Gujarat through Commissioner of Commercial Tax, C -2, RajyaKar Bhavan, Ashram Road, Ahmedabad has filed an appeal against the order of Gujarat Valued Added Tax Tribunal, Ahmedabad has ordered to consider PET Preform is being Packing Material falling under Entry 55 of Schedule II of the Gujarat Value Added Tax, 2003 whereas The Department of Commercial Tax-Gujarat filled an Appeal into a High Court of Gujarat against the order of tribunal to consider the Entry treated as Residuary Entry 87 of 2nd Schedule of The Gujarat Value Added Tax, 2003 and levy the Tax @ 12.5% plus 2.5% as Additional tax instead of 4% plus 1% as Additional Tax as ordered by Gujarat Value Added Tax Tribunal, Ahmedabad. Amount of the Liability cannot be quantified. If Honorable High Court of Gujarat set aside the order of the Tribunal, the Liability may arise on the sales made at Local Rate.
- ii. The company has executed Bond for ₹ 50 Lacs (Fifty Lacs only) for non-payment of Central Excise Duty for purchase of excisable goods. In the event of failure of export of the goods as per the terms and conditions of Bond executed is not made than Excise Duty is payable to the extent applicable.
- iii. The Company Has Imported Plant and Custom duty is not paid to the amount of ₹96.21/- Lacs (with 15% interest per annum) on the basis of the undertaking given to the president of India, The Assistant Commissioner of Customs ICD-Khodiyar, Gandhinagar. They will export the goods manufactured from imported plant within the period of Eight years. The obligation as specifying terms of the notification of the Government of India in the ministry of Finance (Department of Revenue) No. 102/2009 Dated 11.09.2009. Export obligation of the Company pertaining to this is completed. All the documents to get the same updated in records of DGFT are already submitted.

- iv. The Company Has Imported Plant and Custom duty is not paid to the amount of ₹ 116.33 Lacs (with 15% interest per annum) on the basis of the undertaking given to the president of India, The Assistant Commissioner of Customs ICD-Khodiyar, Gandhinagar. They will export the goods manufactured from imported plant within the period of Eight years. The obligation as specifying terms of the notification of the Government of India in the ministry of Finance (Department of Revenue) No. 102/2009 Dated 11.09.2009.

The Contingent Liabilities which can be ascertained and quantified are mentioned in the below mentioned Table:-

(In Lacs)	
Particulars	Amount in ₹
Claim against EPCG License	212.54

• **Criminal Proceedings: -**

Ahimsa Industries Pvt Ltd served notice dated 22.05.2015 under Section 138 of the Negotiable Instrument Act 1881 to M/s Sahyadri Food and Agro Industries for demanding the due amount of ₹ 21,23,403 along with interest @ 24% per annum till the time of actual payment within a period of 15 (fifteen) days from the date of receipt of above notice in respect of supplies made hereunder.

DATE OF INVOICE	NO. OF INVOICE	DUE AMOUNT OF INVOICE (IN ₹)
24-09-14	39	36,403.00 out of 9,40,060.00
12-10-14	45	6,55,098.00
19-10-14	48	8,88,865.00
04-03-15	85	5,45,513.00
<b>Total</b>		<b>21,25,879.00</b>

Sahyadri Foods issued three cheque as mentioned below towards payment for supplies:

Cheque No.	Date	Rupees	Drawn on Bank (Bank Name)
017291	11-05-15	7,00,000.00	Bank of Maharashtra
017292	12-05-15	7,00,000.00	Bank of Maharashtra
017293	13-05-15	7,23,403.00	Bank of Maharashtra

When the aforesaid cheques were presented by M/s. AHIMSA INDUSTRIES PRIVATE LIMITED to their Bankers i.e. Bank of Maharashtra, the same were returned unpaid by the Bank with the remarks/reasons "insufficient Funds" in Bank Account of M/s Sahyadri Food and Agro Industries. Sahyadri Food requested to deposit the Cheques again but to be returned unpaid. The

Company is in the process of filing case against of M/s Sahyadri Food and Agro Industries under section 138 of Negotiable Instruments Act.

- **Indirect Tax Proceedings Involve by Company (VAT Matters)**

- M/s Ahimsa Industries Pvt Ltd has sold PET Preform on 23.08.2012 vide Tax Invoice No.106. Company file an application inquiring about the applicable rate of tax on the sale of this product to be used as packing material. The appellant has contended that the PET Preform is a packing material and it falls under Entry 55 of Schedule II to the Gujarat Value Added Tax Act, 2003 on 30.08.2012. However, the learned Joint Commissioner of Commercial Tax (Legal) Vide Order No. VAT/Sec. 80/2012/D/237/J.504/507 had determined dated on 20/11/2012 held that PET preform is not a Packing Material and its included as Residuary Goods. He held that it is covered under Entry 87 of Schedule II to the Act and it is accordingly taxable at the rate of 12.5% plus 2.5% additional tax. Instead of 4%+1% as charged by company.
- In against the order No. VAT/K-80/2012/D/237/J.504/507, dated 20.11.2012 of the learned Joint Commissioner of Commercial Tax, Company filed appeal, dated 28.11.2012 in the Gujarat Value Added Tax Tribunal, Ahmedabad. The Hon'ble Bench vide in its Order No. B-1718/2013/First Appeal No.9/12 dated 24.04.2013 of Tribunal held that a PET Preform is convenient form of packing and strictly used as end product for packing purposes only. Therefore, it is held to be declared as polythene packing material falling under Entry 55 of Schedule II to the GVAT Act and liable to be taxed accordingly and the same cannot be treated under residuary Entry 87 of Schedule II to the Act. The order of the determining authority is therefore, not just and proper and the appellant is not liable to be taxed @ 12.5% plus 2.5% by way of additional tax.
- Being aggrieved and dissatisfied by the Judgement and order dated 24/04/2013, passed in First appeal no. 9 of 2012 by Hon'ble Gujarat Value Added Tax tribunal at Ahmedabad the State of Gujarat through the Commissioner of Commercial tax (Applicant) filed appeal against M/S Ahimsa Industries Pvt. Ltd. (Respondent) under the Tax Appeal No.1354 of 2014 dated on 13/05/2014 before the Hon'ble High Court of Gujarat at Ahmedabad. Now the proceeding of this case are pending in the Hon'ble High Court of Gujarat.

- **Outstanding Demands relating to Direct Taxes: -**

1. The total amount outstanding relating to Tax Deducted at Source (TDS) which are verified through the Traces Portal are attached in the below mentioned table: -

Financial Year	Defaults (Amount in ₹)
2015-16	7,426.50
2013-14	124.00
Prior Years	62,946.00
<b>Total</b>	<b>70,496.50</b>

2. There is an outstanding demand of Income tax amounting to ₹ 2,14,510.00 with CPC relating to Assessment Year 2016-17 regarding utilization of Cess of Minimum Alternate Tax. Company has filed Appeal against the same as credit of cess can be utilize against payment of Tax.

Company has taken up the matter with Income Tax Department to understand the nature of pending TDS liabilities. Company has also submitted justification report & Consolidation File on Traces Portal. Company understands that there is no pending TDS liability as per its records. However, after verifying the reason and response to be received from the Income Tax Department, Company will discharge the TDS liability, if any arises.

**For Mistry and Shah**  
**Chartered Accountants**  
**F.R.N: - 122702W**

**For and Behalf of Board of directors**  
**Ahimsa Industries Limited**

**Partner**  
**Krunal Shah**  
**M.No. 144596**

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

**WholetimeDirector**  
**Sneha Gandhi**  
**DIN: 00654675**

**Poonam Panchal**  
**Company Secretary**  
**M.No. A44616**

**Shrenik M. Khatwala**  
**CFO**

**Date: 22<sup>nd</sup> May,2017**  
**Place: Ahmedabad**

**Date: 22<sup>nd</sup> May,2017**  
**Place: Ahmedabad**

**AHIMSA INDUSTRIES LIMITED****CIN: L25200GJ1996PLC028679**

**Regd. Office: 102, Iscon Elegance, Nr. Shapath-5, Prahladnagar Junction,  
S. G. Highway, Ahmedabad – 380015, Gujarat, India  
Tel. No.:079-27445901/02**

**ATTENDANCE SLIP****To be handed over at the entrance of the Meeting Hall**

I/We hereby record my/our presence at the 22<sup>nd</sup> Annual General Meeting of the Company held at Registered Office at 102, Iscon Elegance, Nr. Shapath-5, Prahladnagar Junction, S. G. Highway, Ahmedabad – 380015, Gujarat, India on Monday, 17<sup>th</sup> July, 2017 at 3:00 P.M.

Folio No. / Client ID/DPID No. ....

Full Name of the Shareholder: .....

Signature: .....

Full Name of Proxy: .....

Signature: .....

(To be filled in if the Proxy attends instead of the Member)

**AHIMSA INDUSTRIES LIMITED**  
**CIN:L25200GJ1996PLC028679**

**Regd. Office: 102, Iscon Elegance, Nr. Shapath-5, Prahladnagar Junction,  
 S. G. Highway, Ahmedabad – 380015, Gujarat, India  
 Tel. No.:079-27445901/02**

**22<sup>nd</sup> Annual General Meeting – 17<sup>th</sup> July, 2017**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
 (Management and Administration) Rules, 2014]

Name of the Member(s): .....

Registered Address: .....

Email: .....

Folio No./Client ID: .....

DP ID: .....

I/ We, being the Member(s) of..... Shares of the Ahimsa Industries Limited,  
 hereby appoint

Name: .....

Address: .....

Email: .....

Signature: .....

**or failing him / her**

Name: .....

Address: .....

Email: .....

Signature: .....

or failing him / her

Name: .....

Address: .....

Email: .....

Signature: .....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 22<sup>nd</sup> Annual General Meeting of the company, to be held on Monday, 17<sup>th</sup> July, 2017 at 3:00 P.M. at 102, Iscon Elegance, Nr. Shapath-5, Prahladnagar Junction, S. G. Highway, Ahmedabad – 380015, Gujarat, India and at any adjournment thereof:

Sr. No.	Resolutions	Optional*	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statement of the company for the financial year ended at March 31, 2017 together with the Report of Board of Directors and Report of Auditor thereon (Ordinary resolution)		
2.	To appoint Mr. Jignesh A. Shah (DIN: 00006339), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary resolution)		
3.	To reappoint M/s. Mistry & Shah, Chartered Accountants, Gandhinagar; Statutory Auditors of the company to hold office from the conclusion of 22 <sup>nd</sup> AGM until the conclusion of the 26 <sup>th</sup> AGM and to fix their remuneration, if any. (Ordinary resolution)		
4.	Addition of new clause 2(E): to carry on the business of manufacturing, processing, selling, trading, importing, exporting, purchasing of textile and textile products and packing materials in the main Objectives of the Memorandum of Association of Company (Special Resolution)		

Signed this ..... Day of ..... 2017

.....  
Signature of the Member

.....  
Signature of the proxy holder(s)

Affix  
Rs. 1/-  
Revenue  
Stamp

## Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \* This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
5. In the case of joint holders, the signatures of any one holder will be sufficient, but names of all the joint holders should be stated.

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