



Regd. Office : Texcellence Complex, Near Anupam Cinema, Khokhra, Ahmedabad - 380 021, India.

Phone : 91-79-67777000 • Fax : 91-79-22773061 • E-mail : texcellence@ashima.in

CIN No : L99999GJ1982PLC005253

15th July, 2019

To,
BSE Limited
Corporate Relationship Department,
25th Floor, P J Towers, Dalal Street,
Fort, Mumbai - 400001
SECURITY CODE NO. 514286

To,
National Stock Exchange of India Ltd
Exchange Plaza 5th Floor, Plot no. C/1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051
SECURITY CODE NO. ASHIMASYN

Dear Sir/ Madam,

Sub: Submission of 36th Annual Report of the Company under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to inform you that the 36th Annual General Meeting of the Company to be held on Saturday, 10th August, 2019 at 11.00 a.m. at the Registered Office of the Company situated at Texcellence Complex, Khokhra - Mehmedabad, Ahmedabad - 380021.

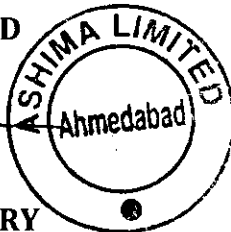
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting/uploading the 36th Annual Report of the Company for the Financial Year 2018-19 and the same is also available on the website of the Company at www.ashima.in.

Thanking You,

Yours Faithfully,

For ASHIMA LIMITED


HIREN MAHADEVIA
COMPANY SECRETARY



Encl: As above

T E X C E L L E N C E

Visit us at <http://www.ashima.in>



ashima
LIMITED

**36th Annual Report
2018-2019**



Corporate Information

BOARD OF DIRECTORS

| | |
|---------------------------|--------------------------------------------|
| Mr. Chintan N. Parikh | - Chairman & Managing Director |
| Mr. Krishnachintan Parikh | - Executive Director |
| Dr. Bakul H. Dholakia | - Independent Director |
| Mrs. Koushlya Melwani | - Independent Director (w.e.f. 25.05.2019) |
| Mr. Neeraj Golas | - Independent Director |
| Mr. Sanjay Majmudar | - Independent Director (w.e.f. 03.11.2018) |
| Mr. Vipul Naik | - Director (w.e.f. 25.05.2019) |
| Mr. Bihari B. Shah | - Independent Director (upto 09.02.2019) |
| Mr. Atulkumar Singh | - Independent Director (upto 25.05.2019) |

COMPANY SECRETARY

Mr. Hiren S. Mahadevia

CHIEF FINANCIAL OFFICER

Mr. Jayesh C. Bhayani

AUDITORS

M/s Mukesh M. Shah and Co.
Chartered Accountants
Ahmedabad.

BANKER

Axis Bank Ltd.

SHARES LISTED ON STOCK EXCHANGES

BSE Ltd.

National Stock Exchange of India Ltd.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Limited
506-508, Amarnath Business Centre (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge,
Ahmedabad – 380006, Gujarat
Phone & Fax No.: 079 - 26465179/86/87
E-mail: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

REGISTERED OFFICE & WORKS

Texcellence Complex,
Khokhara – Mehmedabad
Ahmedabad – 380 021
CIN: L99999GJ1982PLC005253
Website: www.ashima.in

36th Annual Report 2018-2019

NOTICE

Notice is hereby given that the **36th ANNUAL GENERAL MEETING (AGM)** of Ashima Limited will be held on **Saturday, August 10, 2019 at 11.00 a.m.** at the Registered Office of the Company situated at Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad –380 021, to transact the following businesses:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Mr. Chintan N. Parikh, Managing Director (DIN: 00155225), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

3. **Appointment of Mr. Sanjay Majmudar (DIN: 00091305) as an Independent Director.**

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

“RESOLVED THAT Mr. Sanjay Majmudar (DIN: 00091305), who was appointed by the Board of Directors as an Additional Director designated as an Independent Director of the Company with effect from November 03, 2018, who holds office up to the date of the ensuing AGM of the Company in terms of Section 161(1) of the Companies Act, 2013 (**“the Act”**) and Article 37 of the Company’s Articles of Association and who is eligible for appointment as Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for time being in force) and the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**), Mr. Sanjay Majmudar, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment and also declared that he has not been debarred from holding the office of director or continuing as a Director of Company by SEBI/MCA or any other authority and whose appointment has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, be and is hereby appointed as an Independent Director of the Company, for a first term of five (5) consecutive years commencing from November 03, 2018 to November 02, 2023 and that he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors /Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

4. **Re-Appointment of Dr. Bakul H. Dholakia (DIN: 00005754) as an Independent Director.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149(10) and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**), the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**“SEBI Listing Regulations”**), Dr. Bakul H. Dholakia (DIN: 00005754), whose present term of office as an Independent Director expires on September 28, 2019, who has given his consent for the re-appointment and has submitted a declaration



that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI Listing Regulations and also declared that he has not been debarred from holding the office of director or continuing as a Director of Company by SEBI/ MCA or any other authority and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five (5) consecutive years commencing from September 29, 2019 to September 28, 2024 and that he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI Listing Regulations, and other applicable provisions, if any of the Companies Act, 2013, as amended from time to time, approval of the members of the Company be and is hereby accorded for continuation of directorship of Dr. Bakul H. Dholakia (DIN: 00005754) as the Non-Executive Director of the Company, who will attain the age of 75 years on July 15, 2022;

RESOLVED FURTHER THAT the Board of Directors /Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

5. Appointment of Mr. Vipul Naik (DIN: 08450305) as Director.

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

RESOLVED THAT pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for time being in force) and the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), Mr. Vipul Naik (DIN: 08450305), who was appointed by the Board of Directors as an Additional Director (Non- Executive Non-Independent) of the Company with effect from May 25, 2019, who holds office up to the date of the ensuing AGM of the Company in terms of Section 161(1) of the Companies Act, 2013 (“**the Act**”) and Article 37 of the Company’s Articles of Association, who is eligible for appointment as Director of the Company and who has declared that he has not been debarred from holding the office of director or continuing as a Director of Company by SEBI/ MCA or any other authority, whose appointment has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors /Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

6. Re-Designation/ Appointment of Mrs. Koushlya Melwani, Non-Independent Director as Independent Director.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**SEBI Listing Regulations**”), Mrs. Koushlya Melwani, a Non Independent Director, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations

and also declared that she has not been debarred from holding the office of director or continuing as a Director of Company by SEBI/ MCA or any other authority and whose change in designation and appointment as Independent Director has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be re-designated and appointed as Independent Director of the Company, not liable to retire by rotation, for a first term of five (5) consecutive years commencing from May 25, 2019 to May 24, 2024;

RESOLVED FURTHER THAT the Board of Directors /Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

7. Alteration of Object clause of Memorandum of Association.

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

“**RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of members be and is hereby accorded for effecting the following alterations in the Clause III (Object Clause) of the Memorandum of Association (“**the MOA**”) of the Company by inserting the following sub-clauses under Part-A, after the existing sub-clause 2 in the following manner:-

3. To carry on the business of manufacturers, importers, exporters, buyers, sellers, dealers, distributors, traders, fabricators and suppliers of all kinds of readymade garments, jewellery, footwear, hand bags, coverings, coated fabrics, hosiery, all kind of apparel, made of knitted or woven material, cotton, silk, knitwears, blankets, track suits, shawls, mufflers, carpets, synthetic, blended including innerwear, such as undergarments, briefs, vests, brasseries and panties and outerwear such as T-Shirt, sportswear, swimsuits, shirts, trousers, pants, socks, gloves, gowns, skirts, tops or other outer wearing apparels, textile trimmings and components part of apparels, accessories of apparel, made up articles of textile such as bed sheets, towels furnishing, fabric or merchandise of every kind and description and other production goods, articles and things as are made from or with cotton, nylon, silk, polyester, acrylics, wool, jute and other such kinds of fiber by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other such products of allied nature made thereof and also to act as agents, sub-agents, wholesalers, retailers, representatives, commission agents, franchisers and dealers of all kinds of textile clothing, wearing apparel, cosmetics, jute, linens, furnishing fabrics and fabrics of all kinds of readymade garments and clothing, lingerie, hosiery, footwears and accessories in India or abroad and also to offer one stop solution for sale, purchase, export, import, and the like, of Garments, fashion clothes, fashion products, life style products, apparels, general merchandise etc.
4. To carry on the business as agents, commission agents, buying and selling agents, distributors, wholesaler, retailer, sub-agents, estate agents or agents of any kind or description and to sell, distribute, export and import, act as manufacturer’s representative and deal in all classes and kinds of chemicals including its By-Products, organic and inorganic, chemicals, laboratory and scientific chemicals, chemicals of any nature and kind whatsoever, including alkalies, acids, drugs, tannis, essences and pharmaceutical, photographic, medicinal, petrochemical, industrial and other preparations and articles of any nature and kind, plastics, leather and leather goods, textile and textile related products, coir products, natural fiber products, readymade garments, hosiery and knitwear, gem and jewellery, stainless, steel products, mineral, raw materials, and to do all such other acts and things required for the abovesaid business.

RESOLVED FURTHER THAT the Board of Directors /Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”



8. Approval of Cost Auditor's Remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Ankit Sheth & Co., Cost Accountants, (Firm Registration No. 102785), appointed by the Board of Directors of the Company as Cost Auditor, on recommendation of Audit Committee to conduct the audit of cost records of the Company pertaining to Company's Product "Textile", be paid remuneration, for the financial year ending March 31, 2020, amounting to ₹ 70,000/- (Rupees Seventy Thousand only) exclusive of applicable tax and other applicable levies and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit;

RESOLVED FURTHER THAT the Board of Directors /Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

9. Approval of Material Related Party Transactions

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

"RESOLVED THAT in terms of provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for ratification / approval of material related party transactions entered into by the Company with a related party as set out in the explanatory statement attached to this Notice.

RESOLVED FURTHER THAT the Board of Directors /Company Secretary be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

10. Approval for the Fees/Charges to be levied for the Delivery of Document(s) through a particular mode as may be sought by the Member(s).

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

"RESOLVED THAT pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of ₹ 100/- (Rupees One Hundred Only) per document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode;

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

Date : May 25, 2019

Place: Ahmedabad

Regd. Office:

Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

**By order of the Board of Directors
For Ashima Limited**

Hiren S. Mahadevia
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company. Members holding more than 10% of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.
2. Corporate Members intending to send their authorized representatives to attend the 36th Annual General 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 the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item No. 3 to 10 of the accompanying notice is annexed hereto. The relevant details of the persons seeking appointment / re-appointment as Director, are also annexed to this Notice.
4. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 12.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting (AGM) of the Company.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 05, 2019 to Saturday, August 10, 2019 (both days inclusive).
6. Electronic copy of the Annual Report for the year 2018-19 is being sent to all the members whose email IDs are registered with the company/depository participant(s) for communication purpose unless any member has requested for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2018-19 are being sent in the permitted mode.
7. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Link Intime India Pvt. Ltd or Secretarial Department of the Company immediately. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
8. Process and manner for voting through Electronic means –
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) & (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
 - ii. The remote e-voting will commence on Wednesday, August 07, 2019 at 9.00 a.m. and will end on Friday, August 09, 2019 at 5.00 p.m. During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Saturday, August 03, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
 - iii. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their vote again.



- iv. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Saturday, August 03, 2019, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- v. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Saturday, August 03, 2019, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
- vi. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Saturday, August 03, 2019.
- vii. Mr. Tapan Shah, Practicing Company Secretary (Membership No. FCS No. 4476, CP No. 2839) has been appointed as the Scrutinizer for conducting remote e-voting process in a fair and transparent manner and also voting by Poll Paper at the AGM.
- viii. The procedure and instructions for remote e-voting are as under:-

Remote E-Voting Process – Shareholders holding shares in Demat Form and Physical Form

| | | |
|----------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Step 1 | : | Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com |
| Step 2 | : | Click on “Shareholders” to cast your vote(s). |
| Step 3 | : | Please enter your USER ID – <ul style="list-style-type: none"> For account holders in CDSL: Your 16 digits beneficiary ID. For account holders in NSDL: Your 8 characters DP ID and followed by 8 digits Client ID. Members holding shares in physical form should enter folio number registered with the company. |
| Step 4 | : | Please enter the Image verification as displayed and Click on Login. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. |
| Step 5 | : | If you are a first time user follow the steps given below: |
| PAN | : | <ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the company/depository participant are requested to use the sequence number which is printed on Attendance Slip/Address Slip, in the PAN field In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Date of Birth (DOB) or Dividend Bank Details | : | DOB- Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. Dividend Bank Details- Enter the dividend bank details as recorded in your demat account or the Company records for the said demat account or folio. Please enter the DOB or Dividend bank details in order to login. If DOB or Bank details are not recorded with the depository or Company please enter the Member ID / Folio No. in the Dividend bank details field as mentioned in step 3. |
| Step 6 | : | After entering these details appropriately, click on “SUBMIT” tab. |

| | | |
|---------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Step 7 | : | Members holding shares in physical form will then reach directly to the Company selection screen. Members holding shares in Demat form will reach 'Password Creation' menu wherein, they are required to create their login password in the new password field. Kindly note that this password can be also be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system. |
| Step 8 | : | For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice. |
| Step 9 | : | Click on the EVSN of the Company i.e. 190606005 to vote |
| Step 10 | : | On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO and click on SUBMIT. The option "YES" implies that you assent to the resolution and Option "NO", implies that you dissent to the Resolution. Enter the number of shares (which represents number of votes) under "Yes/No" or alternatively you may partially enter any number in "Yes" and partially "No", but the total number in "Yes" and "No" taken together should not exceed your total shareholding. |
| Step 11 | : | Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire notice or resolution details. |
| Step 12 | : | After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. |
| Step 13 | : | Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page. |
| Step 14 | : | Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for Apple, Android and windows based mobile. The m-Voting app can be downloaded from Google Play Store. Shareholders may log in to m-Voting using their e-voting credentials to vote for the company resolution. Please follow the instructions as prompted by the mobile app while voting on your mobile. |
| Step 15 | : | Note for Non Individual Shareholders and Custodians:- <ul style="list-style-type: none"> Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to https://www.evotingindia.com and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same |



- ix) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ashima.in and on the website of CDSL i.e. www.cdslindia.com within three days after the conclusion of 36th AGM and shall also be communicated to Stock Exchanges where the shares of the Company are listed.
- x) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help Section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details:

| | | |
|----------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company | : | Ashima Limited Regd. Office:Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad-380 021, Gujarat |
| Registrar & Share Transfer Agent | | Link Intime India Pvt. Ltd 5th floor, 506 to 508, Amarnath Business Centre – (ABC-1) Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Navarangpura Ahmedabad – 380009 Tel No. +91 79 26465179 /86 / 87 Email Id: ahmedabad@linkintime.co.in ; Website : www.linkintime.co.in |
| E-Voting Agency | | Central Depository Services (India) Ltd. |
| E-mail | | helpdesk.evoting@cdslindia.com |
| Scrutinizer | | Mr. Tapan Shah, Practising Company Secretary |
| Email | | scrutinizer@tapanshah.in |

Explanatory Statement under Section 102(1) of the Companies Act, 2013
Item no. 3:

The Board of Directors, on recommendation of the Nomination and Remuneration committee, had appointed Mr. Sanjay Majmudar as an Additional Director designated as Independent Director of the Company, for a term of 5 (Five) consecutive years with effect from November 03, 2018, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Article 37 of the Articles of Association of the Company, Mr. Sanjay Majmudar holds office up to the date of the ensuing AGM of the Company and is eligible for appointment as Director. The Company has received a notice in writing from a member proposing his candidature for the office of Director.

The Company has received declaration from Mr. Sanjay Majmudar, confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and as per Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). He has also furnished a further declaration that he is not debarred or disqualified from being appointed or continuing as director of companies by the SEBI /MCA or any such statutory authority. The Board has formed an opinion that he fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management.

Brief resume of Mr. Sanjay Majmudar whose appointment is proposed is provided in the annexure to the Notice.

A copy of the draft letter of appointment of Mr. Sanjay Majmudar setting out his terms and conditions is available for inspection at the Registered Office of the Company during normal business hours on working days up to the date of Annual General Meeting.

Except Mr. Sanjay Majmudar and his relatives, none of other Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financial or otherwise, in the said Resolution. The Directors recommend the ordinary resolution as set out at item no. 3 for approval of the members.

Item no. 4:

The Company had appointed Dr. Bakul H. Dholakia as Independent Director at the Annual General Meeting of the Company held on September 29, 2014 for a term of five (5) consecutive years commencing from September 29, 2014.

Dr. Bakul H. Dholakia, Independent Director shall be completing his first term of appointment as an Independent Director on September 28, 2019. He is eligible for re-appointment for another term of five (5) consecutive years subject to approval of the Members by Special Resolution. He has consented to his re-appointment and confirmed that he is not suffering from any disqualifications which stand in the way of his re-appointment as an Independent Director and provided a declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Act and as per Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). He has also furnished a further declaration that he is not debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / MCA or any such statutory authority. The Board has formed an opinion that he fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management.

As per Regulation 17(1A) of SEBI Listing Regulations, 2015, a listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect and justification for appointing such a person is given in the explanatory statement annexed to the notice. Dr. Bakul H. Dholakia during his second tenure as Independent Director in the Company, would attain age of 75 (seventy five) years on July 15, 2022.

Brief resume of Dr. Bakul H. Dholakia whose re-appointment is proposed is provided in the annexure to the Notice.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee has recommended and the Board of Directors has approved the re-appointment of Dr. Bakul H. Dholakia as an Independent Director for a second term of five (5) consecutive years commencing from September 29, 2019. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

A copy of the draft letter of re-appointment of Dr. Bakul H. Dholakia setting out his terms and conditions is available for inspection at the Registered Office of the Company during normal business hours on working days up to the date of Annual General Meeting.

Except Dr. Bakul H. Dholakia and his relatives, none of other Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financial or otherwise, in the said Resolution. The Directors recommend the special resolution as set out at item no. 4 for approval of the members.

Item no. 5:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Vipul Naik as an Additional Director (Non executive & Non Independent) from May 25, 2019 who holds office as Additional Director only up to the date of the this Annual General Meeting.

The Board of Directors is of the opinion that his vast knowledge and experience in textile industry will be of great value to the Company and hence recommend the Ordinary Resolution at item no. 5 of this Notice for your approval.

Brief resume of Mr. Vipul Naik whose appointment is proposed is provided in the annexure to the Notice.

Except Mr. Vipul Naik and his relatives, none of other Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financial or otherwise, in the said Resolution.

**Item no. 6:**

The Board of Directors, on recommendation of the Nomination and Remuneration committee, had re-designated Mrs. Koushlya Melwani from Non Independent Director to Independent Director (ID) and appointed her as an Independent Director of the Company, for a term of five (5) consecutive years with effect from May 25, 2019, subject to approval of the Members.

Mrs. Koushlya Melwani, being a professionally qualified Cost and Management Accountant from the Institute of Cost Accountants of India was appointed as a non-independent director of the Company with effect from December 15, 2014 due to her association as Cost Auditor till the financial year 2013-14. As per applicable law and regulations, she can be now re-designated and appointed as an Independent Director in view of the fact that a period of more than 3 years has elapsed since her association with the Company as Cost Auditor.

The Company has received declaration from Mrs. Koushlya Melwani, confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and as per Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also furnished a further declaration that she is not debarred or disqualified from being appointed or continuing as directors of companies by the SEBI /MCA or any such statutory authority. The Board has formed an opinion that she fulfills the conditions specified in the Act and the rules made thereunder and are independent of the management.

Brief resume of Mrs. Koushlya Melwani whose appointment is proposed is provided in the annexure to the Notice.

A copy of the draft letter of appointment of Mrs. Koushlya Melwani setting out her terms and conditions is available for inspection at the Registered Office of the Company during normal business hours on working days up to the date of Annual General Meeting.

Except, Mrs. Koushlya Melwani and her relatives, none of other Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financial or otherwise, in the said Resolution. The Directors recommend the ordinary resolution as set out at item no. 6 for approval of the members.

Item no. 7:

The Company is currently engaged in the business of manufacturing textile fabric, which mainly consist of cotton fabric. As a measure of forward integration and in order to avail business opportunities in the field of garments /apparels, it would be expedient to have object clause containing manufacture /sale of garments, as a logical expansion of business.

The present Main Object Clause of the Memorandum of Association ("MOA") of the Company does not contain any reference to manufacture and/or sale of garments and apparels as a business activity, hence to capitalize upon the business opportunities at an opportune time, it is proposed to amend the Main Objects of the Company by insertion of relevant enabling clauses.

Accordingly, the Board of Directors of the Company at its meeting held on May 25, 2019 has, subject to the approval of shareholders, decided to amend Clause III (Object Clause) of the MOA of the Company in the manner as set out in the special resolution at item no. 7 of this Notice.

Copy of the proposed altered MOA of the Company is available for inspection at the Registered Office of the Company during normal business hours on working days up to the date of Annual General Meeting.

The Board of Directors recommends the special resolution set out at above Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the said Resolution.

Item no. 8:

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Ankit Sheth & Co., Cost Accountant, to conduct the audit of the cost records of the Company for the Financial Year 2019-20 on a remuneration of ₹ 70,000/- exclusive of applicable tax and other applicable levies and re-imbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the said audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor is required to be ratified by members of the Company. Accordingly, the members are requested to pass an ordinary resolution as set out at item no. 8 of the Notice for ratification of the payment of remuneration to the Cost Auditor for the Financial Year 2019-20.

The Board of Directors recommends the ordinary resolution set out at above Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the said Resolution.

Item no. 9:

Under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Material related party transactions require shareholders' approval by way of a resolution. As per the said Regulation, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. However, in case of transactions of royalty payments or brand usage, such limit of materiality is two percent.

The Company has entered into following material related party transactions with a related party during the year ended March 31, 2019.

1. Name of related party: Ashima Dyecot Private Limited

Nature of relationship: Other related party

(₹ in Lacs)

| Nature of Transactions | Transactions during the year ended 31.03.2019 |
|-----------------------------------------------------|------------------------------------------------------|
| Purchase | 56.27 |
| Sales | 883.67 |
| Job Work & other expenses | 3400.06 |
| Income | 1.88 |
| Outstanding Receivables (as at the end of the year) | 567.82 |

The aforesaid transactions were in ordinary course of business and on arm's length basis.

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no related parties of the Company shall vote to approve the said Ordinary Resolution. The Board of Directors recommends the ordinary resolution set out in the above Notice for approval of the Members.

Except, Mr. Chintan N. Parikh, Mr. Krishnachintan Parikh and their relatives, none of other Directors or key managerial personnel or their relatives are in any way, concerned or interested, financial or otherwise, in the said Resolution.

**Item no. 10:**

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommends the ordinary resolution at item no. 10 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no.10 of the accompanying Notice.

Date : May 25, 2019

Place: Ahmedabad

Regd. Office:

Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

**By order of the Board of Directors
For Ashima Limited**

Hiren S. Mahadevia
Company Secretary

Annexure to the Notice dated May 25, 2019

Details of Directors seeking Appointment /Re-appointment at the 36th Annual General Meeting to be held on August 10, 2019 (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings)

Item no. 2

| | |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Director | Mr. Chintan N. Parikh |
| Date of Birth | May 25, 1957 |
| Date of Appointment on the Board | June 17, 1982 |
| Qualifications | B.A. (Economics), MBA (Finance). He was a Doctoral Student at IIM, Ahmedabad. |
| Experience / Expertise in Specific Functional Areas | Expertise in Textile, Finance, Accounts and Management. He has about 37 years' experience in the field of Textiles. He is Managing Director of the Company acting under the overall supervision and directions of the Board of Directors. |
| Relationship between Directors inter-se | Related to Mr. Krishnachintan Parikh, Executive Director of the Company |
| Directorship held in Other Listed entities | Nil |
| Chairmanship/Membership of Board Committees in other listed entities | Nil |
| Shareholding of Director | 1,47,900 Shares |

Item no. 3

| | |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Director | Mr. Sanjay Majmudar |
| Date of Birth | March 21, 1963 |
| Date of Appointment on the Board | November 03, 2018 |
| Qualifications | FCA, LLB, Final CS |
| Experience / Expertise in Specific Functional Areas | Mr. Sanjay Majmudar is leading Practising Chartered Accountant and has rich experience about 33 years in the field of Corporate Laws, Direct Tax Laws, Mergers and Acquisitions, Transfer Pricing and related matters. He has extensive experience in the areas of Capital Markets and Securities Laws, Banking and Finance, Insolvency and Bankruptcy Laws and Corporate Governance matters. |
| Relationship between Directors inter-se | Not related to any Board Member or KMP |
| Directorship held in Other Listed entities | <ol style="list-style-type: none"> 1. Aarvee Denims and Exports Ltd 2. Welcast Steels Limited 3. AIA Engineering Limited 4. Dishman Carbogen Amcis Limited |
| Chairmanship/Membership of Board Committees in other listed entities | <p>A. Audit Committee:</p> <ul style="list-style-type: none"> • Chairman: <ul style="list-style-type: none"> - Aarvee Denims & Exports Limited - Dishman Carbogen Amcis Limited • Member: <ul style="list-style-type: none"> - AIA Engineering Limited - Welcast Steels Limited <p>B. Stakeholders Relationship Committee:</p> <ul style="list-style-type: none"> • Chairman: <ul style="list-style-type: none"> - Dishman Carbogen Amcis Limited • Member: <ul style="list-style-type: none"> - Welcast Steels Limited <p>C. Nomination & Remuneration Committee:</p> <ul style="list-style-type: none"> • Chairman: <ul style="list-style-type: none"> - AIA Engineering Limited - Aarvee Denims & Exports Limited - Dishman Carbogen Amcis Limited <p>D. Corporate Social Responsibility Committee:</p> <ul style="list-style-type: none"> • Member: <ul style="list-style-type: none"> - AIA Engineering Limited - Dishman Carbogen Amcis Limited <p>E. Risk Management Committee:</p> <ul style="list-style-type: none"> • Member: <ul style="list-style-type: none"> - Welcast Steels Limited |
| Shareholding of Director | Nil |

**Item no. 4**

| | |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Director | Dr. Bakul H. Dholakia |
| Date of Birth | July 15, 1947 |
| Date of Appointment on the Board | April 28, 2006 |
| Qualifications | Ph.D. (Economics), MS University, Baroda M.A. (Economics) Gold Medalist |
| Experience / Expertise in Specific Functional Areas | Dr. Bakul H. Dholakia has about 50 years of professional experience including 33 years at Indian Institute of Management (IIM), Ahmedabad and also Ex-Director of IIM. He was the Chairman of the National Board of Accreditation for Technical Education in India from 2005 to 2008. In 2007, He was awarded Padma Shri by the Government of India in recognition of his distinguished services in the field of education, and in 2008 he was conferred the coveted Bharat Asmita National Award by the Honorable Chief Justice of India. |
| Relationship between Directors inter-se | Not related to any Board Member or KMP |
| Directorship held in Other Listed entities | 1. Arvind Ltd 2. Gujarat State Petronet Ltd |
| Chairmanship/Membership of Board Committees in other listed entities | A. Audit Committee: <ul style="list-style-type: none"> Member: <ul style="list-style-type: none"> - Arvind Ltd. - Gujarat State Petronet Ltd. B. Stakeholders Relationship Committee: <ul style="list-style-type: none"> Chairman: <ul style="list-style-type: none"> - Arvind Ltd. C. Nomination & Remuneration Committee: <ul style="list-style-type: none"> Chairman: <ul style="list-style-type: none"> - Arvind Ltd. D. Corporate Social Responsibility Committee: <ul style="list-style-type: none"> Chairman: <ul style="list-style-type: none"> - Arvind Ltd. E. Risk Management Committee: <ul style="list-style-type: none"> Member: <ul style="list-style-type: none"> - Arvind Ltd. F. Project Monitoring Committee: <ul style="list-style-type: none"> Member: <ul style="list-style-type: none"> - Gujarat State Petronet Ltd. |
| Shareholding of Director | 3400 Shares |

Item no. 5

| | |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Director | Mr. Vipul Naik |
| Date of Birth | July 06, 1967 |
| Date of Appointment on the Board | May 25, 2019 |
| Qualifications | B.Sc., Post graduate Diploma in Textile chemistry from M.S. University, Baroda in 1990 |
| Experience / Expertise in Specific Functional Areas | Expertise in export quality fabric specifications, international market requirements and functional expertise of various departments of a Textile Mill such as from Grey fabric to Preparatory, Dyeing, Finishing and Finished fabric inspection & packaging as well as product development and Customer service. He possesses an overall experience of 27 years. |
| Relationship between Directors inter-se | Not related to any Board Member or KMP |
| Directorship held in Other Listed entities | Nil |
| Chairmanship/Membership of Board Committees in other listed entities | Nil |
| Shareholding of Director | Nil |

Item no. 6

| | |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Director | Mrs. Koushlya V. Melwani |
| Date of Birth | April 20, 1961 |
| Date of Appointment on the Board | December 15, 2014 |
| Qualifications | B. Com, FCMA. |
| Experience / Expertise in Specific Functional Areas | Mrs. Koushlya Melwani is a professionally qualified Cost and Management Accountant from the Institute of Cost Accountants of India and having 29 years of professional experience in the field of project finance, company law & cost accounting. |
| Relationship between Directors inter-se | Not related to any Board Member or KMP |
| Directorship held in Other Listed entities | Nil |
| Chairmanship/Membership of Board Committees in other listed entities | Nil |
| Shareholding of Director | Nil |

**BOARD'S REPORT**

Your Directors take pleasure in presenting the Thirty Sixth Annual Report of your Company together with Audited Financial Statements for the year ended on March 31, 2019.

1. FINANCIAL RESULTS

Your Company's performance during the above year is summarized below:

| | (₹ in Lacs) | |
|----------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Particulars | March 31, 2019 | March 31, 2018 |
| Total Income | 28569 | 23261 |
| Profit / (Loss) before Finance Costs, Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses | (695) | (871) |
| Less: Finance Costs | 394 | 654 |
| Profit/(Loss) before Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses | (1089) | (1525) |
| Less: Depreciation and Amortization | 365 | 367 |
| Profit / (Loss) before Exceptional Items & Tax Expenses | (1453) | (1892) |
| Add: Exceptional Item (Income) | 3236 | 14540 |
| Profit Before Tax | 1782 | 12648 |
| Less: Tax Expenses | - | - |
| Profit After Tax | 1782 | 12648 |
| Other Comprehensive Income | (6) | (61) |
| Total Comprehensive Income | 1776 | 12587 |

2. DIVIDEND

Your Directors do not recommend any dividend on the equity shares as well as preference shares.

3. RESERVES

No amount has been transferred to any reserve.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year under review, the Company has reported a profit of ₹ 1776 lacs for the year at PBT level compared to ₹ 12587 lacs in the preceding year. It may be noted that the performance for the year includes ₹ 3236 lacs (last year ₹ 14540 lacs) being an exceptional and extraordinary item which mainly includes gain on account of sale of surplus land by the company. The operational performance, excluding impact of such exceptional item, has improved during the year and the loss at PBT level has reduced to ₹ 1100 lacs (arrived at after adjusting reported PBT for non-recurring expenses (net) of ₹ 359 lacs) compared to loss of ₹ 1910 lacs in the preceding year (adjusted for non-recurring expenses (net) of ₹ 43 lacs). Upon prudent utilization of proceeds from sale of surplus assets, the interest cost for the year reduced further by ₹ 261 lacs and contributed positively to the profitability.

The Denim division has been able to increase the volumes further during the year on account of higher penetration into the domestic brand segment. However, the export market remained lackluster on account of stiff pricing pressure and impact of fiscal policy on volumes being exported to neighbouring countries. Upgradation of manufacturing facilities carried out over last couple of years has enabled the division to enhance its product profile and better spread in terms of market reach. Margins remained under pressure due to various reasons such as firmed up yarn prices, increase in power tariff and fuel costs, tough competition prevailing in the sector. However, the division exercised better controls on other operational costs including product and process optimization and kept overall costs under control. Division has been able to improve its bottom-line, though not significantly, on account of combined effect of all such measures.

Spinfab division has achieved impressive growth in volumes for last 2 years due to business with brand segment and large format stores contributing to the volume push. The division witnessed increased pressure on margins as cost increases could not be passed on in the market due to demand-supply variables. Yarn prices as well as prices of dyes and chemicals remained higher during the year. Utility costs including power and fuel also went up. The negative impact of the same has been aptly offset by measures undertaken on attaining cost efficiencies and effective control on the overheads.

A detailed discussion on performance appears as part of Management Discussion and Analysis attached to this report.

5. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF OUR COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments which affect the financial position of the Company occurring between the end of financial year and the date of this Report, except as stated specifically in this Report.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any Subsidiary, Joint Venture or Associate Company for the year ended on March 31, 2019.

7. DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. There were no unpaid or unclaimed deposits as on March 31, 2019.

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this Report and annexed at **Annexure-1**.

9. RISK MANAGEMENT

The Company has framed and adopted a "Risk Management Policy" to identify, monitor, minimize and mitigate risks and determine the responses to various risks to minimize their adverse impact on the organization. The Company is exposed to various financial risks viz. credit risk, liquidity risk, foreign currency risk, interest rate risk etc. The executive management oversees the risk management framework and the Audit Committee evaluates internal financial controls and risk management systems. However, the details of risk management objectives and policies made by the Company under the said provision is given in the notes to the Financial Statements. In the opinion of Board, there are no risk which may threaten the existence of the Company. The Risk Management Policy is placed on the website of the Company at www.ashima.in

10. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

In terms of requirements of Section 135(1), the Board of Directors at its meeting held on August 11, 2017 has constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee consists of 3 (Three) Directors viz., Mr. Chintan N. Parikh-Chairman, Dr. Bakul Dholakia- Independent Director and Mr. Atulkumar Singh- Independent Director, as on March 31, 2019.

During the financial year, the said Committee met on February 09, 2019 for consideration, review and recommendation to the Board of Directors of the Company for CSR expenditure. The Committee has noted that no amount was required to be spent towards CSR expenditure for the FY 2018-19 in terms of Section 135(5) of the Companies Act, 2013. The CSR Policy is placed on the website of the Company at www.ashima.in

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF COMPANIES ACT, 2013**

During the year, the Company has granted loan and made investments. However, there are no guarantees given or security provided under Section 186 of the Companies Act, 2013. The details of loan granted and investments made as on March 31, 2019 are given in the Notes to the Financial Statements forming part of the Annual Report.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the transactions with Related Parties are placed before the Audit Committee for its approval and at the Board of Directors for information. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. The transactions entered into pursuant to omnibus approval are placed before Audit Committee and Board of Directors on quarterly basis. The policy on Related Party Transaction (RPT) as revised by the Board of Directors at its meeting held on February 09, 2019 in the light of amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is applicable w.e.f. April 01, 2019 is available at the Company's website at www.ashima.in

All the related party transactions were on arm's length basis and hence disclosure in Form AOC-2 is not required. There were no materially significant transactions with any of the related parties that may have potential conflict with the interest of the Company at large.

Transactions with related parties as per requirements of IND-AS are disclosed in the notes to the Financial Statements.

13. NOMINATION AND REMUNERATION POLICY

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company's policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management and the same was revised by the Board of Directors at its meeting held on February 09, 2019 in the light of amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said revised policy is placed on the Company's website at www.ashima.in.

14. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the policy laid down by the Nomination and Remuneration Committee (NRC), as approved by the Board of Directors, the Board has carried out an annual evaluation of its performance, its Committees and all individual Directors.

In a separate meeting of Independent Directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director was evaluated. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

15. ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure-2**. The Annual Return of the Company has been placed on the website of the Company at www.ashima.in.

16. WEBSITE OF YOUR COMPANY

Your Company maintains a website www.ashima.in where detailed information of the Company and specified details in terms of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been provided.

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year, 4 (four) meetings of the Board of Directors were held, as required under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of

Board meetings held during the financial year 2018-19 have been furnished in the Corporate Governance Report forming part of this Annual Report.

During the year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment:

1. Mr. Sanjay Majmudar: The Board of Directors on recommendation of the Nomination and Remuneration Committee (NRC) appointed Mr. Sanjay Majmudar as an Additional Director w.e.f. November 03, 2018 and designated him as an Independent Director. In terms of Section 161 of the Act, he holds office up to the date of ensuing Annual General Meeting (AGM). Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Sanjay Majmudar as an Independent Director, for a first term of five (5) consecutive years commencing from November 03, 2018 to November 02, 2023 for the approval by the members of the Company.
2. Dr. Bakul H. Dholakia: He is completing his first term of five (5) years of his appointment as an Independent Director on September 28, 2019 and is eligible for re-appointment for another term of five (5) consecutive years subject to approval of the Members by Special Resolution. Based on the performance evaluation of the Independent Directors, the NRC has recommended and the Board of Directors has approved his re-appointment as an Independent Director for a second term of five (5) consecutive years commencing from September 29, 2019, subject to approval of Members. Since he shall be attaining age of 75 years on July 15, 2022 during his second term, the requisite justification and disclosure has been made in the Notice of AGM as per applicable regulations.
3. Mrs. Koushlya Melwani: The Board of Directors, on recommendation of the NRC, has re-designated Mrs. Koushlya Melwani from Non-Independent Director to Independent Director and appointed her as an Independent Director of the Company, for a first term of five (5) consecutive years commencing from May 25, 2019 to May 24, 2024, subject to approval of the Members. Your Board recommends the resolution in relation to her re-designation and appointment as an Independent Director.

All the above Independent Directors named at Sr. 1 to 3 above, meet the criteria of independence as prescribed under Section 149(6) of the Act and as per Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not debarred or disqualified from being appointed or continuing as directors of companies by the SEBI /MCA or any such statutory authority. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

4. Mr. Vipul Naik: The Board of Directors on recommendation of the NRC appointed Mr. Vipul Naik as an Additional Director w.e.f. May 25, 2019. In terms of Section 161 of the Act, he holds office up to the date of ensuing AGM. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vipul Naik as a Director (Non-Executive Non- Independent) for the approval by the members of the Company.

The Company has received requisite Notices from Member(s) under Section 160 of the Companies Act, 2013 in respect of all the aforesaid Directors stated at Sr. 1 to 4, proposing their candidature for the office of Director. The resolutions for appointment /re-appointment of aforementioned Directors along with their brief profile forms part of the Notice of the 36th AGM and the respective resolutions are recommended for approval of members.

Retirement by Rotation:

In accordance with the Articles of Association and the relevant provisions of the Companies Act, 2013, Mr. Chintan N. Parikh retires by rotation at the ensuing Annual General Meeting of the Company and being eligible seeks re-appointment. Your Board recommends his reappointment.

**Cessation:**

1. Mr. Bihari B. Shah, Independent Director of the Company, resigned from the office of Director with effect from February 09, 2019. Your Directors wish to place on record their sincere appreciation of services rendered and valuable guidance provided by him during his long association with the Company as a Director since January, 2006.
2. Mr. Atulkumar Singh, Independent Director of the Company, resigned from the office of Director with effect from May 25, 2019. Your Directors wish to place on record their sincere appreciation of services rendered by him during his association with the Company.

There was no change in the composition of the Board of Directors and Key Managerial Personnel during the year under review, except as stated above.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision of Section 134(3) and 134(5) of Act the Board of Directors confirms that to the best of its knowledge and belief:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have given their declaration to the Company stating their independence pursuant to Section 149(6) and Regulation 16(1)(b) SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. The terms and conditions of the appointment of Independent Directors have been disclosed on the website of the Company at www.ashima.in.

21. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has put in place a Familiarization Programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarization Program are available on the website of the Company at www.ashima.in.

22. INSURANCE

The Company's plant, property, equipments and stocks are adequately insured against major risks. The Company has also taken Directors' and Officers' Liability Insurance Policy to provide coverage against the liabilities arising on them.

23. PARTICULARS OF EMPLOYEES

- i) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and is annexed as **Annexure-3** to this Report.

- ii) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, the said statement is not being sent along with this Annual Report to the members in line with the provisions of Section 136 of the Companies Act, 2013. The same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary.

24. AUDITORS

(a) STATUTORY AUDITORS

M/s. Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 106625W) were appointed as Statutory Auditors of the Company at the 34th Annual General Meeting held on August 11, 2017, for a term of five (5) consecutive financial years i.e. commencing from FY 2017-18, subject to their appointment being ratified by the shareholders in every AGM. The Companies Amendment Act, 2017 has with effect from May 07, 2018 omitted the requirement of ratification of appointment of Statutory Auditors at every intervening Annual General Meeting. Accordingly, the same is not required to be placed before the Members at the ensuing AGM.

The Statutory Auditors has given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

The Auditors' Report for FY 2018-19 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

(b) COST AUDITOR

The Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Ankit Sheth & Co., Cost Accountants (Membership No: M/ 34404) as Cost Auditor of the Company for the financial year 2019-20, on a remuneration as mentioned in the Notice convening the 36th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. Ankit Sheth & Co., Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

The Company has filed the Cost Audit Report for the financial year 2017-18 on August 31, 2018, which is within the stipulated timeline prescribed under the Companies (Cost Records and Audit) Rules, 2014.

As per requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained for the year ended March 31, 2019.

(c) SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 as amended, the Company has appointed Mr. Tapan Shah, Practicing Company Secretary, Ahmedabad, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2019. The Secretarial Audit Report is annexed herewith as **Annexure-4**.

The Secretarial Audit Report for the year ended on March 31, 2019 does not contain any qualifications, reservations or adverse remarks.

**25. REPORTING OF FRAUD BY AUDITORS**

There have been no instances of fraud reported by the Auditors u/s 143 (12) of the Companies Act, 2013 and rules framed thereunder either to the Company or to the Central Government.

26. VIGIL MECHANISM

Your Company has established Vigil Mechanism (whistle blower policy) for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report and displayed on the website of the Company at www.ashima.in.

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

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations. All orders received by the Company during the year are of routine in nature which have no significant / material impact.

28. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details on Internal Control Systems and their adequacy are provided in the Management Discussion and Analysis which forms part of this Report.

29. LISTING WITH STOCK EXCHANGES

Your Company is listed with the BSE Limited and National Stock Exchange of India Ltd. and the Company has paid the listing fees to each of the Exchanges.

30. AUDIT COMMITTEE

The Company has an Audit Committee pursuant to the requirements of the Companies, Act, 2013 read with the rules framed there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of composition of Audit Committee and other details relating to the same are given in the Report of Corporate Governance forming part of this Report. During the Financial Year 2018-19, there has been no instance where the Board has not accepted the recommendations of the Audit Committee.

31. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 (3) read with Schedule V (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, a report on Corporate Governance along with certificate of compliance from M/s. Mukesh M. Shah & Co, Chartered Accountants and Management Discussion and Analysis Report forms part of this report as **Annexure 5 & 6** respectively.

32. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme including Employee Stock Option Scheme.
- c. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees.

33. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaints Committee (ICC) in due compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

Your Directors state that during the year under review, there were no complaints relating to sexual harassment nor any cases filed pursuant to the said Act.

34. APPRECIATION

Your Directors express their gratitude for the dedicated services put in by all the employees of the Company.

35. ACKNOWLEDGEMENTS

Your Directors places on record their sincere thanks to the customers, vendors, investors and banks for their continued support. Your Directors are also thankful to the Government of India, State Government and other authorities for their support and solicit similar support and guidance in future.

For and on behalf of the Board

Place : Ahmedabad
Date : May 25, 2019

Chintan N. Parikh
Chairman and Managing Director
(DIN:00155225)



ANNEXURE-1**Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.**

The Information under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 for the year ended March 31, 2019 is given here below and forms part of the Board's Report.

A. Conservation of Energy**i. Energy Conservation measures taken:**

- Replaced conventional tube fixtures with LED tubes, thereby achieving better illumination at work places as well as saving power.
- Improved condensate recovery by attending to flash steam recovery, plugging steam leakages and applying proper insulation on condensate & steam lines. This has resulted into increase in average feed water temperature at boiler house and improved steam to fuel ratio.
- Replaced manual fuel feeding system in boiler bunker with fuel feeding by JCB, resulting into efficient material handling and reduced power consumption.
- Equipped yarn-dyeing machine motors with new variable frequency drives and operated with lower frequency, resulting into reduced power consumption without compromising on yarn quality.
- Modified carriers within the beam-dyeing and package-dyeing machines so as to impart greater flexibility and higher production volumes. This has resulted into efficient machine utilization and reduced energy consumption in terms of power, steam, water as well as chemical consumption.
- Regular monitoring of power factor to reduce overall power cost.

ii. Utilization of alternate source of energy:

During the year under review, the sludge from Effluent Treatment Plant was dried by heating with solar energy instead of electricity/fuel.

iii. The capital investments on energy conservation equipments:

The cost of the equipment for the energy conservation is ₹ 15.31 Lacs

B. Technology Absorption**i. Efforts, in brief, made towards Technology Absorption:**

- Old HMI, servo motors, PLC, servo drives, modules and connected electronic components of a machine replaced by advanced and up-graded version of PLC & software by a reputed brand.
- New steam flow meters installed in steam lines to monitor specific steam consumption pattern with variety of yarn and fabric sizes.
- Installed auto titration system in dyeing and sizing department resulting into improved quality parameters.

ii. The benefits derived:

The above efforts enabled reduction in breakdowns and efficient machine operations.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- ❖ Technology imported : High speed sample warping machine
 - Year of import : 2016-17
 - Whether technology has been fully absorbed? : Yes
- ❖ Technology imported : Continuous tumbler machine
 - Year of import : 2017-18
 - Whether technology has been fully absorbed? : Yes

iv. Expenditure incurred on Research and Development:

The company has not incurred any expenditure on research and development activity.

C. Foreign Exchange Earning and Outgo

During the year under review foreign exchange earnings were ₹ 2090.02 lacs excluding deemed export and foreign exchange outgo was ₹ 69.51 lacs.

For and on behalf of the Board

Chintan N. Parikh
Chairman and Managing Director
(DIN:00155225)

Place : Ahmedabad
Date : May 25, 2019



ANNEXURE-2

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

(as on financial year ended on 31.03.2019)

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

I. REGISTRATION AND OTHER DETAILS

| | | |
|----|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | CIN | L99999GJ1982PLC005253 |
| 2 | Registration Date | June 17, 1982 |
| 3. | Name of Company | ASHIMA LIMITED |
| 4. | Category/Sub-Category of the Company | Public Company Limited by Shares |
| 5 | Address of the Registered office and Contact details | Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad-380021, Gujarat |
| 6. | Whether Listed Company (Yes/No) | Yes (BSE Ltd & National Stock Exchange of India Ltd) |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime (India) Private Limited, 5 th Floor, 506 to 508, Amarnath Business Centre (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat Phone-079-26465179, Fax-079-26465179 e-mail-ahmedabad@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

| SN | Name & Description of main products/ services | NIC Code of the Product /service | % to total turnover of the company |
|----|-----------------------------------------------|----------------------------------|------------------------------------|
| 1. | Cotton Fabrics | 13121 | 100 |

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SN | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|-----|-------------------------------|---------|--------------------------------|------------------|--------------------|
| NIL | | | | | |

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**(i) Category wise Shareholding:**

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. 01.04.2018 | | | | No. of Shares held at the end of the year i.e. 31.03.2019 | | | | % change during the year |
|---------------------------------------------------|--------------------------------------------------------------------|----------|----------|-------------------|--------------------------------------------------------------|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 298345 | - | 298345 | 0.23 | 298345 | - | 298345 | 0.23 | - |
| b) Central Govt. or State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | 75281559 | - | 75281559 | 58.61 | 75281559 | - | 75281559 | 58.61 | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Trust | 2671441 | - | 2671441 | 2.08 | 2671441 | - | 2671441 | 2.08 | - |
| SUB TOTAL:(A) (1) | 78251345 | - | 78251345 | 60.92 | 78251345 | - | 78251345 | 60.92 | - |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 78251345 | - | 78251345 | 60.92 | 78251345 | - | 78251345 | 60.92 | - |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | 3300 | 3300 | 0.00 | - | 3300 | 3300 | 0.00 | - |
| b) Banks/ FI | 231554 | 89 | 231643 | 0.18 | 141770 | 89 | 141859 | 0.11 | -0.07 |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (B)(1): | 231554 | 3389 | 234943 | 0.18 | 141770 | 3389 | 145159 | 0.11 | -0.07 |



| Category of Shareholders | No. of Shares held at the beginning of the year i.e. 01.04.2018 | | | | No. of Shares held at the end of the year i.e. 31.03.2019 | | | | % change during the year |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------|------------------|-------------------|--------------------------------------------------------------|---------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporate | 13463412 | 14762 | 13478174 | 10.49 | 12897883 | 14762 | 12912645 | 10.05 | -0.44 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs | 13596804 | 655762 | 14252566 | 11.09 | 13511580 | 632647 | 14144227 | 11.01 | -0.08 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | 17447148 | - | 17447148 | 13.58 | 18505587 | - | 18505587 | 14.41 | 0.82 |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| (I) OCBs | - | 15000 | 15000 | 0.01 | - | 15000 | 15000 | 0.01 | - |
| (II) Individuals (Non Resident Individuals-Non Repatriation) | 80223 | - | 80223 | 0.06 | 69591 | - | 69591 | 0.05 | -0.01 |
| (III) Individuals (Non Resident Individuals-Repatriation) | 345929 | 45002 | 390931 | 0.30 | 399683 | 44002 | 443885 | 0.35 | 0.04 |
| (IV) HUF | 34434187 | 250 | 3443668 | 2.68 | 3244857 | 250 | 3245107 | 2.53 | -0.15 |
| (V) Clearing Members | 859878 | - | 859878 | 0.67 | 692130 | - | 692130 | 0.54 | -0.13 |
| (VI) Trust | - | - | - | - | 25000 | - | 25000 | 0.02 | 0.02 |
| SUB TOTAL (B)(2): | 49236812 | 730776 | 49967588 | 38.90 | 49350511 | 706861 | 50057372 | 38.97 | 0.07 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 49468366 | 734165 | 50202531 | 39.08 | 49492281 | 710250 | 50202531 | 39.08 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 127719711 | 734165 | 128453876 | 100.00 | 127743626 | 710250 | 128453876 | 100.00 | - |

(ii) SHARE HOLDING OF PROMOTERS

| SN | Shareholders Name | No. of Shares held at the beginning of the year i.e. 01.04.2018 | | | No. of Shares held at the end of the year i.e. 31.03.2019 | | | % change in share holding during the year |
|----|---------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------|------------------------------------------------|-----------------------------------------------------------|----------------------------------|------------------------------------------------|-------------------------------------------|
| | | No of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | |
| 1. | Chintan Navnit Parikh | 147900 | 0.12 | – | 147900 | 0.12 | – | – |
| 2. | Shefali C. Parikh | 88720 | 0.07 | – | 88720 | 0.07 | – | – |
| 3. | Krishnachintan Chintan Parikh | 31300 | 0.02 | – | 31300 | 0.02 | – | – |
| 4. | Chintan Navnitlal Parikh (HUF) | 30425 | 0.02 | – | 30425 | 0.02 | – | – |
| 5 | Albus Investments Private Limited | 16596808 | 12.92 | – | 16596808 | 12.92 | – | – |
| 6 | Apus Investments Private Limited | 58684751 | 45.68 | – | 58684751 | 45.68 | – | – |
| 7 | Chintan N. Parikh and Shefali Chintan Parikh Trustees of Navchintan Trust | 2671441 | 2.08 | – | 2671441 | 2.08 | – | – |
| | Total -----> | 78251345 | 60.92 | – | 78251345 | 60.92 | – | – |

(iii) Change in Promoters' Shareholding (Specify if there is No Change)

| SN. | Particulars | Shareholding at the beginning of the year 01.04.2018 | | Change in Shareholding , i.e. Increase/Decrease | | Cumulative Shareholding as on 31.03.2019 | |
|-----------|-------------|------------------------------------------------------|----------------------------------|-------------------------------------------------|---------------|------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | Date of Transaction | No. of shares | No. of shares | % of total shares of the company |
| No Change | | | | | | | |

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

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the Financial Year as on 01.04.2018 | | Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares) | | Cumulative Share holding at the end of the year as on 31.03.2019 | |
|----|-------------------------------------------|----------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------|---------|------------------------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No of shares | % of total shares of the company |
| 1. | ASSET RECONSTRUCTION COMPANY (INDIA) LTD. | 9268627 | 7.22 | - | - | 9268627 | 7.22 |
| | Transfer | - | - | 31 Aug 2018 | (25547) | 9243080 | 7.20 |
| | Transfer | - | - | 07 Sep 2018 | (28565) | 9214515 | 7.17 |
| | Transfer | - | - | 14 Sep 2018 | (12900) | 9201615 | 7.16 |
| | At the end of the Year | - | - | - | - | 9201615 | 7.16 |
| 2 | ANKITA VISHAL SHAH | 930000 | 0.72 | - | - | 930000 | 0.72 |
| | Transfer | - | - | 06 Apr 2018 | (28000) | 902000 | 0.70 |
| | Transfer | - | - | 13 Apr 2018 | (65000) | 837000 | 0.65 |
| | Transfer | - | - | 27 Apr 2018 | 256600 | 1093600 | 0.85 |
| | Transfer | - | - | 04 May 2018 | 10733 | 1104333 | 0.85 |
| | Transfer | - | - | 11 May 2018 | (14567) | 1089766 | 0.85 |
| | Transfer | - | - | 25 May 2018 | 97597 | 1187363 | 0.92 |
| | Transfer | - | - | 01 Jun 2018 | (11503) | 1175860 | 0.92 |
| | Transfer | - | - | 13 Jul 2018 | (48213) | 1127647 | 0.88 |
| | Transfer | - | - | 20 Jul 2018 | 231053 | 1358700 | 1.06 |
| | Transfer | - | - | 27 Jul 2018 | (11723) | 1346977 | 1.05 |
| | Transfer | - | - | 03 Aug 2018 | (46294) | 1300683 | 1.01 |
| | Transfer | - | - | 10 Aug 2018 | (44066) | 1256617 | 0.97 |
| | Transfer | - | - | 17 Aug 2018 | 36482 | 1293099 | 1.01 |
| | Transfer | - | - | 24 Aug 2018 | (3450) | 1289649 | 1.00 |
| | Transfer | - | - | 31 Aug 2018 | (3226) | 1286423 | 1.00 |
| | Transfer | - | - | 05 Oct 2018 | 43705 | 1330128 | 1.03 |
| | Transfer | - | - | 12 Oct 2018 | 218663 | 1548791 | 1.20 |
| | Transfer | - | - | 19 Oct 2018 | 187699 | 1736490 | 1.35 |
| | Transfer | - | - | 26 Oct 2018 | 16018 | 1752508 | 1.36 |
| | Transfer | - | - | 02 Nov 2018 | 17241 | 1769749 | 1.38 |
| | Transfer | - | - | 09 Nov 2018 | (22144) | 1747605 | 1.36 |

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the Financial Year as on 01.04.2018 | | Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares) | | Cumulative Share holding at the end of the year as on 31.03.2019 | |
|----|-------------------------------------|----------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------|----------|------------------------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No of shares | % of total shares of the company |
| | Transfer | - | - | 23 Nov 2018 | (21316) | 1726289 | 1.34 |
| | Transfer | - | - | 14 Dec 2018 | (10352) | 1715937 | 1.34 |
| | Transfer | - | - | 21 Dec 2018 | (80584) | 1635353 | 1.27 |
| | Transfer | - | - | 28 Dec 2018 | (85353) | 1550000 | 1.21 |
| | Transfer | - | - | 31 Dec 2018 | 8600 | 1558600 | 1.21 |
| | Transfer | - | - | 04 Jan 2019 | (58600) | 1500000 | 1.17 |
| | Transfer | - | - | 11 Jan 2019 | 20500 | 1520500 | 1.18 |
| | Transfer | - | - | 18 Jan 2019 | 110500 | 1631000 | 1.27 |
| | Transfer | - | - | 25 Jan 2019 | 124 | 1631124 | 1.27 |
| | Transfer | - | - | 08 Feb 2019 | 1565 | 1632689 | 1.27 |
| | Transfer | - | - | 15 Feb 2019 | 2549 | 1635238 | 1.27 |
| | Transfer | - | - | 22 Feb 2019 | 43768 | 1679006 | 1.31 |
| | Transfer | - | - | 01 Mar 2019 | 16224 | 1695230 | 1.32 |
| | Transfer | - | - | 08 Mar 2019 | 46809 | 1742039 | 1.36 |
| | Transfer | - | - | 15 Mar 2019 | 8171 | 1750210 | 1.36 |
| | At the end of the Year | - | - | - | - | 1750210 | 1.36 |
| 3. | JAYESH PRATAPCHAND SHAH | 700000 | 0.54 | - | - | 700000 | 0.54 |
| | Transfer | - | - | 20 Apr 2018 | 274358 | 974358 | 0.76 |
| | Transfer | - | - | 04 May 2018 | 58652 | 1033010 | 0.80 |
| | Transfer | - | - | 11 May 2018 | 166990 | 1200000 | 0.93 |
| | Transfer | - | - | 30 Jun 2018 | 10000 | 1210000 | 0.94 |
| | Transfer | - | - | 13 Jul 2018 | 100000 | 1310000 | 1.02 |
| | Transfer | - | - | 10 Aug 2018 | (600000) | 710000 | 0.55 |
| | At the end of the Year | - | - | - | - | 710000 | 0.55 |
| 4. | JUGAL KISHORE MAHESHWARI | 434380 | 0.34 | - | - | 434380 | 0.34 |
| | Transfer | - | - | 25 May 2018 | 12899 | 447279 | 0.35 |
| | Transfer | - | - | 08 Jun 2018 | 44250 | 491529 | 0.38 |
| | Transfer | - | - | 22 Jun 2018 | 15000 | 506529 | 0.39 |
| | Transfer | - | - | 27 Jul 2018 | (63000) | 443529 | 0.35 |
| | Transfer | - | - | 10 Aug 2018 | (46000) | 397529 | 0.31 |
| | Transfer | - | - | 17 Aug 2018 | 63000 | 460529 | 0.36 |
| | Transfer | - | - | 24 Aug 2018 | 46000 | 506529 | 0.39 |
| | Transfer | - | - | 21 Sep 2018 | (28000) | 478529 | 0.37 |
| | Transfer | - | - | 09 Nov 2018 | 28000 | 506529 | 0.39 |
| | At the end of the Year | - | - | - | - | 506529 | 0.39 |



| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the Financial Year as on 01.04.2018 | | Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares) | | Cumulative Share holding at the end of the year as on 31.03.2019 | |
|----|-------------------------------------|----------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------|---------|------------------------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No of shares | % of total shares of the company |
| 5. | ROSY BLUE SECURITIES PVT LTD | 500000 | 0.39 | - | - | 500000 | 0.39 |
| | At the end of the Year | - | - | - | - | 500000 | 0.39 |
| 6. | CHAMPAKLAL BABALDAS VORA | 378902 | 0.30 | - | - | 378902 | 0.30 |
| | Transfer | - | - | 25 May 2018 | (1) | 378901 | 0.30 |
| | Transfer | - | - | 15 Jun 2018 | 9000 | 387901 | 0.30 |
| | Transfer | - | - | 06 Jul 2018 | (3294) | 384607 | 0.30 |
| | Transfer | - | - | 10 Aug 2018 | 18000 | 402607 | 0.31 |
| | Transfer | - | - | 07 Sep 2018 | 23000 | 425607 | 0.33 |
| | Transfer | - | - | 18 Jan 2019 | 500 | 426107 | 0.33 |
| | Transfer | - | - | 22 Mar 2019 | 37000 | 463107 | 0.36 |
| | At the end of the Year | - | - | - | - | 463107 | 0.36 |
| 7. | MARWADI SHARES AND FINANCE LTD. | 51885 | 0.04 | - | - | 51885 | 0.04 |
| | Transfer | - | - | 06 Apr 2018 | 7503 | 59388 | 0.05 |
| | Transfer | - | - | 13 Apr 2018 | 1639 | 61027 | 0.05 |
| | Transfer | - | - | 20 Apr 2018 | 3128 | 64155 | 0.05 |
| | Transfer | - | - | 27 Apr 2018 | (7929) | 56226 | 0.04 |
| | Transfer | - | - | 04 May 2018 | (1534) | 54692 | 0.04 |
| | Transfer | - | - | 11 May 2018 | (4982) | 49710 | 0.04 |
| | Transfer | - | - | 18 May 2018 | (399) | 49311 | 0.04 |
| | Transfer | - | - | 25 May 2018 | (3350) | 45961 | 0.04 |
| | Transfer | - | - | 01 Jun 2018 | 200 | 46161 | 0.04 |
| | Transfer | - | - | 08 Jun 2018 | 2050 | 48211 | 0.04 |
| | Transfer | - | - | 15 Jun 2018 | (11147) | 37064 | 0.03 |
| | Transfer | - | - | 22 Jun 2018 | (1409) | 35655 | 0.03 |
| | Transfer | - | - | 30 Jun 2018 | 7461 | 43116 | 0.03 |
| | Transfer | - | - | 06 Jul 2018 | 750 | 43866 | 0.03 |
| | Transfer | - | - | 13 Jul 2018 | 26739 | 70605 | 0.06 |
| | Transfer | - | - | 20 Jul 2018 | 14430 | 85035 | 0.07 |
| | Transfer | - | - | 27 Jul 2018 | 18383 | 103418 | 0.08 |
| | Transfer | - | - | 03 Aug 2018 | (3750) | 99668 | 0.08 |
| | Transfer | - | - | 10 Aug 2018 | 6869 | 106537 | 0.08 |
| | Transfer | - | - | 17 Aug 2018 | 2350 | 108887 | 0.08 |
| | Transfer | - | - | 24 Aug 2018 | (432) | 108455 | 0.08 |
| | Transfer | - | - | 31 Aug 2018 | (6600) | 101855 | 0.08 |
| | Transfer | - | - | 07 Sep 2018 | 470 | 102325 | 0.08 |
| | Transfer | - | - | 14 Sep 2018 | 12503 | 114828 | 0.09 |

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the Financial Year as on 01.04.2018 | | Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares) | | Cumulative Share holding at the end of the year as on 31.03.2019 | |
|-----|-------------------------------------|----------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------|---------|------------------------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No of shares | % of total shares of the company |
| | Transfer | - | - | 21 Sep 2018 | (500) | 114328 | 0.09 |
| | Transfer | - | - | 29 Sep 2018 | (5250) | 109078 | 0.08 |
| | Transfer | - | - | 05 Oct 2018 | 2100 | 111178 | 0.09 |
| | Transfer | - | - | 12 Oct 2018 | (5650) | 105528 | 0.08 |
| | Transfer | - | - | 19 Oct 2018 | 1050 | 106578 | 0.08 |
| | Transfer | - | - | 26 Oct 2018 | (146) | 106432 | 0.08 |
| | Transfer | - | - | 02 Nov 2018 | 200 | 106632 | 0.08 |
| | Transfer | - | - | 09 Nov 2018 | 200 | 106832 | 0.08 |
| | Transfer | - | - | 16 Nov 2018 | (40216) | 66616 | 0.05 |
| | Transfer | - | - | 23 Nov 2018 | 7 | 66623 | 0.05 |
| | Transfer | - | - | 30 Nov 2018 | (14996) | 51627 | 0.04 |
| | Transfer | - | - | 07 Dec 2018 | (700) | 50927 | 0.04 |
| | Transfer | - | - | 14 Dec 2018 | (100) | 50827 | 0.04 |
| | Transfer | - | - | 21 Dec 2018 | 25659 | 76486 | 0.06 |
| | Transfer | - | - | 28 Dec 2018 | (550) | 75936 | 0.06 |
| | Transfer | - | - | 04 Jan 2019 | 7944 | 83880 | 0.07 |
| | Transfer | - | - | 11 Jan 2019 | 56809 | 140689 | 0.11 |
| | Transfer | - | - | 18 Jan 2019 | 30733 | 171422 | 0.13 |
| | Transfer | - | - | 25 Jan 2019 | 18189 | 189611 | 0.15 |
| | Transfer | - | - | 01 Feb 2019 | 42650 | 232261 | 0.18 |
| | Transfer | - | - | 08 Feb 2019 | 40309 | 272570 | 0.21 |
| | Transfer | - | - | 15 Feb 2019 | 6598 | 279168 | 0.22 |
| | Transfer | - | - | 22 Feb 2019 | 2244 | 281412 | 0.22 |
| | Transfer | - | - | 01 Mar 2019 | (2621) | 278791 | 0.22 |
| | Transfer | - | - | 08 Mar 2019 | 37021 | 315812 | 0.25 |
| | Transfer | - | - | 22 Mar 2019 | 27042 | 342854 | 0.27 |
| | Transfer | - | - | 29 Mar 2019 | 2871 | 345725 | 0.27 |
| | At the end of the Year | - | - | - | - | 345725 | 0.27 |
| 8. | VISHAL PANKAJ DEDHIA (HUF) | 319552 | 0.25 | - | - | 319552 | 0.25 |
| | Transfer | - | - | 20 Apr 2018 | (4552) | 315000 | 0.25 |
| | Transfer | - | - | 13 Jul 2018 | (10000) | 305000 | 0.24 |
| | At the end of the Year | - | - | - | - | 305000 | 0.24 |
| 9. | RAHUL BHARAT DEDHIA (HUF) | 309552 | 0.24 | - | - | 309552 | 0.24 |
| | Transfer | - | - | 20 Apr 2018 | (4552) | 305000 | 0.24 |
| | At the end of the Year | - | - | - | - | 305000 | 0.24 |
| 10. | MENTOR CAPITAL LIMITED | 378671 | 0.29 | - | - | 378671 | 0.29 |
| | Transfer | - | - | 04 May 2018 | (76490) | 302181 | 0.24 |
| | At the end of the Year | - | - | - | - | 302181 | 0.24 |

* The reason for change of shareholding as described above is due to Share Transfer

**(v) Shareholding of Directors & KMP**

| SN | For each of the Directors & KMP | Shareholding at the beginning of the year April 01, 2018 | | Change * in Shareholding i.e. Increase/ (Decrease) (Date & No. of Shares) | | Cumulative Share holding at the end of the year | |
|----|---------------------------------|----------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------|-------|-------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No. of shares | % of total shares of the company |
| 1. | Mr. Chintan N. Parikh | 147900 | 0.12 | - | - | 147900 | 0.12 |
| 2. | Dr. Bakul H. Dholakia | 3400 | 0.00 | - | - | 3400 | 0.00 |
| 3. | Mr. Krishnachintan Parikh | 31300 | 0.02 | - | - | 31300 | 0.02 |
| 4. | Mr. Hiren S. Mahadevia | 34930 | 0.03 | - | - | 34930 | 0.03 |
| | Transfer | - | - | 20 Oct 2018 | (250) | 34680 | 0.03 |
| | At the end of the Year | - | - | - | - | 34680 | 0.03 |

Note: Except above Directors and KMP, no other Directors and KMP hold any shares of the Company.

V. INDEBTEDNESS

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

(₹ in Lacs)

| Particulars | | Secured Loans excluding deposits | Unsecured Loans@ | Deposits | Total Indebtedness |
|------------------------------------------------------------|-------------------------------|----------------------------------|------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | | |
| i) | Principal Amount | 1303.62 | 1589.66 | - | 2893.28 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not paid | 9.13 | - | - | 9.13 |
| Total (i+ii+iii) | | 1312.75 | 1589.66 | - | 2902.47 |
| Change in Indebtedness during the financial year | | | | | |
| Addition | | - | 41.54 | - | 41.54 |
| Reduction | | 195.54 | 320.47 | - | 516.02 |
| Indebtedness at the end of the financial year | | | | | |
| i) | Principal Amount | 1108.07 | 1310.72 | - | 2418.80 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not paid | 8.04 | - | - | 8.04 |
| Total (i+ii+iii) | | 1116.12 | 1310.72 | - | 2426.84 |

@ Includes redeemable non-cumulative preference shares, which are considered as debt under Ind-AS, based on terms of issue.

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Director and /or Manager:**

(Amt. in ₹)

| SN | Particulars of Remuneration | Managing Director | Whole-Time Director | Total Amount |
|----|------------------------------------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
| | | Mr. Chintan Parikh | Mr. Krishnachintan Parikh | |
| 1. | Gross Salary | | | |
| | (a) Salary as per the section 17(1) of the IT Act, 1961 | 84,00,000 | 48,00,000 | 1,32,00,000 |
| | (b) Value of perquisites u/s 17(2) of the IT Act, 1961 | – | – | – |
| | (c) Profit in lieu of Salary u/s 17(3) of the IT Act, 1961 | – | – | – |
| 2. | Stock Options | – | – | – |
| 3. | Sweat Equity | – | – | – |
| 4. | Commission; | – | – | – |
| | - As a % of Profit | – | – | – |
| | - Others, Specify | – | – | – |
| 5. | Others, Specify | – | – | – |
| | Total | 84,00,000 | 48,00,000 | 1,32,00,000 |
| | *Ceiling as per the Act | ₹ 84 Lacs p.a. & applicable perquisites | ₹ 84 Lacs p.a. & applicable perquisites | ₹ 168 Lacs p.a. & applicable perquisites |

* The amount mentioned in ceiling is as per the approval granted by the Shareholders of the Company which is within the applicable ceiling prescribed under Schedule V of the Companies Act, 2013.

B. Remuneration to Other Directors:**1) Independent Directors**

(Amt. in ₹)

| Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|----------------------------------------------|----------------------------------------------------------------------|---------------------|------------------|----------------------|----------------------|-------------------|
| | Dr. Bakul Dholakia | Mr. Bihari B. Shah* | Mr. Neeraj Golas | Mr. Atul Kumar Singh | Mr. Sanjay Majmudar# | |
| Fees for attending Board/ Committee Meetings | 39,000/- | 63,000/- | 52,000/- | 23,000/- | 23,000/- | 2,00,000 |
| Commission | – | – | – | – | – | – |
| Other, Please specify | – | – | – | – | – | – |
| Total | 39,000/- | 63,000/- | 52,000/- | 23,000/- | 23,000/- | 2,00,000/- |
| *Ceiling as per the Act | Not Applicable as except sitting fees, no other remuneration is paid | | | | | |

* Resigned as Non-Executive Independent Director w.e.f. 09.02.2019.

Appointed as Non-Executive Independent Director w.e.f. 03.11.2018.

**2) Other Non Executive Directors**

(Amt. in ₹)

| Particulars of remuneration | Name of Directors | Total Amount |
|----------------------------------------------|----------------------------------------------------------------------|-----------------|
| | Mrs. Koushlya Melwani | |
| Fees for attending Board/ Committee Meetings | 69,000/- | 69,000/- |
| Commission | – | – |
| Other, Please specify | – | – |
| Total | 69,000/- | 69,000/- |
| *Ceiling as per the Act | Not Applicable as except sitting fees, no other remuneration is paid | |

C. Remuneration to Key Managerial Personnel, other than MD/Manager/WTd

(Amt. in ₹)

| S.N. | Particulars of Remuneration | Company Secretary | Chief Financial Officer | Total Amount |
|------|---------------------------------------------------------|--------------------|-------------------------|--------------------|
| 1. | Gross Salary | | | |
| | (a) Salary as per the section 17(1) of the IT Act, 1961 | | | |
| | i) For the year | 1,20,92,982 | 50,18,896 | 1,71,11,878 |
| | ii) Arrears@ | 71,21,881 | 4,32,017 | 75,53,898 |
| | Total | 1,92,14,863 | 54,50,913 | 2,46,65,776 |
| | (b) Value of perquisites u/s 17(2) of the IT Act, 1961 | -- | -- | -- |
| 2. | Stock Options | -- | -- | -- |
| 3. | Sweat Equity | -- | -- | -- |
| 4. | Commission; | -- | -- | -- |
| | - As a % of Profit | -- | -- | -- |
| | - Others, Specify | -- | -- | -- |
| 5. | Others, Specify | -- | -- | -- |
| | Total | 1,92,14,863 | 54,50,913 | 2,46,65,776 |

@ Arrears for preceding 4 years in case of Company Secretary and preceding 1 year in case of Chief Financial Officer

VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCE (UNDER THE COMPANIES ACT):

There were no penalties / punishments / compounding of offences for the year ended on March 31, 2019.

For and on behalf of the Board

Place : Ahmedabad
Date : May 25, 2019

Chintan N. Parikh
Chairman and Managing Director
(DIN:00155225)

ANNEXURE-3

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Sr. No. | Particulars |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Ratio of Remuneration of Chairman & Managing Director to the median remuneration of employees of the Company is 43.40 : 1 and that of Executive Director is 23.18 : 1. Other directors have been in receipt of only the fees for attending Board / Committee Meetings. |
| 2 | The increase in remuneration of Chairman and Managing Director is nil, that of Executive Director is 89.00%, that of Company Secretary is 8.92% and that of Chief Financial Officer is 9.37%. |
| 3 | The percentage increase in the median remuneration of employees is -0.64% (reduction). This is due to reduction in number of employees. |
| 4 | There were 485 permanent employees on the rolls of the company as on March 31 2019. |
| 5 | Average increase in remuneration of Managerial Personnel (KMP including CMD and ED) is 13.37% while that of other employees is 13.25% |
| 6 | The remuneration is as per the Nomination and Remuneration Policy of the Company. |

Note: Remuneration payable for the relevant year for comparable employees is taken into consideration for all above calculations.

Effect of any arrears or deferred payments for earlier periods have been ignored for the calculations.

For and on behalf of the Board

Place : Ahmedabad
Date : May 25, 2019

Chintan N. Parikh
Chairman and Managing Director
(DIN:00155225)



ANNEXURE-4
SECRETARIAL AUDIT REPORT

For the financial year ended March 31 2019

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

To,
The Members,
ASHIMA LIMITED
CIN : L99999GJ1982PLC005253
Texcellence Complex,
Khokhara – Mehmedabad,
Ahmedabad - 380021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ashima 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 March 31, 2019 generally 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 the Company for the financial year ended on March 31, 2019 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c) 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;
- (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS -1 and SS - 2)

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Textile Industry and involved in specific products, only Textiles (Development and Regulation) Order, 2001 is applicable to the Company, for which examination of the relevant documents and records, on test check basis, has been carried out.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018; and
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

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 generally 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.

During the year, all decision in the Board Meetings were carried unanimously.

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

1. Appointment of Mr. Sanjay Majmudar as an Additional Director (Independent) of the Company w.e.f. November 03, 2018, for a period of five years.
2. Resignation of Mr. Bihari Shah, Independent Director of the Company w.e.f February 09, 2019.
3. Revision in remuneration of Mr. Krishnachintan Parikh, Whole-time Director of the Company, w.e.f. April 01, 2018 was approved by the members in last AGM held on August 11, 2018.

Signature:**Name of Company Secretary in practice: Tapan Shah**

Place : Ahmedabad

Date : May 25, 2019

FCS No.: 4476**C P No.: 2839**

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



ANNEXURE-A

The Members,
ASHIMA LIMITED
CIN : L99999GJ1982PLC005253
Texcellence Complex,
Khokhara – Mehmedabad,
Ahmedabad - 380021

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Name of Company Secretary in practice: Tapan Shah

Place : Ahmedabad
Date : May 25, 2019

FCS No.: 4476
C P No.: 2839

CEO AND CFO CERTIFICATION

To,
The Board of Directors
Ashima Limited
Ahmedabad.

We certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2019 and that to the best of our 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 violative 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:
 - (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.

Chintan N. Parikh
Chairman & Managing Director

Jayesh C. Bhayani
Chief Financial Officer

Place : Ahmedabad
Date : May 25, 2019



ANNEXURE-5

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance Report for the year ended on March 31, 2019:

1. Company's Philosophy on Corporate Governance:

Ashima believes in transparency and has immense value for the principles of corporate governance. Ashima understands that accountability, equity and total transparency in its interaction with all stakeholders is its responsibility while conducting its business and hence is totally committed to achieving highest levels of standards in corporate governance practice. It is a well accepted fact both in India and world over that a good governed organization results in maximizing its stakeholders value in long run. In line with these globally accepted principles of good corporate governance, Ashima has ensured and implemented the same in its true letter and spirit, to maximize shareholders' wealth. Ashima believes that good corporate governance practice enables the management to direct and control the affairs of a company in a more efficient manner and achieve its ultimate goal of maximizing value for all its stakeholders.

A Report on compliance with the principles of Corporate Governance as prescribed by Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

2. Board of Directors:

- a. The current policy is to have an optimal blend of Executive and Independent Directors having in-depth knowledge of textile industry in addition to their own areas of specialization and expertise. The size and composition of the Board conforms to the requirements of the Corporate Governance code under Regulation 17(1) and Regulation 17(1A) of SEBI Regulations. The Board of Directors of the Company as at March 31, 2019 comprised of 7 Directors including one Woman Director with more than 50% of it as Non-Executive Independent Directors. Further none of the Directors is member of more than 10 (ten) board level committees and Chairperson of more than 5 (five) board level committees across all listed entities in which he/she is a Director. For this purpose, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered as per SEBI Regulations. None of the Directors is a Director in more than eight listed companies. None of the Independent Directors of the Company serve as an Independent Director in more than 7 (seven) listed companies and none of the Independent Directors is serving as an Independent Director in more than 3 (three) listed entities if he / she is serving as a Whole Time Director in any listed entity. The board comprises of 7 (Seven) Directors as on March 31, 2019, details of which are as follows:-

| Category | Name of Directors |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Promoter Directors | 1. Mr. Chintan N. Parikh – Chairman and Managing Director 2. Mr. Krishnachintan Parikh – Executive Director |
| Non-Executive Independent Directors | 3. Dr. Bakul H. Dholakia 4. Mr. Neeraj Golas 5. Mr. Atul Kumar Singh 6. Mr. Sanjay Majmudar |
| Non – Executive Non Independent Director | 7. Mrs. Koushlya Melwani |

Brief resume of Directors seeking appointment/ reappointment under the Companies Act, 2013 and information required under Regulation 36(3) of the SEBI Regulations with respect to the directors retiring and seeking re-appointment / directors sought to be appointed, is as under:-

- At the ensuing Annual General Meeting, Mr. Chintan N. Parikh, Managing Director of the Company, retires by rotation and being eligible is seeking re-appointment. A brief profile of the said Director is as under:

Mr. Chintan N. Parikh, Founder and Chairman of Group Ashima, started his career as a first-generation entrepreneur in 1981, at the age of 24. He had a dream to make Ashima, a front runner in the world of cotton textiles. In nineties, his vision to bring world class technology and global customers at the doorstep of India, started a new era for cotton fabrics in India. He is an alumnus of Indian Institute of Management, Ahmedabad, where later he was also a member of the Board of Governors for several years till 2016. He was also the Chairman of Confederation of Indian Textile Industry (CITI) in the year 2003. He has about 37 years' experience in the field of Textiles. He has been steering the Company with focus on innovation and operational efficiency and is responsible for day to day management and affairs of the Company, subject to overall superintendence, control and directions of the Board of Directors of the Company.

- At the ensuing Annual General Meeting, Mr. Sanjay Majmudar, Director who was appointed as an Additional Director (Non-Executive Independent Director) w.e.f. November 03, 2018 by the Board of Directors of the Company, is to be appointed as an Independent Director by the Shareholders. His brief profile is as under:

Mr. Sanjay S. Majmudar is having academic qualifications B. Com, LLB, FCA and Final CS. He had a bright academic record (eighth rank in India in CA final examination and first rank in Gujarat University in B. Com) and having post qualification experience of about 33 years in the field of Corporate Laws, Direct Tax Laws, Mergers and Acquisitions, Transfer Pricing and related matters. He has extensive experience in the areas of Capital Markets and Securities Laws, Banking and Finance, Insolvency and Bankruptcy Laws and Corporate Governance matters. He has travelled extensively to various countries for international consultancy of various clients for establishment of WOS / Joint Ventures etc. He has contributed several articles of professional interest and has also written papers on allied topics relevant to the profession. He is also a director on the Boards of reputed listed companies.

- At the ensuing Annual General Meeting, Dr. Bakul H. Dholakia, Non-Executive Independent Director is to be re-appointed by the Shareholders for second tenure as Independent Director. His brief profile is as under:

Dr. Bakul H. Dholakia is having educational qualifications of M.A. (Economics) and Ph. D (Economics). He is Ex-director of Indian Institute of Management, Ahmedabad. He has about 50 years of professional experience including 33 years at IIM, Ahmedabad. He was awarded Padma Shri by Government of India in recognition of his distinguished services in the field of education. He is Chairman of Audit Committee and Nomination and Remuneration Committee.

- At the ensuing Annual General Meeting, Mr. Vipul Naik, Director who was appointed as an Additional Director (Non-Executive Non-Independent Director) w.e.f. May 25, 2019 by the Board of Directors of the Company, is to be appointed as a Non-Independent Director by the Shareholders. His brief profile is as under:

Mr. Vipul Naik is a Science Graduate and has completed post graduate Diploma in Textile Chemistry from M.S. University, Vadodara. He has started his career in 1990 from Mafatlal Fine Mills, Navsari as a trainee in R&D Department and had an opportunity to closely work with a highly knowledgeable international technician from Tootal U.K. due to foreign collaboration of Mafatlal and Tootal U.K. At Mafatlal, he has experience of about 6 years related to export quality fabric specifications and international market requirements.

He joined Group Ashima in 1997 and has the exposure to various departments right from Grey fabric to Preparatory, Dyeing, Finishing and Finished fabric inspection & packaging as well as product development and Customer service. He has closely worked with many technical teams



of well known premium brands to execute the orders as per their standards and is currently working as a Business head of Ashima Dyecot Pvt. Ltd., managing Piece dyed fabric business with a responsibility for all activities of Plant, Marketing, Grey fabric and general Purchase. He possesses an overall experience of 27 years.

- At the ensuing Annual General Meeting, Mrs. Koushlya Melwani, Non-Independent Director is to be appointed by the Shareholders as an Independent Director. Her brief profile is as under:
Mrs. Koushlya Melwani is a professionally qualified Cost and Management Accountant from the Institute of Cost Accountants of India and having 29 years' of professional experience in the field of project finance, company law & cost accounting. She was associated with the Company as Cost Auditor for a period prior to the financial year 2013-14.

b. Attendance of each director at the meeting of board of directors and at the last AGM:

| Sr. No. | Name of the Directors | Number of Board Meetings attended | Last AGM attended (Yes/No) |
|---------|---------------------------|-----------------------------------|----------------------------|
| 1. | Mr. Chintan N. Parikh | 4 | Yes |
| 2. | Dr. Bakul H. Dholakia | 2 | No |
| 3. | Mr. Bihari B. Shah* | 4 | Yes |
| 4. | Mr. Neeraj Golas | 4 | Yes |
| 5. | Mrs. Koushlya Melwani | 4 | Yes |
| 6. | Mr. Atul Kumar Singh | 2 | No |
| 7. | Mr. Krishnachintan Parikh | 2 | Yes |
| 8. | Mr. Sanjay Majmudar# | 2 | - |

* Resigned as Non-Executive Independent Director w.e.f. 09.02.2019.

Appointed as Non-Executive Independent Director w.e.f. 03.11.2018.

c. Number of other Companies in which the Directors are Director/ Chairman and other Board Committees in which they are Member or Chairperson and also the names of the listed entities where they are directors and the category of their directorship:

| Sr. No. | Name of the Director(s) | Number of Directorships including alternate director@ | No. of memberships in board committees^ | Whether Chairman/ Member | Names of the Listed Entities, wherein the person is a Director and category of Directorship |
|---------|---------------------------|-------------------------------------------------------|-----------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Mr. Chintan N. Parikh | 3 | - | - | - |
| 2. | Dr. Bakul H. Dholakia | 4 | 3 | Chairman-1 Member-2 | 1. Arvind Ltd – Independent Director 2. Gujarat State Petronet Ltd – Independent Director |
| 3. | Mr. Bihari B. Shah* | - | - | - | - |
| 4. | Mr. Neeraj Golas | - | - | - | - |
| 5. | Mrs. Koushlya Melwani | - | - | - | - |
| 6. | Mr. Atul Kumar Singh | - | - | - | - |
| 7. | Mr. Krishnachintan Parikh | 1 | - | - | - |
| 8. | Mr. Sanjay Majmudar# | 5 | 7 | Chairman-3 Member-4 | 1.Aarvee Denims & Exports Ltd. – Independent Director 2.Welcast Steels Ltd - Independent Director 3. AIA Engineering Ltd – Independent Director 4. Dishman Carbogen Amcis Ltd – Independent Director |

* Resigned as Non-Executive Independent Director w.e.f. 09.02.2019.

Appointed as Non-Executive Independent Director w.e.f. 03.11.2018.

- Note:** @ includes Directorship of Private Limited Companies.
 ^ Includes only memberships of Audit Committee and Stakeholders Relationship Committee other than Ashima Limited.

d. Number of board meetings held during the year 2018-19:

The board meets at least once in a quarter to review the quarterly results and consider other items on agenda. During the year 2018-19, the Board of Directors of the Company met 4 (four) times on following dates:- May 19, 2018, August 11, 2018, November 03, 2018 and February 09, 2019.

The gap between any two meetings never exceeded 120 days. The dates of the meeting were generally decided well in advance. The minimum information as required under Part A of Schedule II to Regulation 17 (7) of the SEBI Regulations is being made available to the board at respective board meetings.

e. Disclosure of relationships between directors inter-se:

Except between Mr. Chintan N. Parikh (Chairman & Managing Director) and his son Mr. Krishnachintan Parikh (Executive Director), there is no relationship between the Directors inter-se.

f. Number of shares and convertible instruments held by non-executive directors:

| Sr. No. | Name of Directors | Shareholding at the end of the year 31.03.2019 | |
|---------|-----------------------|------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company |
| 1. | Mrs. Koushlya Melwani | Nil | --- |
| 2. | Mr. Neeraj Golas | Nil | --- |
| 3. | Mr. Bihari B. Shah* | Nil | -- |
| 4. | Dr. Bakul H. Dholakia | 3400 | 0.00 |
| 5. | Mr. Atul Kumar Singh | Nil | --- |
| 6. | Mr. Sanjay Majmudar# | Nil | --- |

* Resigned as Non-Executive Independent Director w.e.f. 09.02.2019.

Appointed as Non-Executive Independent Director w.e.f. 03.11.2018.

g. Details of familiarization programme imparted to Independent Directors:

The Independent Directors, who are from diverse fields of expertise and having immense experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under SEBI Regulations, the Independent Directors are apprised during the board /committee meetings on the Company operations, governance, internal control process and other relevant matters. They are also updated about the amendments to the various enactments viz., Companies Act, 2013, SEBI Regulations and other important changes in the regulatory framework and business environment having impact on the Company, by way of presentations. The details of familiarization programme imparted to independent directors during the year 2018-19 is placed on website of the company www.ashima.in

h. Annual Evaluation of Board of Directors and Independent Directors:

Pursuant to the provisions of the Act, SEBI Regulations and Nomination & Remuneration policy of the Company, the Board of Directors / Independent Directors / Nominee & Remuneration Committee has undertaken an evaluation of performance of all Individual Directors including Independent Directors, the Chairman of the Board of Directors and Board as a whole based on various parameters / criteria such as qualifications, knowledge, experience, competency, availability, attendance and fulfillment of functions, commitment, integrity and contributions, governance and compliance with laws, grievance



redressal of the investors & stakeholders, independent views and judgments, leadership effectiveness, Initiative, Commitment & Contribution to Board process etc.

i. Chart or a Matrix setting out the Skills/Expertise/Competence of the Board of Directors:

The Company's Board is a skills /expertise based board comprising directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company. The Board has identified the skills and attributes required of Company directors which can be broadly categorised as follows:

- i) Knowledge of Company's business (i.e. Textile Industry), policies, major risks/threats and potential opportunities, technical /professional skills and specialized knowledge of Company's business
- ii) Sales & Marketing skills (both domestic & International),
- iii) Business strategy & Analytics, Critical & Innovative thinking
- iv) Corporate Management and Corporate Governance
- v) Financial and Management skills, administration
- vi) Leadership and decision making
- vii) Behavioural skills -Attributes and competencies to use knowledge and skills for effective contribution to Company's growth
- viii) Risk identification- Legal and Regulatory compliance

j. Confirmation as regards independence of Independent Directors:

Based on the confirmation / disclosures received from the Independent Directors, the Board of Directors confirm that in its opinion, the Independent Directors fulfill the conditions specified in SEBI Regulations and the Companies Act, 2013 and that they are independent from the management of the Company.

k. Reasons for the resignation of an Independent Director:

Mr. Bihari B. Shah, Non-Executive Independent Director of the Company has resigned from the Board of Directors of the Company before expiry of his tenure, w.e.f. February 09, 2019. He has resigned on account of his personal reasons and that there were no other material reasons for his resignation.

3. Audit Committee:

The Board of Directors of the Company has constituted an Audit Committee in the year 2001. The composition of Audit Committee has undergone changes from time to time and lastly it has been re-constituted by the Board of Directors in their meeting held on February 09, 2019. The Audit Committee acts as link between the Statutory and Internal Auditors and the Board of Directors. It assists the Board of Directors in fulfilling its oversight responsibilities of monitoring financial reporting processes, review the Company's established system and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. As on March 31, 2019, the Audit Committee comprised of 3 (Three) Directors viz. Dr. Bakul H. Dholakia, Chairman and Mr. Sanjay Majmudar and Mrs. Koushlya Melwani, the members of the committee. The constitution of audit committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Regulations.

• **Brief description of terms of reference of Audit Committee:**

The major terms of reference of the Audit Committee include oversight of financial reporting process, review of quarterly /annual financial statements, ensuring compliance with the applicable regulatory guidelines, review functioning of whistle blower (vigil) mechanism, review and approval of related party transactions including criteria for granting omnibus approval, review of internal audit reports, evaluation of internal financial controls and risk management systems, scrutiny of inter corporate loans and investments, recommending appointment/re-appointment and remuneration of auditors to the Board of Directors, review of internal control system and internal audit function and also the adequacy and performance of auditors.

- Audit Committee Meetings and attendance:

During the year 2018-19, the Audit Committee met 4 times on May 19, 2018, August 11, 2018, November 03, 2018 and February 09, 2019. The Audit Committee normally reviews those functions which are assigned to it as per the terms of reference approved by Board of Directors. The meeting held on May 19, 2018 was to review annual financial statements for the year ended on March 31, 2018.

Mr. Bihari B. Shah, Independent Director and Member of the Audit Committee was appointed to Chair Audit Committee Meetings and also attend Annual General Meeting in absence of Dr. Bakul Dholakia, the Chairman of Audit Committee. Accordingly, Mr. Bihari B. Shah was present at the 35th Annual General Meeting held on August 11, 2018 as Chairman of the Audit Committee.

- The details of Audit Committee meetings attended by the Directors are given below:

| Sr. No. | Name | Designation | No. of meetings held | No. of meetings attended |
|---------|-----------------------|-------------|----------------------|--------------------------|
| 1. | Dr. Bakul H. Dholakia | Chairman | 4 | 2 |
| 2. | Mr. Bihari B. Shah* | Member | 4 | 4 |
| 3. | Mrs. Koushlya Melwani | Member | 4 | 4 |
| 4. | Mr. Sanjay Majmudar# | Member | - | - |

* Resigned as Member of Audit Committee w.e.f. 09.02.2019

Appointed as member of Audit Committee w.e.f. 09.02.2019

4. Nomination and Remuneration Committee (NRC):

The Board of Directors of the Company has constituted a Nomination & Remuneration committee in the year 2003. The composition of committee has been changed as and when required.

The powers, roles and terms of reference of the Nomination & Remuneration Committee covers the area as contemplated under Regulation 19 of SEBI Regulations and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The roles of Nomination & Remuneration Committee includes:

- Formulation of criteria for determining qualifications, positive attributes and independence of director and recommending to the Board a policy, relating to remuneration for the directors, key managerial personnel and other senior level employees,
- Formulation of criteria for evaluation of performance of Independent Directors and the Board,
- Devising a policy on Board diversity,
- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal,
- to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors,
- recommendation to the board, all remuneration, in whatever form, payable to senior management.

The nomination and remuneration committee at its meeting held on February 09, 2019 has revised a Nomination and Remuneration Policy in the light of certain amendments in the SEBI Regulations and the same was approved by the Board of Directors of the Company. The revised policy which is applicable w.e.f. April 01, 2019 is available on the website of the Company www.ashima.in.

The Nomination and Remuneration committee evaluated the performance of the Independent Directors on the basis of the criteria such as qualifications, knowledge, competency & experience, availability and fulfillment of functions assigned by the Board / Law, Commitment, Integrity & Contribution, independent views and judgments and compliances with policies of the Company, Code of Conduct & Ethics etc.



In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Regulations, at present Dr. Bakul H. Dholakia – Independent Director is the Chairman of the Committee and Mr. Chintan N. Parikh, Mr. Neeraj Golas and Mrs. Koushlya Melwani are the members of the committee. During the year 2018-19, the Nomination and Remuneration Committee met thrice on May 19, 2018, November 03, 2018 and February 09, 2019. The details of members participation at the meetings are as under:

| Sr. No. | Name | Designation | No. of meetings held | No. of meetings attended |
|---------|-----------------------|-------------|----------------------|--------------------------|
| 1. | Dr. Bakul H. Dholakia | Chairman | 3 | 2 |
| 2. | Mr. Chintan N. Parikh | Member | 3 | 3 |
| 3. | Mrs. Koushlya Melwani | Member | 3 | 3 |
| 4. | Mr. Neeraj Golas | Member | 3 | 3 |

5. Remuneration of Directors for the financial year 2018-19:

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee at their meeting held on May 19, 2018 approved the revision in remuneration of the Mr. Krishnachintan Parikh as Executive Director of the company from April 01, 2018 to May 31, 2020 at a remuneration of ₹ 4,00,000/- per month and perquisites, pursuant to Section 196, 197 & 203 and Schedule V of the Companies Act, 2013 which was also approved by the Shareholders of the Company at the 35th Annual General Meeting held on August 11, 2018.

The remuneration (including perquisites not considered as part of Managerial Remuneration as per provisions of Schedule V of the Companies Act, 2013) paid for the financial year ended on March 31, 2019 to Mr. Chintan N. Parikh, Managing Director of the Company is ₹ 92.20 lacs and to Mr. Krishnachintan Parikh, Executive Director of the Company is ₹ 50.30 lacs. The perquisites includes contribution to provident fund, superannuation fund (in case of Managing Director) and encashment of leave at the end of tenure, as per the rules of the Company.

The Company pays sitting fees (subject to tax deduction at source) to all of its Non-Executive Directors. The same is paid at the rate of ₹ 10,000/- per meeting for Board Meeting, ₹ 5,000/- per meeting for the Audit Committee Meeting and ₹ 3,000/- per Meeting for other Board Level Committees. Sitting fees of ₹ 3,000/- was also paid to each Independent Director for their separate meeting. The total sitting fees paid for the year ended on March 31, 2019 to the directors is as follows:-

| No. | Name of Directors | Amount (in ₹) |
|-----|-----------------------|----------------|
| 1. | Dr. Bakul H. Dholakia | 39000 |
| 2. | Mr. Bihari B. Shah* | 63000 |
| 3. | Mr. Neeraj Golas | 52000 |
| 4. | Mrs. Koushlya Melwani | 69000 |
| 5. | Mr. Atulkumar Singh | 23000 |
| 6. | Mr. Sanjay Majmudar# | 23000 |

* Resigned as Non-Executive Independent Director w.e.f. 09.02.2019.

Appointed as Non-Executive Independent Director w.e.f. 03.11.2018.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with Company. Except sitting fees for attending Board Meetings and various Committee Meetings no other fees are paid to the Non-Executive Directors.

The term of appointment of Managing Director and Executive Director is made for a period of 3 years as approved by the Shareholders at 34th Annual General Meeting and modified in case of Executive Director at the 35th Annual General Meeting of the Company. The notice period and severance fee, if any, are governed by the applicable rules of the Company at the relevant point in time. Presently, the Company does not have a scheme for grant of stock options to its employees.

6. Stakeholders Relationship Committee (SRC):

The Company constituted Shareholders'/Investors' Grievances Committee in the year 2002. As at March 31, 2019, the committee consists of Mrs. Koushlya Melwani, a Non-Executive Director as Chairperson, Mr. Neeraj Golas and Mr. Sanjay Majmudar, Independent Directors as Members and Mr. Hiren S. Mahadevia, Company Secretary acts as the Secretary to the Committee and is also the "Compliance Officer" pursuant to the requirements of SEBI Regulations. During the year, Mr. Bihari B. Shah ceased to be a member of the SRC w.e.f. February 09, 2019 consequent to his resignation as Non-Executive Independent Director of the Company and Mr. Sanjay Majmudar was appointed as a member of the SRC w.e.f. February 09, 2019.

The role of the SRC as approved by the Board is in compliance with the SEBI Regulations (as amended and effective from April 01, 2019) and the same is as under:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

In order to expedite the process, the Committee has authorised Mr. Dipak Thaker, Authorised Person to attend and redress day to day investor complaints and report the same to Committee at its meetings.

During the year 2018-19, the Committee met 4 (Four) times in the year on May 19, 2018, August 11, 2018, November 03, 2018 and February 09, 2019 to take stock of redressal of investors complaints and the same was attended by all the members of the Committee. The Company had received 1 investor complaint during the financial year under review, which was resolved satisfactorily, and that there was no complaint pending as at March 31, 2019. The details of members participation at the meetings are as under:

| Sr. No. | Name | Designation | No. of meetings held | No. of meetings attended |
|---------|-----------------------|-------------|----------------------|--------------------------|
| 1. | Mrs. Koushlya Melwani | Chairperson | 4 | 4 |
| 2. | Mr. Bihari B. Shah* | Member | 4 | 4 |
| 3. | Mr. Neeraj Golas | Member | 4 | 4 |
| 4. | Mr. Sanjay Majmudar# | Member | - | - |

* Resigned as Member of SRC Committee w.e.f. 09.02.2019

Appointed as member of SRC Committee w.e.f. 09.02.2019

7. Code of Conduct and Business Ethics:

The Company has laid down Code of Conduct and Business Ethics for its board members and senior management. This Code of Conduct and Business Ethics lays down various principles and guidelines



for board members and senior management of the Company, aimed at improving and enhancing the corporate relations with its stakeholders. In terms of SEBI Regulations, the Company has suitably revised the Code of Conduct & Business Ethics of the board members. The said Code has been communicated to the directors and the members of the senior management and they have confirmed compliance with the said code. The code of conduct has been posted on the Company's website www.ashima.in

8. Code of Conduct for Prohibition of Insider Trading:

In accordance with amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015 ["SEBI (PIT) Regulations"], introduced by SEBI which shall be effective from April 01, 2019, the Board of Directors of the Company has inter-alia, adopted a revised "Code of Conduct to regulate, monitor and report trading by Insiders" (Code of Conduct) & "Code of Practices and Procedures for fair disclosure of unpublished price sensitive information for adhering to the principles of fair disclosure" (Code of Procedures) at their meeting held on February 09, 2019. Mr. Hiren S. Mahadevia, Company Secretary is the Compliance Officer for the purpose of this Code.

9. Risk Management:

The Company has framed and adopted a "Risk Management Policy" for assessment of risks and determines the responses to these risks so as to minimize their adverse impact on the organisation. The Company has well laid down procedures about the risk assessment and minimization. Results of the risk assessments and residual risks are presented to the senior management and the management is accountable for the integration of risk management practice in its day to day activities. The Board takes responsibility for the total process of risk management in the organization which includes framing, implementing & monitoring the risk management plan.

10. Meeting of Independent Directors:

Pursuant to the requirements of the Companies Act, 2013 and Regulation 25 of SEBI Regulations, the Independent Directors met on February 09, 2019 inter-alia to discuss:

- Evaluation of the performance of Non-Independent Directors and Board of Directors as whole.
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

The details of members participation at the meetings are as under:

| Sr. No. | Name | Designation | No. of meeting held | No. of meeting attended |
|----------------|-----------------------|--------------------|----------------------------|--------------------------------|
| 1. | Dr. Bakul H. Dholakia | Chairman | 1 | 1 |
| 2. | Mr. Neeraj Golas | Member | 1 | 1 |
| 3. | Mr. Bihari B. Shah | Member | 1 | 1 |
| 4. | Mr. Atul Kumar Singh | Member | 1 | 1 |
| 5. | Mr. Sanjay Majmudar | Member | 1 | 1 |

11. General Body Meetings:

Location and time for the last three AGMs:

| Year | Date | AGM | Venue | Time |
|------|------------|-----|---------------------------------------------------------------|------------|
| 2016 | 12/08/2016 | AGM | Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021. | 11.00 a.m. |
| 2017 | 11/08/2017 | AGM | As above | 11.00 a.m. |
| 2018 | 11/08/2018 | AGM | As above | 11.00 a.m. |

No special resolution was passed by the Shareholders at the 35th Annual General Meeting of the Company held on August 11, 2018. Two special resolutions were passed by the Shareholders at the 34th Annual General Meeting of the Company held on August 11, 2017. No special resolutions were passed by the Shareholders at the 33rd Annual General Meeting of the Company held on August 12, 2016. No special resolution is proposed to be conducted through postal ballot. However, resolution, if any, required to be passed through postal ballot during financial year 2019-20 shall be passed as per the prescribed procedure.

12. Means of Communication:

The financial results of the company are reported to as mentioned below:-

| | | | |
|---|--------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------|
| * | Half yearly reports sent to Shareholders | : | No |
| * | Quarterly / half yearly and annual results normally published in which newspaper | : | English Daily newspaper Gujarati Daily newspaper |
| * | Any website | : | www.ashima.in |
| * | Whether it displays official news release and the presentation made to institutional investors or to analyst | : | There have been no presentations made. |
| * | Whether management discussion and analysis report is a part of annual report | : | Yes |

13. General Shareholders' Information:

a. AGM date, time and venue: August 10, 2019 at 11:00 a.m. at Texcellence Complex, Khokhara - Mehmedabad, Ahmedabad – 380021.

b. Financial Year:

The Financial Year of the company is for a period of 12 months from April 01 to March 31

c. Dividend Payment date: No dividend has been recommended for the financial year ended on March 31, 2019.

d. Listing on stock exchanges:

1. National Stock Exchange of India Limited
2. BSE Limited

Listing fees has been paid for both the above stock exchanges for financial year 2018-19.

e. Stock Code:

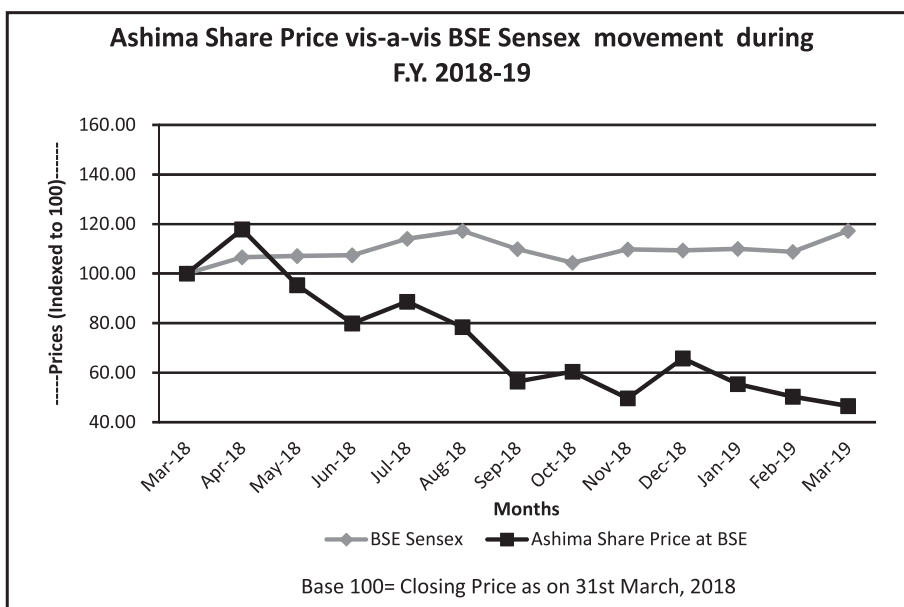
- BSE Limited : 514286
- The National Stock Exchange of India Ltd : ASHIMASYN
- Demat ISIN numbers in NSDL and CDSL for equity share : ISIN No. : INE 440A01010



- f. Monthly high and low quotations along with the volume of shares traded at National Stock Exchange and BSE Limited during the financial year ended March 31, 2019:

| MONTH | NSE | | | BSE | | |
|----------------|-----------|----------|---------------|-----------|----------|---------------|
| | High ₹ | Low ₹ | Volume Nos | High ₹ | Low ₹ | Volume Nos |
| April 2018 | 32.80 | 26.40 | 49,18,711 | 32.60 | 26.30 | 14,78,375 |
| May 2018 | 31.50 | 22.65 | 22,86,077 | 31.35 | 22.75 | 6,95,666 |
| June 2018 | 24.95 | 19.00 | 11,64,667 | 24.85 | 19.30 | 7,19,582 |
| July 2018 | 27.95 | 18.30 | 46,23,085 | 27.70 | 18.35 | 14,39,895 |
| August 2018 | 23.90 | 19.55 | 21,02,044 | 23.50 | 19.55 | 15,28,455 |
| September 2018 | 22.60 | 13.40 | 18,94,673 | 22.60 | 13.50 | 8,11,530 |
| October 2018 | 18.00 | 12.80 | 34,91,844 | 19.70 | 12.60 | 8,61,494 |
| November 2018 | 16.00 | 12.55 | 9,73,108 | 16.35 | 12.60 | 1,86,880 |
| December 2018 | 17.55 | 11.70 | 24,77,162 | 17.48 | 11.65 | 6,41,550 |
| January 2019 | 18.30 | 13.40 | 12,56,800 | 18.25 | 13.50 | 4,46,233 |
| February 2019 | 14.95 | 11.80 | 3,76,670 | 14.96 | 12.00 | 2,57,041 |
| March 2019 | 13.95 | 11.30 | 13,92,484 | 14.00 | 11.35 | 3,46,907 |

- g. Performance of Company's closing share price during the FY 2018-19 in comparison of BSE Sensex:



- h. Securities have not been suspended from trading at any time during the year.

- i. **Registrar and Share Transfer Agent:**

The Company had appointed Link Intime India Pvt. Limited, Ahmedabad to carry out transfer related activities of shares of the company both in physical and demat form in pursuance to SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27/12/2002.

j. Share Transfer System:

As the Company's shares are compulsorily traded in the demat segment on the Stock Exchanges, all the shares related work is undertaken by Link Intime India Pvt. Ltd, Ahmedabad in pursuance of SEBI guidelines. All the statements relating to share transfer, transmission, split up, consolidation, demat etc., are regularly placed before the meeting of Share Transfer Committee, which meets regularly for their approval and thereafter is placed before the meeting of the Board of Directors of the Company for noting and ratification. Further the share transfers are registered and returned within 15 days from the date of receipt, if the documents are complete and clear in all respects.

k. Distribution of shareholding:

As on March 31, 2019 the distribution of shareholding and share holding pattern was as under:

| No. of equity shares held | No. of shareholders | % of shareholders | No. of shares | % of shareholding |
|---------------------------|---------------------|-------------------|------------------|-------------------|
| 1-500 | 17473 | 73.48 | 2849606 | 2.22 |
| 501-1000 | 2569 | 10.80 | 2294798 | 1.79 |
| 1001-2000 | 1352 | 5.69 | 2225218 | 1.73 |
| 2001-3000 | 631 | 2.65 | 1659684 | 1.29 |
| 3001-4000 | 284 | 1.19 | 1036298 | 0.81 |
| 4001-5000 | 371 | 1.56 | 1803099 | 1.40 |
| 5001-10000 | 517 | 2.17 | 3983805 | 3.10 |
| 10001 and above | 584 | 2.46 | 112601368 | 87.66 |
| Total | 23781 | 100.00 | 128453876 | 100.00 |

Shareholding Pattern of the Company:

| No. | Category | No. of shares held | Percentage (%) of share holding |
|-----------|---------------------------------------|--------------------|---------------------------------|
| A. | Promoters' holding | | |
| | Indian Promoters & Promoter Group | 78251345 | 60.92 |
| | Sub Total A | 78251345 | 60.92 |
| B. | Non- Promoter holding (Public) | | |
| | Mutual Funds and UTI | 3300 | 0.00 |
| | Financial Institutions/ Banks /NBFC | 146059 | 0.12 |
| | NRI's / OCBs | 528476 | 0.41 |
| | Bodies Corporates | 12912645 | 10.05 |
| | Clearing Members | 692130 | 0.54 |
| | Individual / HUF /Trust | 35919921 | 27.96 |
| | Sub Total B | 50202531 | 39.08 |
| | Grand Total -----> | 128453876 | 100.00 |

l. Dematerialisation Details and liquidity:

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The shares of the Company are compulsorily traded in demat form effective from March 24, 2000. The Company had entered into tripartite agreement with NSDL, CDSL and Link Intime India Private Ltd, for dematerialisation of the securities. Upto March 31, 2019, 16754 shareholders have sought



dematerialisation of their 12,77,43,626 equity shares which constitutes 99.45% of total share capital of the Company.

The Company's shares are among the most liquid and actively traded shares on BSE Limited and National Stock of India Exchange Ltd. The monthly trading volumes of Company's shares have been given at point (f) hereinabove.

- m. There are no outstanding global depository receipts or american depository receipts or warrants or any convertible instruments.

n. Commodity Price Risks and Commodity Hedging Activities:

The Company's product does not fall under commodity, therefore commodity price risk and hedging activities are not carried out by the Company.

o. Plant location:

Texcellence Complex, Khokhara – Mehmedabad, Ahmedabad – 380021.

p. Address for Correspondence: Investors/ shareholders should address their correspondence to the Registrar and Share Transfer Agents at the address mentioned below:

Link Intime India Pvt. Ltd

5th Floor, 506 to 508, Amarnath Business Centre (ABC-1),

Beside Gala Business Centre, Near St. Xavier's College Corner,

Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat

Phone-079-26465179, Fax-079-26465179 e-mail-ahmedabad@linkintime.co.in

All the other investors related complaints be addressed to:

Secretarial Department, Texcellence Complex, Near Anupam Cinema, Khokhara – Mehmedabad, Ahmedabad – 380021.

The Company has also designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is investor_redressel@ashima.in. Shareholders / Investors can send their complaints / grievances to the above e-mail ID and the same will be attended to by our In-house secretarial department.

q. Credit Ratings:

The Company has not obtained any credit rating as no such requirement is applicable to the Company, as no funds have been mobilized through any debt instrument or any fixed deposit programme.

r. Compliance with Code of Business Conduct and Ethics:

As provided under SEBI Regulations, the members of the Board of Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended on March 31, 2019 and the Managing Director has signed a declaration to this effect.

- s. Compliance Certificate regarding compliance of conditions of corporate governance has been obtained from Statutory Auditors of the Company and the same is annexed with the Board's Report.

- t. There being no shares in the demat suspense account or unclaimed suspense account, no disclosure is requirement to be made.

14. Disclosures:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There were no materially significant transactions with any of the related parties that may have potential conflict with the interest of the Company at large. Suitable disclosures as per requirements of IND AS 24, are made in the notes to accounts annexed to the Financial Statements. Policy on dealing with related party transactions is placed on the Company's website at www.ashima.in

- b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.**

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Ltd and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by above Stock Exchanges, SEBI or any other authority on any matter relating to the capital markets during the last three (3) years.

- c) **Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has adopted Whistle Blower policy for Directors and Employees which has been placed on the website of the Company. No personnel has been denied access to the Audit Committee.

- d) **Policy for determination of material subsidiary.**

As the Company has no subsidiary as on date, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

15. Details of compliance with mandatory requirements and adoption of the non mandatory requirements:

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Regulations.

The status on the compliance with the non-mandatory requirements of the SEBI Regulations is as under:

Board: The Chairman of the Board is Executive Chairman and hence the requirements of maintaining chairman office is not applicable.

Shareholder's Rights: The Company's financial results are published in the news papers and are also posted on website i.e. www.ashima.in. Hence, the financial results are not sent to the Shareholders of the Company. However, the Company furnishes the financial results on receipt of request from Shareholders of the Company.

Modified Opinion(s) in Audit Report: The financial statements presented for the year 2018-19 do not have any qualifications.

Separate posts of Chairperson and Chief Executive Officer: The Company does not have separate post of Chairman & Managing Director / Chief Executive Officer.

Reporting to Internal Auditor: The Internal Auditor of the Company presently reports to the Chief Financial Officer.

The information as required under clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been disseminated on the Company's website i.e. www.ashima.in.

16. Details of utilization of funds raised through preferential allotment or qualified institutions placement:

During the financial year, the Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 of SEBI Regulations.

17. A certificate from a Company Secretary in practice regarding debarment or disqualification of Directors:

The Company has taken a certificate from Mr. Tapan Shah, a Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being



appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

18. Confirmation by the Board of Directors acceptance of recommendation of mandatory committees:

In terms of the amendments made to the SEBI Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

19. Total fees for all services paid by company to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

| | ₹ in Lacs |
|--------------------------------------|-------------------|
| Payment to Statutory Auditors | FY 2018-19 |
| Audit Fees | 9.60 |
| Other Services | 2.50 |
| Total | 12.10 |

20. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

In terms of Section 4 of the Sexual Harassment of Woman At Workplace (Prevention, Prohibition And Redressal) Act, 2013 ("POSH Act"), the Board of Director has constituted an Internal Complaints Committee (ICC) in their meeting held on February 09, 2019 in due compliance with the POSH Act.

During the year under review, there were no complaints filed and no complaint was pending as on end of the financial year pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The above report has been placed before the Board of Directors of the Company at their meeting held on May 25, 2019 and the same was approved thereat.

For and on behalf of the Board

Place : Ahmedabad
Date : May 25, 2019

Chintan N. Parikh
Chairman and Managing Director
(DIN:00155225)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL.

This is to confirm that the Company has adopted a code of conduct for directors and senior management personnel.

I confirm that the Company has in respect of the financial year ended on March 31, 2019, received from the members of the board and senior management personnel declaration of compliance with the code of conduct as applicable to them.

Place : Ahmedabad
Date : May 25, 2019

Chintan N. Parikh
Chairman and Managing Director
(DIN:00155225)

**Auditors' Certificate on Compliance of
Conditions of Corporate Governance**

To
The members of **Ashima Limited**

1. We have examined the compliance of the conditions of Corporate Governance by Ashima Limited, for the year ended on March 31, 2019 as stipulated in Chapter IV of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 [Listing Regulations].

Management's Responsibility

2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraph C, D and E of schedule V of the Listing Regulations during the year ended on March 31, 2019.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Suvrat S. Shah
Partner
Membership No.: 102651

Place : Ahmedabad
Date : May 25, 2019



ANNEXURE-6

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OUTLOOK

The year 2018 started with encouraging data on global economic growth. But as the year progressed, momentum started fading. Introduction of tighter credit policies in China, the escalation of US–China trade tensions, disruptions in auto sector in Germany and normalization of monetary policy in larger advanced economies are few of the reasons for loss in momentum. According to World Economic Situation and Prospectus 2019, the economic activities are severely disrupted as the global economy is facing convergence risks, which could have major impact on long term development. These risks include escalated trade disputes, tightened global financial conditions, and intensified climate risks. In 2019, the International Monetary Fund (IMF) predicts global growth 3.3% as compared to 3.6% in previous year. Improvements are expected later and global economic growth in 2020 is expected to return to 3.6 percent. The World Trade Organization (WTO) as well as the World Bank and the Organisation for Economic Cooperation and Development have downgraded their projections across trade, equities, currencies and interest rates.

INDIAN ECONOMIC OUTLOOK

According to IMF, India has transpired as the fastest growing major economy in the world. The country has an impressive growth rate of around 7% and is expected to be one of the top economic powers of the world in next few years with its strong democracy and partnerships. Forecast by the World Bank envisages India's GDP to grow at 7.3% in 2019 and likely to maintain growth rate for the next two years. It may so be assessed that this growth of India may even reach higher over the years with country's favorable demographics and continued streamlining of its reform policies.

The domestic demand is likely to be the key driver which gives the economy some protection from global headwinds. With an improving business ecosystem and stable macroeconomic indicators coupled with continued implementation of various reforms is likely to provide impetus to the domestic economy.

Despite these positive aspects, there seems to be various risks to the Indian Economy including ongoing global trade tensions, international crude oil price developments, financial market volatility and populist fiscal measures, etc. They may cause a growth slowdown and trigger inflationary implications. Continued implementation of structural and financial reforms remains essential for the health of economy's growth prospects.

INDIAN TEXTILE INDUSTRY

The Textiles Industry is one of the oldest industry in Indian economy, having a significant role in terms of labour absorption and as a source of foreign exchange. Its contribution towards industrial output is around 7% and towards GDP is around 2%. The industry encompasses entire spectrum of textile products across different fibre-types and varied product segments. The exports from the sector are valued at around \$37 billion, amounting to 13% of India's total exports.

The Indian textile companies however face much higher trade barriers compared to other competing countries like Bangladesh, Vietnam and Pakistan in key markets such as the USA and EU. India's share in the global textiles exports is just 5%, which is miniscule as compared to China's share of 38%. Much smaller players like Bangladesh and Vietnam have a share of 3% in global exports and are increasingly threatening India's exports. The unorganized and small players have major influence within the textile sector in India. The other significant barriers include inflexible labour laws, infrastructure bottlenecks and the fragmented nature of the industry. The sector appears to be gradually recovering due to rupee depreciation, rise in domestic demand and changing policies according to Confederation of Indian Textile Industry.

COMPANY'S PERFORMANCE

The Company has reported improved financial performance during the year under review. On the operational front, all the divisions witnessed considerable growth in the business volumes. Various initiatives undertaken by the company over last couple of years on strengthening its manufacturing facilities and marketing setup have

resulted into the volume growth, however the shift towards higher value-added products and its consequent positive impact on margins is likely to happen over a longer period. The margins have remained under pressure during the year, reflecting stiff competition in the sector. At the same time, better controls have been exercised over the operational costs which have reduced in spite of increase in power tariff and inflationary impact on various other cost components. Overall, higher volumes coupled with better control over costs has translated into reduced losses. The finance costs have also reduced consequent to deployment of the resources mobilized through disposing off the surplus assets towards repayment of its borrowings and better working capital management.

The improvement in performance is visible across all product segments. Going forward, the business situation still remains very challenging as liquidity crunch and pricing pressure have become more acute. The domestic markets are vying for higher trade credits which the company is quite averse to. On the exports front, a tough competition from neighbouring countries has posed increasing pressure on fabric prices. There is severe competition from countries in the sub-continent like Bangladesh, Sri Lanka and Pakistan. All three countries enjoy duty free access to European markets under GSP Plus trade mechanism, unlike India.

SEGMENT ANALYSIS AND REVIEW

The company is predominantly a textiles manufacturing company and operates only in the textiles segment. Based on its product profile, there are various divisions within the company and their operating performance during the year is discussed hereinbelow:

Denim Division: The division has been able to increase the volumes further during the year. Majority of the higher volumes were on the backdrop of higher penetration into the domestic brand segment. The export market remained lackluster on account of stiff pricing pressure and impact of fiscal policy on volumes being exported to neighbouring countries. Greater flexibility in offering the product range upon upgradation of manufacturing facilities carried out over last couple of years has enabled the division to enhance its product profile and better spread in terms of market reach. However, tough competition prevailing in the sector and inherent cost-inefficiency related to its manufacturing set-up makes it difficult to improve the margin which remained under pressure for various reasons including firmed up yarn prices and impact of increase in power tariff and fuel costs. The yarn prices for the coarser counts firmed up during the year and prices of indigo dyes jumped sharply. On the cost front, the increase in power tariff and fuel prices had an adverse impact on the variable costs. However, the division exercised better controls on other operational costs including product and process optimization and kept overall costs under control. Manpower costs and insurance costs were also kept under check through effective measures. Division has been able to improve its bottom-line, though not significantly, on account of combined effect of all such measures.

Spinfab Division: Volume growth for the Spinfab division has been quite impressive over last 2 years, business with brand segment and large format stores contributing to the volume push. The division is better equipped to handle diverse and smaller production lots quite efficiently consequent to improvement in its manufacturing capabilities over last 2 years. However, impact of cost increases could not be passed on in the market due to demand-supply variables resulting into increased pressure on the margins. Yarn prices as well as prices of dyes and chemicals remained higher during the year. Utility costs including power and fuel also went up. The negative impact of the same has been aptly offset by measures undertaken on attaining cost efficiencies and effective control on the overheads.

Brand business and others: Overall profitability of brand and other business has also moved up, riding high mainly on account of increased volumes both in the piece-dyed as well as the retail segment. Improved value addition and contributions levels have an overall positive impact on the performance of the division.

FINANCIAL RESULTS AND OUTLOOK

Financial performance:

The company has reported a profit of ₹ 1776 lacs for the year at PBT level compared to ₹ 12587 lacs in the preceding year. The performance for the year includes ₹ 3236 lacs (last year ₹ 14540 lacs) being an exceptional and extraordinary item which mainly includes gain on account of sale of surplus land by the company. The operational performance, excluding impact of such exceptional item, has improved during the year and the loss at PBT level has reduced to ₹ 1100 lacs (arrived at after adjusting reported PBT for non-recurring expenses (net) of ₹ 359 lacs) compared to loss of ₹ 1910 lacs in the preceding year (adjusted for non-recurring expenses



(net) of ₹ 43 lacs). Upon prudent utilization of proceeds from sale of surplus assets, the interest cost for the year reduced further by ₹ 261 lacs and contributed positively to the profitability.

Raw material:

Raw Material prices have been tightening over last couple of years and have remained higher this year also on account of lower cotton crop estimates and increased global demand. Unlike last year, when the impact was more on coarser counts, prices of coarser as well as finer counts have also moved up considerably during the year. At the same time, the market situation makes it difficult for the company to pass on such increase entirely by way of higher product prices and hence there is an adverse impact on the value addition levels.

Dyes and Chemicals:

Prices of a few basic chemicals as well as dyes increased sharply during the year on account of closure of factories in China on environmental issues. This posed a major challenge in terms of its impact on the costs. The company follows a continuous approach to develop sustainable alternatives and consumption efficiency, however a sharp rise in the costs have an adverse impact in the short-run.

Utilities:

Electricity costs, which is one of the major component of energy costs, increased significantly during the year whereas increase in the cost of fuel was moderate. Earlier, the company was able to source power through open access platform, however the same has become unviable since last year due to increased levies thereon. The company takes various energy conservation measures on a regular basis to achieve better energy efficiency. For the fuel, the company has already switched over to higher GCV coal so as to optimize steam generation cost.

Other expenses:

Due to overall volumes going up, other manufacturing expenses have also increased which mainly consist of fabric processing charges. Expenditure on stores/spares consumption and repairs has remained under control in spite of ageing plant and machinery. Expenditure towards insurance premium reduced considerably during the year as company could negotiate better discounts, however the premiums are likely to go up multifold in coming year consequent to policy stance taken by the insurance companies to discontinue discounts across a number of manufacturing sectors including Textiles. The Company has also exercised good control on various fixed costs by effectively using a range of cost-management initiatives.

Interest:

The Company has used the resources mobilized through disposing off the surplus assets towards repayment of its borrowings and towards better working capital management. As a result, the interest costs have reduced for the year under review.

Significant Changes in Financial Ratios:

| Sr. No. | Financial Ratio | FY 2018-19 | FY 2017-18 | Change in % | Reason for change |
|---------|-------------------------|------------|------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Debtors Turnover | 14.19 | 19.47 | -27.15% | Change in ratio is due to higher level of debtors, which is a commercial aspect driven by market forces prevailing in the industry. |
| 2 | Current Ratio | 2.71 | 1.38 | 96.21% | The ratio has improved due to strengthened working capital cycle upon deployment of surplus liquidity available. |
| 3 | Debt Equity Ratio | 0.12 | 0.17 | 27.98% | The Company has negligible debt and the ratio has improved due to strong net worth and lower debt upon repayment of loans. |
| 4 | Operating Profit Margin | -3.75% | -5.65% | 33.56% | Improved as a result of focussed efforts to improve performance by strengthening working capital cycle. |
| 5 | Net Profit Margin | -5.14% | -8.49% | 39.50% | Improved as a result of focussed efforts to improve performance by strengthening working capital cycle and lower interest due to repayment of loans. |
| 6 | Return on Net Worth | -8.20% | -12.19% | 32.72% | Improved due to factors explained in point 5 above. |

Outlook:

After a broad-based upswing in cyclical growth that lasted nearly two years, the global economic expansion decelerated. Global growth is moderating as industrial activity and trade decelerate, negatively impacting investor sentiment. Going forward, a pickup is expected and this pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures. According to United Nations World Economic Situation and Prospects (WESP) 2019 report, the Global economy will pick up its pace around 3% in the coming year. Inflation has been contained remarkably, fiscal consolidation is on the right path and foreign investment flows are growing. The macro-economic environment has also improved significantly during the last few years. The RBI appears confident that the domestic economic recovery is well entrenched with various indicators suggesting that economic activity has continued to be strong.

It is not likely that the world will go into a recession despite a weaker global growth outlook. However, markets will struggle for a stable footing until better economic data emerges from the major economies.

The company is poised well to take advantage of improving business scenario. Efforts put in by the company in terms of its improved capabilities have shown results and company has been able to penetrate into various market segments and achieve volume growth. A gradual shift from unorganized to organized sector in the textile industry is expected to benefit organized players like our Company in the long run. At the same time, there is continued overcapacity in Denim Fabric Manufacturing Sector in the country, resulting in severe price war in the market. Moreover, as a management philosophy, Ashima is averse to extending longer credit period to the customers without proper due diligence. However, the new entrants in the market who have recently set up brand new manufacturing units are extending long credits on easy payment terms to the customers/brands or their garment convertors and succumb to unreasonable price pressure in order to grab the market share and thereby spoiling the trade segment. In fact, the company is experiencing an ever-increasing demand for extended credit period even from the reputed brands / retail stores or their nominated garment convertors. The changed trade dynamics like stretched credit requirement are however likely to continue posing a serious challenge. Addressing the working capital stress and balancing the same with market trends and the risk appetite of the company would be a delicate task to be achieved in the times to come.

RESOURCES AND LIQUIDITY

The company has been prudently deputing its resources towards improving health of its textile operations by a mix of measures in terms of debt reduction, capital investments and working capital investments over last few years. The exercise is likely to continue going forward and will enable it achieve better financial health.

OPPORTUNITIES

During last couple of years, the company has focused on improving its manufacturing and technological capabilities. With the financial reforms likely to add impetus to industry growth and likelihood of stable political environment, the domestic market should pose better opportunities in terms of volume growth. Recent policy changes in terms of improved export incentives and a favourable foreign exchange rates are likely to help the company in achieving higher export volumes.

THREATS, RISKS AND CONCERNS

Improved financial liquidity in the economy as a whole and in the textiles sector in particular would be a key concern for the company to achieve higher volumes coupled with improved margins. For the exports segment, stable foreign exchange regime would provide the much-required stimulus to accelerate the export market.

INTERNAL CONTROL SYSTEMS

The internal control systems of the company have been commensurate with the size and nature of its business activities. The company keeps on strengthening the system based on its requirement in terms of changes in its financial and marketing policies. The Audit Committee, supervises the functioning on a regular basis and reviews the adequacy and effectiveness on an ongoing basis.

**RESEARCH AND DEVELOPMENT**

Continued improvement in the products and processes adopted by the company is one of the basic area of emphasis in terms of company's management policy. This helps achieve operational efficiencies over the period and equips the company in terms of product and process innovations as well as better cost management.

HEALTH, SAFETY AND ENVIRONMENT

Human resources are the backbone and centre-stage in terms of company's philosophy. The company considers the manpower as a key variable in achieving its deliverables and ensures that safe and comfortable working conditions as well as motivating and conducive environment is always maintained to provide the essential platform for them to perform. Regarding environmental impact of its operations, the company is always vigilant and more than complies with all stipulated norms.

CAUTIONARY STATEMENT

Statements in the Board's Report and the management discussion and analysis containing the objectives, expectations or predictions of the company may be forward-looking within the meaning of securities laws and regulations. Actual results may differ materially from those expressed in the statement. The operations of the Company could be influenced by various factors such as domestic and global demand and supply conditions affecting sales volumes and selling prices of finished goods, input availability and cost, government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board

Place : Ahmedabad
Date : May 25, 2019

Chintan N. Parikh
Chairman and Managing Director
(DIN:00155225)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASHIMA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ashima Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

| Key Audit Matter | How our audit addressed Key Audit Matter |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Existence of trade receivables and their recoverability</p> <p>We have observed that the trade receivables of the company have gone up substantially during the year. Details of trade receivables are as per Note 10 to the Financial Statements.</p> <p>Considering that higher levels of debtors compared to levels of operations of the company can potentially lead to impairment, we considered this to be a significant aspect of audit and hence a key audit matter.</p> | <ul style="list-style-type: none"> • We performed walkthrough of accounts receivable and revenue to confirm whether they are not overstated or understated. • We reconciled the subsidiary ledgers to the general ledger. • We performed certain substantive procedures: namely, receivable confirmations and tests of subsequent collections. • We checked and confirmed the consistency and reasonableness of the methodology used for computing the impairment allowance. • We verified the ageing breakup of the receivables thoroughly and tested the computation of impairment allowance. • We also obtained information from the management about higher credit being allowed by the company in some cases to meet customer requirement and to promote sales, which has led to higher level of trade receivables. <p>Based on the facts and procedures performed as stated above, we have obtained reasonable assurance about trade receivables and have found the same to be appropriate.</p> |



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

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

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

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

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

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements – Refer Note 26 to the 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.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place : Ahmedabad
Date : May 25, 2019

Suvrat S. Shah
Partner
Membership No.: 102651

“Annexure A” referred to in the Independent Auditor’s Report of even date to the members of ASHIMA LIMITED on the Financial Statements for the year ended March 31, 2019.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
(b) Some of the fixed assets were physically verified during the year by the management in accordance with programme of verification. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
(c) According to the information and explanations provided 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. (a) The inventories have been physically verified by the management during the year. In our opinion, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the company and the nature of its business.
(b) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii)(a) and (iii)(b) of paragraph of the Order are not applicable to the company for the current year.
4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly paragraph 3 (iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at March 31, 2019, there are no such undisputed dues payable for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at March 31, 2019 which have not been deposited on account of any dispute, are as follows:

| Sr. No. | Name of Statute | Nature of Dues | Amount (₹ In lacs) | Period to which the amount relates | Forum where dispute is pending |
|---------|----------------------------------------|--------------------------|-----------------------|------------------------------------------|------------------------------------------------|
| 1 | Foreign Trade (Dev. & Regu. Act), 1992 | Custom Duty and Interest | 72.47 | 1997 | Gujarat High Court |
| 2 | The Income Tax Act, 1961 | Income tax | 0.87 | A.Y. 2001-02 | Assessment Officer |
| 3 | Gujarat Sales Tax Act, 1969 | Sales Tax | 1906.01 | F.Y. 1999-2000 and 2000-2001 | Joint Commissioner (Appeals) of Commercial Tax |
| 4 | Gujarat Value Added Tax Act, 2003 | VAT | 1.34 | F.Y. 2011-12 | Commissioner (Appeals) of Commercial Tax |
| 5 | Employees' State Insurance Act, 1948 | ESI Contribution | 88.96 | FY 1994-95 to FY 1996-97 | ESI Court |
| 6 | The Customs Act, 1962 | Countervailing Duty | 6.80 | 2012 | Assistant/ Deputy Commissioner of Customs |
| 7 | The Customs Act, 1962 | Countervailing Duty | 3.50 | 2012 | CESTAT |

8. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or due to debenture holders during the year.

An amount of ₹ 750 lacs in suspense account remains unsettled. Refer **Note 18** of notes to financial statements

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loan raised during the year has been utilised by the Company for the purpose for which the same has been taken.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the books of account, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 (with schedule V) of the Act.



12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place : Ahmedabad
Date : May 25, 2019

Suvrat S. Shah
Partner
Membership No.: 102651

“ANNEXURE B” TO THE AUDITOR’S REPORT

Report on the Internal Financial Control 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 **ASHIMA LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The company’s management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. 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 were 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 control 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 Judgment, including the assessment of the 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Suvrat S. Shah
Partner

Membership No.: 102651

Place : Ahmedabad
Date : May 25, 2019

**BALANCE SHEET AS AT MARCH 31, 2019**

| Particulars | Note No. | ₹ in Lacs | |
|----------------------------------------------------------------------------|----------|----------------------|----------------------|
| | | As at March 31, 2019 | 2018 |
| ASSETS: | | | |
| Non-Current Assets: | | | |
| Property, Plant and Equipment | 4 (A) | 9,706 | 10,479 |
| Capital work-in-progress | | 5 | - |
| Intangible Assets | 4 (B) | 26 | 25 |
| Financial Assets: | | | |
| Other Financial Assets | 5 | 212 | 201 |
| Other Non-Current Assets | 6 | 31 | 42 |
| Assets for Current tax (Net) | 7 | 283 | 279 |
| | | <u>10,263</u> | <u>11,027</u> |
| Current Assets: | | | |
| Inventories | 8 | 4,810 | 5,718 |
| Financial Assets: | | | |
| Investments | 9 | 1,126 | - |
| Trade Receivables | 10 | 2,469 | 1,536 |
| Cash and Cash Equivalents | 11 | 1,109 | 562 |
| Bank Balance other than Cash and Cash Equivalents | 12 | 270 | 256 |
| Loans | 13 | 475 | - |
| Other Current Financial Assets | 14 | 2,992 | 5,576 |
| Other Current Assets | 15 | 450 | 613 |
| Non-current Assets classified as held for sale | | 20 | 275 |
| | | <u>13,721</u> | <u>14,535</u> |
| Total | | <u><u>23,984</u></u> | <u><u>25,562</u></u> |
| EQUITY AND LIABILITIES: | | | |
| Equity: | | | |
| Equity Share Capital | 16 | 12,845 | 12,845 |
| Other Equity | 17 | 4,958 | 3,182 |
| | | <u>17,803</u> | <u>16,027</u> |
| Non-Current Liabilities: | | | |
| Financial Liabilities: | | | |
| Borrowings | 18 | 2,158 | 2,377 |
| Other Non-Current Financial Liabilities | 19 | 21 | 31 |
| Provisions | 20 | - | 5 |
| | | <u>2,180</u> | <u>2,413</u> |
| Current Liabilities: | | | |
| Financial Liabilities: | | | |
| Borrowings | 21 | - | 320 |
| Trade Payables | 22 | - | - |
| Total outstanding dues of micro and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro and small enterprises | | 3,142 | 4,526 |
| Other Current Financial Liabilities | 23 | 718 | 1,181 |
| Other Current Liabilities | 24 | 43 | 947 |
| Provisions | 25 | 99 | 147 |
| | | <u>4,001</u> | <u>7,121</u> |
| Total | | <u><u>23,984</u></u> | <u><u>25,562</u></u> |
| Significant Accounting Policies | 2 | | |
| Notes to the Financial Statements | 1 to 44 | | |

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

Chintan N. ParikhChairman & Managing Director
(DIN:00155225)**Suvrat S. Shah**

Partner

Membership Number: 102651

Ahmedabad, Dated: May 25, 2019

Hiren S. Mahadevia

Company Secretary

Jayesh C. Bhayani

Chief Financial Officer

Ahmedabad, Dated: May 25, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lacs

| Particulars | Note No. | Year ended March 31, | |
|-------------------------------------------------------------------------------|----------|----------------------|----------------|
| | | 2019 | 2018 |
| INCOME: | | | |
| Revenue from Operations | 27 | 28,408 | 22,997 |
| Other Income | 28 | 160 | 264 |
| Total Income | | 28,569 | 23,261 |
| EXPENSES: | | | |
| Cost of Materials Consumed | 29 | 14,266 | 12,094 |
| Purchases of Stock-in-trade | 30 | 726 | 1,144 |
| Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade | 31 | 576 | (1,149) |
| Employee Benefits Expense | 32 | 3,352 | 3,373 |
| Finance Costs | 33 | 394 | 654 |
| Depreciation, Amortisation and Impairment expense | 4 | 365 | 367 |
| Other Expenses | 34 | 10,344 | 8,669 |
| Total Expenses | | 30,022 | 25,153 |
| Profit/(Loss) before Exceptional items and Tax | | (1,453) | (1,892) |
| Exceptional Items | | 3,236 | 14,540 |
| Profit before Tax | | 1,782 | 12,648 |
| Less: Tax Expense: | 35 | - | - |
| Profit for the year | | 1,782 | 12,648 |
| OTHER COMPREHENSIVE INCOME (OCI): | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Re-measurement losses on post employment defined benefit plans | | (6) | (61) |
| Income tax effect | | - | - |
| Other Comprehensive Income for the year (Net of tax) | | (6) | (61) |
| Total Comprehensive Income for the year (Net of Tax) | | 1,776 | 12,587 |
| Basic & Diluted Earning per Equity Share (EPS) (in ₹) | 36 | 1.39 | 9.85 |
| Significant Accounting Policies | 2 | | |
| Notes to the Financial Statements | 1 to 44 | | |

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

Chintan N. Parikh

Chairman & Managing Director

(DIN:00155225)

Suvrat S. Shah

Partner

Membership Number: 102651

Ahmedabad, Dated: May 25, 2019

Hiren S. Mahadevia

Company Secretary

Jayesh C. Bhayani

Chief Financial Officer

Ahmedabad, Dated: May 25, 2019

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

| Particulars | ₹ in Lacs | | | |
|-------------------------------------------------------------------------------------|----------------------|----------------|---------|----------------|
| | Year ended March 31, | | | |
| | 2019 | | 2018 | |
| (A) Cash Flow from Operating Activities | | | | |
| Profit/(Loss) before Exceptional items and Tax | | (1,453) | | (1,892) |
| Adjustments for: | | | | |
| Depreciation, Amortisation and Impairment expenses | 365 | | 367 | |
| Interest and finance charges | 357 | | 630 | |
| Interest income | (45) | | (33) | |
| (Gain)/Loss on Property, Plant and Equipment sold/ discarded (net) | 177 | | 36 | |
| (Gain)/Loss on Investment | (87) | | (2) | |
| Bad debts / advances written off | - | | 44 | |
| Liability no longer required written back | - | | (46) | |
| Insurance claim received on Property, Plant and Equipments | - | 766 | (61) | 934 |
| Operating Profit before Working Capital Changes | | (687) | | (958) |
| Adjustments for changes in working capital : | | | | |
| (Increase)/decrease in trade receivables | (1,278) | | (754) | |
| (Increase)/decrease in loans & advances and other assets | 204 | | (72) | |
| (Increase)/decrease in inventories | 908 | | (1,271) | |
| Increase/(decrease) in trade payables | (1,384) | | 1,865 | |
| Increase/(decrease) in other liabilities and provisions | (441) | (1,990) | 500 | 267 |
| Cash Generated from/(used in) Operations | | (2,677) | | (691) |
| Income taxes paid | | (4) | | (149) |
| Net Cashflow from Operating Activities | | (2,681) | | (840) |
| (B) Cash Flow from Investing Activities | | | | |
| Purchase of Property, Plant and Equipments | (104) | | (2,162) | |
| Purchase of investment | (1,079) | | - | |
| Proceeds from sale of Property, Plant and Equipments | 5494 | | 8,395 | |
| Proceeds from sale of investment | 39 | | 2 | |
| Proceeds from/(investment in) bank deposits (with original maturity over 3 months) | (14) | | 720 | |
| Interest received | 46 | 4382 | 35 | 6992 |
| Net Cashflow from Investing Activities | | 4,382 | | 6,992 |



| Particulars | ₹ in Lacs | |
|---------------------------------------------------------------------|----------------------|----------------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| (C) Cash Flow from Financing Activities | | |
| Proceeds from (Repayment of) long term borrowings | (197) | (5,047) |
| Proceeds from (Repayment of) short term borrowings | (176) | (123) |
| Short Term Loans Given | (475) | - |
| Interest and finance charges paid | (306) | (604) |
| | (1,154) | (5,773) |
| Net Cashflow from Financing Activities | (1,154) | (5,773) |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | 547 | 379 |
| Add: Cash and bank balances at the beginning of the year | 562 | 183 |
| Cash and bank balances at the end of the year | 1,109 | 562 |

Cash and cash equivalents at the end of the year consist of cash on hand and balance with banks as follows:

| Details of Cash & Cash Equivalents | ₹ in Lacs | |
|-----------------------------------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Balances with banks in current accounts | 1,103 | 555 |
| Cash on hand | 6 | 7 |
| Cash and Cash Equivalents as per note no. 11 | 1,109 | 562 |

NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows.
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chintan N. Parikh

Chartered Accountants

Chairman & Managing Director

Firm Registration Number: 106625W

(DIN:00155225)

Suvrat S. Shah

Hiren S. Mahadevia

Jayesh C. Bhayani

Partner

Company Secretary

Chief Financial Officer

Membership Number: 102651

Ahmedabad, Dated: May 25, 2019

Ahmedabad, Dated: May 25, 2019

Notes to the Financial Statements

Note:1 Corporate Information

Ashima Limited is engaged in manufacture of 100% cotton Yarn Dyed Shirting fabrics and Denim fabrics. It offers a wide range of products including basic denims, ring/slab denims, pigment/discharged print, polyester denim, various yarn dyed fabrics like stripes, chambrays, twills, oxford, herringbones, indigo checks, pique, satin, dubbies, etc. It also operates into ready-to-stitch product under the brand name "ICON".

The company has a state of the art design studio which can cater to the requirements of the best of the high-end customers. Because of its compact size and the product specific model, it possesses versatility in terms of product offering, ranging from 6's to 12's counts.

A substantial part of the goods manufactured by the company are meant for exports. Apart from direct exports, the company also sells to garment manufacturers nominated by overseas buyers. The company therefore contributes significantly to the government exchequer in terms of foreign currency earnings and also in terms of payment of various direct and indirect taxes.

The company employs substantial work force and has an impeccable record on labour relations. The company is also committed to environment friendly approach across its manufacturing operations and has many innovations and certifications to its credit on that front.

The company is abreast of changing fashion trends affecting product requirements of brands and international customers.

The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 (now Companies Act, 2013) ('the Act'). Its shares are listed on the Bombay Stock Exchange (BSE Limited) and the National Stock Exchange (National Stock Exchange of India Limited) in India. The registered office of the company is located at Texcellence Complex, Near Anupam Cinema, Khokhara-Mehmedabad, Ahmedabad - 380021.

The financial statements for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the directors on May 25, 2019.

Note: 2-Significant Accounting Policies:

The following note provides list of the significant accounting policies adopted in the preparation of these financial statements.

These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

- A The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
- B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
 - i Derivative financial instruments
 - ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
 - iii Defined benefit plans
 - iv Certain items of Property, Plant and Equipment
- C The amounts mentioned in the financial statements are rounded off to the nearest Lac. Figures less than ₹ 50,000/- appear as zero ("0"). As the quarterly and yearly figures are taken from the sources and rounded to the nearest digits, the figures already reported for all the quarters during the year might not always add up to the year figures reported in this statement.



Notes to the Financial Statements

2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical estimates and judgments**a Income Taxes:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions, and in estimation of deferred tax asset or liability.

b Property, plant and equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge 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. Management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at reasonable intervals and any revision to these is recognised prospectively in current and future periods. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Significant judgment is involved in determining the estimated future cash flows and/or net realisable value from the Property, Plant and Equipment to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

c Employee Benefits:

Significant judgments are involved in making estimates about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

d Product quality claims:

Significant judgments are involved in determining estimated value of likely product quality claims.

e Insurance Claims

Significant judgments are involved in determining estimated value of likely to be received in respect of insurance claims lodged in respect of loss/damage to properties/stock of the company.

3 Foreign Currency Transactions:

- A The Company's financial statements are presented in Indian Rupees (₹), which is the functional and presentation currency.
- B The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

Notes to the Financial Statements

- C Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.
- D Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss as part of finance costs. All the other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

4 Revenue Recognition:

- A Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, volume discounts and value added taxes.
- B GST is not received by the Company on its own account, but is tax collected on value added to the Goods/ services by the Company on behalf of the government. Accordingly, it is excluded from revenue.
- C For revenue to be recognised, the following specific recognition criteria for each types of revenue must be satisfied:

a Sale of Goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade allowances, rebates, volume discounts and GST.

The goods are often sold with volume discounts/pricing incentives and customers have a right to return defective products. Revenue from sales is based on the price in the sales contracts, net of discounts. Historical experience is used to estimate and provide for customer claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed and are net of GST, wherever applicable.

c Interest Income:

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

- d Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

e Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.



Notes to the Financial Statements

5 Government Grants:

- A Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.
- B Government grants related to revenue items are recognised on a systematic and gross basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.
- C Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

6 Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

- a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b Current tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss, Other Comprehensive Income (OCI) or directly in equity.

B Deferred Tax:

- a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognised for all taxable temporary differences.
- c Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax losses can be utilized.

- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss, Other Comprehensive Income (OCI) or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

7 Property, Plant and Equipment:

- A Property, Plant, and Equipment including leasehold land existing as on January 1, 2005 have been carried at revalued figures and subsequent additions thereto are accounted for on actual/historical cost

Notes to the Financial Statements

basis. Cost includes related expenditure and pre-operative and project expenses for the period upto completion of construction / upto date of assets being ready for its intended use, if recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Cost is reduced by accumulated depreciation and impairment and amount representing assets disclosed or held for disposal. On transition to Ind AS as on April 1, 2016, the Company has elected to measure its Property, Plant and Equipment at carrying value as per previous GAAP. As per the requirement of paragraph 11 of Ind AS 101, outstanding amount in the revaluation reserve was transferred to retained earning account upon transition to Ind AS, since the Company is no longer applying the revaluation model of Ind AS 16 upon transition and has elected to apply the cost model approach.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

- B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C Depreciation on tangible assets is provided on "straight line method". Useful life of tangible assets except buildings as per following details are different from that prescribed in Schedule II of the Act, which have been arrived at based on technical evaluation. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at reasonable intervals. Any revision to these is recognized prospectively in current and future periods.

| Category of Asset | Useful life in years |
|---------------------------------------------------------------------------------|----------------------|
| Plant & Machinery (Other than Continuous Process Plants), on triple shift basis | 23 |
| Continuous Process Plants | 45 |
| Office Equipment | 20 |
| Computers & Printers | 6 |
| Vehicle | 10 |
| Furniture & Fixture | 20 |

- D Depreciation on impaired assets is calculated on its reduced value, if any, on a systematic basis over its remaining useful life.
- E Depreciation on additions/ disposals of the Property, Plant & Equipments during the year is provided on pro-rata basis according to the period during which assets are used.
- F Capital work in progress is stated at cost less accumulated impairment loss, if any. All other repair and maintenance costs are recognised in Statement of Profit or Loss as incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.
- G An item of property, plant and equipment and any significant part thereof initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.



Notes to the Financial Statements

8 Intangible Assets:

- A Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- B Capitalised cost incurred towards purchase/ development of software is amortized using straight line method over its useful life of six years as estimated by the management at the time of capitalisation.
- C An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

9 Borrowing Costs:

- A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- B Borrowing costs that are directly attributable to the acquisition / construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use.
- C For capitalization of eligible borrowing costs which are not specifically attributable to the acquisition, construction or production of a particular qualifying asset, a weighted average capitalization rate is applied for all the eligible assets.

The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

10 Impairment of Assets:

The carrying amounts of Property, Plant and Equipment and intangible assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted estimated cash flows for the remaining years (remaining useful life). Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

11 Inventories:

- A Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- B Costs (net of input credit of VAT/GST) comprises all cost of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition. Cost formulae used are "First In First Out", "weighted Average Cost", or "Specific Identification" as applicable.
- C Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

Notes to the Financial Statements

12 Cash and Cash Equivalents:

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

13 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

- A Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/disclosure is made. Contingent assets are not recognised but are disclosed separately in the financial statements. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingencies and commitments are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

- B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

14 Provision for Product Quality Claims:

Provisions for claims raised by customers for products sold by the company are made on management estimates based on claim history and other relevant factors. The initial estimate of the claim is revised at each reporting period.

15 Employee Benefits:**A Short term obligations:**

Liabilities for wages and salaries, including leave encashments that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

B Long term employee benefits obligations:**a Defined Benefit Plans:****i Gratuity:**

Liability on account of gratuity is provided for on the basis of actuarial valuation carried out by an independent actuary as at the Balance Sheet date. The contribution towards gratuity liability is funded to an approved gratuity fund and the funds are managed by insurance companies. The Liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.



Notes to the Financial Statements

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the Statement of Profit and Loss. Re-measurements gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "Other Comprehensive Income" and are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Re-measurements gains or losses recognized in the Other Comprehensive Income are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- i Service costs comprising current service costs and past service costs.
- ii Net interest expense or income.

b Defined Contribution Plans - Provident Fund Contribution:

Contribution to provident fund is made to the provident fund administered by the Government as per the provisions of the Provident Fund Act, 1952 and is recognised as employee benefit expenses on accrual basis.

Liability on account of Superannuation is accounted for on accrual basis. The contribution towards Superannuation liability is funded to an approved Superannuation fund and the funds are managed by insurance companies.

C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed on accrual basis.

16 Financial Instruments:

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

A Financial assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

i Financial Assets at amortized cost:

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows.
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking

Notes to the Financial Statements

into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

ii Financial Assets at fair value through Other Comprehensive Income (FVTOCI):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets.
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

iii Financial Assets and derivatives at fair value through profit or loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c Derecognition:

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

- i The right to receive cash flows from the asset has expired, or
- ii The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a Financial assets that are debt instruments, and are measured at amortized cost.



Notes to the Financial Statements

- b Trade receivables or any contractual right to receive cash or another financial asset.
- c Financial assets that are debt instruments and are measured as at FVTOCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c provided above. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- a Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b Financial guarantee contracts: ECL is presented as a provision in the Balance Sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B Financial liabilities:**a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortized cost except for financial guarantee contracts, as described below:

i Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation

Notes to the Financial Statements

process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

C Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17 Derivative Financial Instruments:

Derivatives are recognised initially at fair value and subsequently at fair value through profit and loss.

18 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss (excluding Other Comprehensive Income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Note: 3 - Changes in Accounting Standards and other recent accounting pronouncements yet not effective:

Following changes in Accounting Standards have been notified on March 30, 2019, which will be effective from accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of these changes in the financial statements.

- (1) **Ind AS 116, Leases:** Ind AS 116 would replace the existing Ind AS 17 – 'Leases'. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee

**Notes to the Financial Statements**

to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss.

- (2) **Amendment to Ind AS 12 'Income Taxes':** The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, Other Comprehensive Income or equity according to where the entity originally recognised those past transactions or events.
- (3) **Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:** It clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix.
- (4) **Amendment to Ind AS 19 'Employee Benefits':** It relates to accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after amendment, curtailment or settlement of a defined benefit plan and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Notes to the Financial Statements

Note: 4-Property, Plant & Equipment:

| | Note:4(A) Tangible Assets | | | | | | | Note:4(B) Intangible Assets | |
|------------------------------------------------------------|---------------------------|----------------|--------------|---------------------|------------------------|-----------|------------------|--------------------------------|-------------------|
| | Freehold Land | Leasehold Land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Total | Computer Software |
| Gross Block: | | | | | | | | | |
| As at April 1, 2017 | 98 | 6,392 | 4,687 | 11,351 | 158 | 54 | 251 | 22,991 | 174 |
| Additions | - | 66 | 115 | 1,969 | 2 | - | 24 | 2,176 | 2 |
| Disposals/Adjustment | - | (3,301) | (183) | (13) | - | (18) | (4) | (3,519) | - |
| As at March 31, 2018 | 98 | 3,156 | 4,619 | 13,307 | 160 | 36 | 271 | 21,647 | 176 |
| Additions | - | - | 19 | 62 | 1 | - | 12 | 94 | 5 |
| Disposals/Adjustment | - | (44) | (522) | (1,186) | (2) | - | (0) | (1,754) | 0 |
| As at March 31, 2019 | 98 | 3,112 | 4,116 | 12,183 | 159 | 36 | 283 | 19,987 | 181 |
| Depreciation, Amortisation and Impairment | | | | | | | | | |
| As at April 1, 2017 | - | - | 1,709 | 8,901 | 110 | 29 | 158 | 10,907 | 145 |
| Depreciation provided/ | - | - | 137 | 197 | 8 | 3 | 16 | 362 | 6 |
| Amortisation for the year | - | - | (77) | (12) | - | (8) | (4) | (101) | - |
| Disposals/Adjustment | - | - | - | - | - | - | - | - | - |
| As at March 31, 2018 | - | - | 1,769 | 9,086 | 118 | 24 | 170 | 11,168 | 151 |
| Depreciation provided/ | - | - | 133 | 201 | 8 | 3 | 16 | 360 | 5 |
| Amortisation for the year | - | - | (156) | (1,090) | (1) | - | (0) | (1,247) | - |
| Disposals/Adjustment | - | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | - | - | 1,746 | 8,197 | 125 | 27 | 185 | 10,281 | 156 |
| Net Block: | | | | | | | | | |
| As at March 31, 2018 | 98 | 3,156 | 2,850 | 4,221 | 42 | 12 | 101 | 10,479 | 25 |
| As at March 31, 2019 | 98 | 3,112 | 2,369 | 3,987 | 34 | 9 | 98 | 9,706 | 26 |
| ₹ in Lacs | | | | | | | | | |
| Year ended March 31, | | | | | | | | | 2018 |
| 2019 | | | | | | | | | |
| Depreciation, Amortisation and Impairment expenses: | | | | | | | | | |
| Depreciation | | | | | | | | 365 | 367 |
| Total | | | | | | | | 365 | 367 |

Notes: Buildings include ₹ 450/- being the value of unquoted shares held in co-operative societies.



Notes to the Financial Statements

Note: 5-Other Financial Assets:

| | ₹ in Lacs | |
|----------------------------------------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| (Unsecured, Considered Good unless otherwise stated) | | |
| Security Deposits | 212 | 201 |
| Loans and advances to parties other than related parties | | |
| Considered Doubtful | 178 | 178 |
| Less: Impairment allowance | (178) | (178) |
| | - | - |
| Total | 212 | 201 |

Note: 6-Other Non-Current Assets:

| | ₹ in Lacs | |
|------------------------------|-----------------|-----------|
| | As at March 31, | |
| | 2019 | 2018 |
| (Unsecured, Considered Good) | | |
| Capital Advance | 1 | 3 |
| Claims and other receivables | 2 | 2 |
| Prepaid Expenses | 28 | 37 |
| Total | 31 | 42 |

Note: 7-Asset for Current Tax:

| | ₹ in Lacs | |
|------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Advance payment of Tax | 283 | 279 |
| Total | 283 | 279 |

Notes to the Financial Statements

Note: 8-Inventories:

| | ₹ in Lacs | |
|-----------------------------------------------------------------------|-----------------|--------------|
| | As at March 31, | |
| | 2019 | 2018 |
| (The inventories are valued at lower of cost or net realisable value) | | |
| Classification of Inventories: | | |
| Raw Materials | 615 | 981 |
| Work-in-progress | 1,018 | 1,294 |
| Finished Goods | 2,425 | 2,774 |
| Stock-in-trade | 336 | 288 |
| Stores and Spares | 362 | 343 |
| Packing Materials | 52 | 37 |
| Others | 2 | 1 |
| Total | 4,810 | 5,718 |
| The above includes Goods in transit as under: | | |
| Raw Materials | 144 | 79 |
| Stores and Spares | 4 | 3 |

Amount recognised as an expense in Statement of Profit and Loss resulting from write-down of inventories

| | ₹ in Lacs | |
|-------------------------------|----------------------|------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Net of reversal of write-down | (79) | 113 |

Note: 9 - Current Investments :

| | | ₹ in Lacs | |
|---------------------------------------------|-----------------|-----------------|----------|
| | | As at March 31, | |
| | | 2019 | 2018 |
| Investment in Mutual Funds | Nos (*) | | |
| Unquoted | | | |
| At Fair value through Profit and Loss | | | |
| Franklin India Ultra Short Bond Fund | 4207503.175 (0) | 1,105 | - |
| - Super Institutional Plan - Growth | | | |
| Edelweiss Liquid Fund - Regular Plan Growth | 880.31 (0) | 21 | - |
| Total | | 1,126 | - |

(*) Figures of previous year are stated in '()'.



Notes to the Financial Statements

Note: 10 - Trade Receivables:

| | ₹ in Lacs | |
|-------------------------------------------------------|-----------------|--------------|
| | As at March 31, | |
| | 2019 | 2018 |
| (Unsecured, Considered Good, unless otherwise stated) | | |
| From Related Party | 568 | 278 |
| From Others | | |
| Considered good | 1,901 | 1,258 |
| Considered doubtful | 76 | 76 |
| Less: Impairment allowances | (76) | (76) |
| | 1,901 | 1,258 |
| Total | 2,469 | 1,536 |

Note: 11 - Cash and Cash Equivalents:

| | ₹ in Lacs | |
|-----------------------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Balances with banks in current accounts | 1,103 | 555 |
| Cash on Hand | 6 | 7 |
| Total | 1,109 | 562 |

Note: 12 - Bank Balance other than Cash and Cash Equivalents

| | ₹ in Lacs | |
|------------------------------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Bank deposits maturing between 3 to 12 months* | 270 | 256 |
| Total | 270 | 256 |

(*) Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds, except the deposits of ₹ 267 lacs, (₹ 253 lacs as at March 31, 2018) which are not available for free use as per the court order.

Note: 13 - Loans:

| | ₹ in Lacs | |
|-------------------------------|-----------------|----------|
| | As at March 31, | |
| | 2019 | 2018 |
| (Unsecured, Considered Good) | - | - |
| Loans and advances to Others* | 475 | - |
| Total | 475 | - |

Note: * Loans and advances have been given for business purpose

Notes to the Financial Statements

Note: 14 - Other Current Financial Assets:

| | ₹ in Lacs | |
|---------------------------------------------------------------|---------------------|---------------------|
| | As at March 31, | |
| | 2019 | 2018 |
| (Unsecured, Considered Good, unless otherwise stated) | | |
| Advances Receivable in cash | | |
| Considered Good | 0 | 0 |
| Considered Doubtful | 2 | 2 |
| Less: Impairment allowance | (2) | (2) |
| | <u>0</u> | <u>0</u> |
| Claims and other receivables | 84 | 72 |
| Receivables on account of sale of Property, Plant & Equipment | 2,885 | 5,479 |
| Interest receivable | 22 | 25 |
| Total | <u><u>2,992</u></u> | <u><u>5,576</u></u> |

Note: 15 - Other Current Assets:

| | ₹ in Lacs | |
|-------------------------------------|-------------------|-------------------|
| | As at March 31, | |
| | 2019 | 2018 |
| (Unsecured, Considered Good) | | |
| Balances with Statutory Authorities | 304 | 459 |
| Claims and other receivables | 56 | 35 |
| Prepaid Expenses | 44 | 38 |
| Export Incentive receivables | 14 | 21 |
| Advances to Suppliers | 30 | 58 |
| Advances to Staff | 2 | 2 |
| Total | <u><u>450</u></u> | <u><u>613</u></u> |

**Notes to the Financial Statements****Note: 16 - Equity Share Capital:**

| | ₹ in Lacs | |
|--------------------------------------------------------------------------------------------------------------|--------------------|-------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Authorised Capital: | | |
| 12,95,00,000 Equity shares of ₹10/- each (12,95,00,000 Equity Shares as at March 31, 2018) | 12,950 | 12,950 |
| 20,50,000 Preference shares of ₹100/- each (20,50,000 Preference Shares as at March 31, 2018) | 2,050 | 2,050 |
| | 15,000 | 15,000 |
| Issued, Subscribed and Paid-up Capital: | | |
| 12,84,53,876 Equity shares of ₹10/- each, fully paid up (12,84,53,876 Equity Shares as at March 31, 2018) | 12,845 | 12,845 |
| Total | 12,845 | 12,845 |
| A The reconciliation in number of shares is as under: | | |
| Number of shares at the beginning of the year | 128,453,876 | 128,453,876 |
| Add: Shares issued during the year | - | - |
| Number of shares at the end of the year | 128,453,876 | 128,453,876 |
| B Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 10/- each, fully paid: | | |
| 1 Apus Investments Pvt. Ltd. | | |
| Number of Shares | 58,684,751 | 58,684,751 |
| % to total shareholding | 45.69% | 45.69% |
| 2 Albus Investments Pvt. Ltd. | | |
| Number of Shares | 16,596,808 | 16,596,808 |
| % to total shareholding | 12.92% | 12.92% |
| 3 Assets Reconstruction Company (India) Ltd. | | |
| Number of Shares | 9,201,615 | 9,268,627 |
| % to total shareholding | 7.16% | 7.22% |

C Rights of Equity Shareholders

- Holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian Rupees. The Companies Act, 2013 provides that dividend shall be declared only out of the profits of the relevant year or out of the profits of any previous financial year(s) after providing for depreciation in accordance with the provisions of the Act and the Company may transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company.
- In case of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the condition that the rate of dividend shall not exceed average of the rates at which dividend was declared by the Company in three years immediately preceding that year.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Notes to the Financial Statements

Note: 17 - Other Equity:

| | | ₹ in Lacs | |
|--------------------------------------------------------------------------------------------|-----------|-----------------|----------|
| | | As at March 31, | |
| | | 2019 | 2018 |
| Other Reserves: | | | |
| Capital Reserve (A) | | 38 | 38 |
| (Created on account of reissue of forfeited shares/debentures) | | | |
| Retained Earnings: | | | |
| Balance as per last Balance Sheet | | (37,384) | (48,087) |
| Add: Profit for the year | | 1,782 | 12,648 |
| Add/(less): Adjusted upon sale/retirement of assets for component of Revaluation Reserve | | - | (1,945) |
| | | (35,602) | (37,384) |
| Less: | | | |
| Capital Redemption Reserve - I | | 2 | 2 |
| Capital Redemption Reserve - II | | 38 | 38 |
| Securities Premium Account | | 12,388 | 12,388 |
| Debenture Redemption Reserve | | 2,901 | 2,901 |
| Reconstruction Reserve | | 984 | 984 |
| Business Reconstruction Reserve | | 24,393 | 24,393 |
| | | 40,705 | 40,705 |
| | (B) | 5,103 | 3,320 |
| Less: Items of Other Comprehensive Income recognised directly in Retained Earnings: | | | |
| Balance as per last Balance Sheet | | (177) | (116) |
| Re-measurement gains/ (losses) on defined benefit plans (net of tax) for the year | | (6) | (61) |
| | (C) | (183) | (177) |
| Balance as at the end of the year | (D = B+C) | 4,920 | 3,144 |
| Total | (E = A+D) | 4,958 | 3,182 |



Notes to the Financial Statements

Note: 18 - Non-Current Borrowings:

| | ₹ in Lacs | | | |
|----------------------------------------------------------------------------------------|---------------------|--------------|--------------------|------------|
| | Non-current portion | | Current Maturities | |
| | As at March 31, | | As at March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| A Preference Shares | | | | |
| 20,50,000 1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid up | 561 | 519 | - | - |
| B Term Loans from Banks - Secured | 847 | 1,108 | 261 | 196 |
| C Others -Unsecured | 750 | 750 | - | - |
| Total | 2,158 | 2,377 | 261 | 196 |
| The above amount includes: | | | | |
| Secured borrowings | 847 | 1,108 | 261 | 196 |
| Unsecured borrowings | 1,311 | 1,269 | - | - |
| Amount disclosed under the head "Other Current Financial Liabilities" (Note-23) | - | - | (261) | (196) |
| Net amount | 2,158 | 2,377 | - | - |

Securities and Terms of Repayment for Secured Long Term Borrowings:

a Preference Shares

1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid to be redeemed at par at the end of 20 years from the date of allotment. The Company has an option to redeem the preference shares at par at any time after the end of 12 months from the date of allotment.

Rights of Preference Shareholders

- As per Section 47(2) of the Companies Act, 2013, Preference Shareholders shall have right to vote only on resolutions placed before company which directly affect their rights attached to preference shares and any resolution for winding up of the company or for repayment or reduction of share capital shall be deemed directly to affect their rights.
- Voting rights of the preference shareholders shall be in proportion as the paid up preference share capital bears to the paid up equity share capital.
- Where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

b Term Loan from Bank

i Nature of Security:

The Loan is primarily secured by exclusive charge on the Plant and Equipment financed by the said term loan and secondarily secured by charge on the factory land admeasuring about 30,000 Square meters situated at Mithipur, Taluka Maninagar, District Ahmedabad of TP Scheme no. 7 (Khokhra – Mehmdabad) and Registration District Sub-District Ahmedabad – 7 (Odhav).

ii Terms of repayment:

Term Loan from bank is ₹ 1108 Lacs, bearing interest rate of 8.25% per annum (fixed), which is repayable in 20 equal installments at quarterly rest, starting from August 2018.

Notes to the Financial Statements

c Unsecured Loan

The unsecured loans include ₹ 750 Lacs in the suspense account representing amount of a cheque drawn on HDFC Bank given by the company to Bank of Bahrain & Kuwait ("BBK") and paid to BBK by clearing house because of the delay by HDFC Bank in returning the cheque to BBK.

The proceedings at Debt Recovery Tribunal ("DRT") were completed and order dated June 30, 2017 was passed directing BBK (Defendant No. 1) and the Company (Defendant No.2) jointly and severally to pay the suit amount of ₹ 914.23 Lacs with further simple interest @12% per annum on principal amount of ₹ 750 Lacs. The Company filed an application before DRT to review the said order, which is pending for hearing. The Company has also filed an Appeal at Debt Recovery Appellate Tribunal, Mumbai (DRAT) against the said order, which is also pending. In view of this, the said amount of ₹ 750 Lacs is continued in the suspense account.

Meanwhile, as part of recovery proceedings filed by HDFC Bank, an order of attachment was passed by the Recovery Officer ("RO") on March 29, 2019 attaching certain immovable properties of the Company situated at Ahmedabad, Kadi and Mumbai. The decretal amount as per the RO is ₹ 2070.45 Lacs and the value of the properties attached by this order is in excess of the decretal amount. Therefore, the company has filed an application before the RO for review /recall and/or modification of the attachment order. The application has been heard and is pending for order. The Company has also challenged the attachment order before DRT.

Note: 19 - Other Financial Liabilities:

| | ₹ in Lacs | |
|----------------|-----------------|-----------|
| | As at March 31, | |
| | 2019 | 2018 |
| Trade Deposits | 21 | 30 |
| Others | - | 1 |
| Total | 21 | 31 |

Note: 20 - Provisions:

| | ₹ in Lacs | |
|---------------------------------|-----------------|----------|
| | As at March 31, | |
| | 2019 | 2018 |
| Provision for Employee Benefits | | |
| For Gratuity | - | 5 |
| Total | - | 5 |



Notes to the Financial Statements

Note: 21 - Current Borrowings:

| | ₹ in Lacs | |
|---------------------------------------------------|-----------------|------|
| | As at March 31, | |
| | 2019 | 2018 |
| Loans repayable on Demand: | | |
| Unsecured Loans from parties other than Banks (*) | - | 320 |
| Total | - | 320 |

(*) Note: Unsecured borrowing was obtained from non-related party, without any specific terms of repayment and did not bear any interest.

Note: 22 - Trade Payables:

| | ₹ in Lacs | |
|---------------------------------|-----------------|-------|
| | As at March 31, | |
| | 2019 | 2018 |
| Micro and small enterprises (*) | - | - |
| Others | 3,142 | 4,526 |
| Total | 3,142 | 4,526 |

(*) Based on the information available with the company regarding the status of its vendors under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), the disclosure pursuant to the MSMED Act is as follows:

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| a. Principal amount and the interest due thereon remaining unpaid to any suppliers at the year end | - | - |
| b. the amount of Interest paid by the buyer in term of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | - | - |
| d. the amount of Interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of deductible expenditure under section 23 of the MSMED Act | - | - |

Notes to the Financial Statements

Note: 23 - Other Financial Liabilities:

| | ₹ in Lacs | |
|-------------------------------------------------------|-----------------|--------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Current Maturities of Long Term Debt (Refer Note- 18) | 261 | 196 |
| Interest accrued but not due on borrowings | 8 | 9 |
| Payable to Statutory Authorities | 63 | 83 |
| Bills Payables | - | 463 |
| Unpaid Expenses | 387 | 431 |
| Total | 718 | 1,181 |

Note: 24 - Other Current Liabilities:

| | ₹ in Lacs | |
|---------------------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Advances from customers | 38 | 382 |
| Advance received for sale of property | - | 560 |
| Other liabilities | 5 | 5 |
| Total | 43 | 947 |

Note: 25 - Provisions:

| | ₹ in Lacs | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Provision for Employee Benefits: | | |
| For Gratuity | - | 41 |
| For Leave Encashment | 89 | 102 |
| Provision for product quality claims * | 9 | 5 |
| Total | 99 | 147 |
| (*) Provision for product quality claims: | | |
| a Provision for quality claims in respect of products sold during the year is made based on the management's estimates considering the claim history and other relevant factors. | | |
| b The movement in such provision is stated as under: | | |
| i Carrying amount at the beginning of the year | 5 | 34 |
| ii Additional provision made during the year | 9 | 5 |
| iii Amount used | (5) | (34) |
| iv Carrying amount at the end of the year | 9 | 5 |



Notes to the Financial Statements

Note: 26 - Contingent Liabilities and Commitments (to the extent not provided for):

| | ₹ in Lacs | |
|----------------------------------------------------------------------------------------------------------------------|-----------------|--------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Contingent Liabilities: | | |
| (A) Bills Discounted | 139 | 108 |
| (B) Claims against the company not acknowledged as debt | | |
| (i) Income-tax | 1 | 1 |
| (ii) Central excise Duty | 10 | 10 |
| (iii) Sales-tax/VAT | 1,907 | 1,907 |
| (iv) Employees' State Insurance dues | 89 | 86 |
| (v) Custom-duty | 72 | 70 |
| (vi) Others | 1,434 | 1,346 |
| Total | 3,514 | 3,421 |
| (C) Other money for which the company is contingently liable: Employees who have yet not opted for VRS | 7 | 14 |
| Commitments: | | |
| (A) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) | 4 | 39 |

Note: 27 - Revenue from Operations:

| | ₹ in Lacs | |
|----------------------------------------------------------|----------------------|---------------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Sale of Products | 28,188 | 22,608 |
| Sale of Services | 35 | 197 |
| Other Operating Revenues: | | |
| Waste Sales | 79 | 106 |
| Export Incentives | 88 | 67 |
| Net gain on foreign currency transaction and translation | 19 | 19 |
| | 185 | 192 |
| Total | 28,408 | 22,997 |

W.e.f. April 1, 2018, the Company has adopted Ind AS 115 - "Revenue from contracts with customers" under the full retrospective approach. Accordingly, the comparatives have been adjusted to give the effect of Ind AS 115. The effect of the same was insignificant on the financial results.

Notes to the Financial Statements

Note: 28 - Other Income:

| | ₹ in Lacs | |
|----------------------------------------------------------------|----------------------|------------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Finance Income: | | |
| Interest Income on Financial Assets measured at Amortised Cost | 45 | 33 |
| Insurance Claim | - | 66 |
| Gain on sale/fair valuation of instruments measured at FVTPL | 87 | 2 |
| Transitional Input Tax Credit | - | 156 |
| Miscellaneous income | 29 | 6 |
| Total | 160 | 264 |

Note: 29 - Cost of Materials Consumed:

| | ₹ in Lacs | |
|-----------------------------------|----------------------|---------------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Raw Materials | | |
| Stock at commencement | 980 | 735 |
| Add: Purchases during the year | 13,741 | 12,252 |
| | 14,721 | 12,987 |
| Less: Stock at close | 575 | 980 |
| | 14,146 | 12,007 |
| Packing Materials consumed | 120 | 87 |
| Total | 14,266 | 12,094 |

Note: 30 - Purchases of Stock-in-trade:

| | ₹ in Lacs | |
|-----------------------------|----------------------|--------------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Purchases of Stock-in-trade | 726 | 1,144 |
| Total | 726 | 1,144 |



Notes to the Financial Statements

Note: 31 - Changes in Inventories:

| | ₹ in Lacs | |
|-------------------------------|----------------------|---------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Stock at commencement: | | |
| Work-in-progress | 1,294 | 970 |
| Finished Goods | 2,776 | 1,945 |
| Stock-in-trade | 288 | 293 |
| | 4,357 | 3,208 |
| Less: Stock at close: | | |
| Work-in-progress | 1,018 | 1,294 |
| Finished Goods | 2,427 | 2,776 |
| Stock-in-trade | 336 | 288 |
| | 3,781 | 4,357 |
| Total | 576 | (1,149) |

Note: 32 - Employee Benefits Expense:

| | ₹ in Lacs | |
|-----------------------------------------------|----------------------|-------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Salaries and wages | 2,987 | 2,937 |
| Contribution to provident and other funds (*) | 288 | 330 |
| Staff welfare expenses | 76 | 106 |
| Total | 3,352 | 3,373 |

* The Company's contribution is towards defined contribution plan. The company makes Provident Fund contributions to the Regional Provident Fund Commissioner for the qualifying employees, as specified under the law.

Note: 33 - Finance Cost:

| | ₹ in Lacs | |
|-----------------------------|----------------------|------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Interest expense | | |
| - On Term Loans | 103 | 476 |
| - On Working Capital | 32 | 24 |
| - Others | 222 | 129 |
| Bank commission and charges | 37 | 25 |
| Total | 394 | 654 |

Notes to the Financial Statements

Note: 34 - Other Expenses:

| | ₹ in Lacs | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| Consumption of Stores and Spare parts | 1,567 | 1,532 |
| Power and fuel | 2,632 | 2,367 |
| Rent (*) | 21 | 5 |
| Repairs to Buildings | 20 | 27 |
| Repairs to Plant and Equipments | 124 | 173 |
| Repairs to Others | 29 | 23 |
| Insurance | 41 | 76 |
| Rates and Taxes (excluding taxes on income) | 31 | 42 |
| Jobwork Charges | 4,065 | 3,159 |
| Freight and forwarding expenses | 219 | 179 |
| Sales Commission | 74 | 49 |
| Other Sales promotion expenses | 117 | 130 |
| Traveling Expenses | 105 | 114 |
| Loss on sale/retirement/damage of Property, Plant and Equipments | 177 | 36 |
| Labour Charges | 503 | 364 |
| Legal and Professional Fees | 122 | 128 |
| Directors' fees | 3 | 3 |
| Miscellaneous Expenses (**) | 495 | 263 |
| Total | 10,344 | 8,669 |
| <p>* The Company has taken certain properties under leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties.</p> | | |
| <p>** Miscellaneous Expenses include:</p> | | |
| a Payment to the Statutory Auditors | | |
| i - As Auditor | 10 | 10 |
| - For Other Services | 2 | 0 |
| Total | 12 | 10 |
| ii Cost Auditor's Remuneration including fees for other services | 1 | 1 |

**Notes to the Financial Statements****Note: 35-Tax Expenses:**

| | ₹ in Lacs | |
|------------------------------------------------------------------------------------------------|----------------------|---------|
| | Year ended March 31, | |
| | 2019 | 2018 |
| The major components of income tax expense are: | | |
| A Tax Expenses | - | - |
| B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate: | | |
| Profit before tax | 1,782 | 12,648 |
| Enacted Tax Rate in India | 29.12% | 34.61% |
| Expected Tax Expenses | 519 | 4,377 |
| Adjustments for: | | |
| Effect of additional deductions in taxable income | (42) | (333) |
| Effect of non-deductible expenses | 20 | 1 |
| Effect of deductible expenses | (22) | (2) |
| Unused tax losses of the earlier year now utilised | (202) | (2,312) |
| Indexation benefit on sale of Property, Plant and Equipments | (273) | (1,731) |
| Total | (519) | (4,377) |
| Tax Expenses as per Statement of Profit and Loss | - | - |

Note: 36-Calculation of Earnings per Equity Share (EPS):

| | | | Year ended March 31, | |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------|----------------------|-------------|
| | | | 2019 | 2018 |
| The numerators and denominators used to calculate the basic and diluted EPS are as follows: | | | | |
| For EPS before exceptional item(s) | | | | |
| A | Profit/(Loss) attributable to equity shareholders | ₹ in Lacs | (1,453) | (1,892) |
| B | Average Number of Equity shares outstanding during the year | Numbers | 128,453,876 | 128,453,876 |
| C | Nominal value of equity share | ₹ | 10 | 10 |
| D | Basic & Diluted EPS | ₹ | (1.13) | (1.47) |
| For EPS after exceptional item(s) | | | | |
| A | Profit/(Loss) attributable to equity shareholders | ₹ in Lacs | 1,782 | 12,648 |
| B | Average Number of Equity shares outstanding during the year | Numbers | 128,453,876 | 128,453,876 |
| C | Nominal value of equity share | ₹ | 10 | 10 |
| D | Basic & Diluted EPS | ₹ | 1.39 | 9.85 |

Notes to the Financial Statements

Note: 37 - Deferred Tax:

A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

| | ₹ in Lacs | | | | |
|-----------------------------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | As at April 1 2017 | Charge for the year | As at March 31 2018 | Charge for the year | As at March 31 2019 |
| Deferred Tax Liabilities: | | | | | |
| Depreciation | (1,153) | (250) | (1,403) | 276 | (1,127) |
| | (1,153) | (250) | (1,403) | 276 | (1,127) |
| Deferred Tax Assets: | | | | | |
| Employee benefits/ Payable to Statutory Authorities | 86 | 22 | 108 | (55) | 53 |
| Receivables | 82 | 7 | 89 | (14) | 74 |
| Other | 282 | (78) | 204 | (82) | 122 |
| Unabsorbed depreciation/ Business Loss | 7,004 | - | 7,004 | (1,636) | 5,368 |
| Total | 7,454 | (49) | 7,405 | (1,787) | 5,617 |
| Net Deferred Tax Assets/ (Liabilities) | 6,301 | (299) | 6,002 | (1,511) | 4,491 |

B Significant Estimates :

As regards deferred tax as per Ind AS-12 on "Income Taxes" there is a net deferred tax asset for the past years and for the period up to March 31, 2019. The Company has taken conservative view of future profitability. Accordingly, the Company has not recognized deferred tax asset.

Note: 38 - Disclosures as required by Ind AS 19 Employee Benefits:

The Company has classified the various benefits provided to employees as under:-

Defined benefit plans

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The gratuity plan is a funded plan administered by a recognised Trust and the Company makes contributions to the Trust. In accordance with Ind-As-19 on "Employee Benefits", actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions.

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to eight years.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this, any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account.


Notes to the Financial Statements

The assumptions used are summarized in the following table:

| | As at March 31, | |
|----------------------------------------|------------------------|-------------|
| | 2019 | 2018 |
| Discount rate (per annum) | 7.40% | 7.60% |
| Future salary increase | 3.00% | 3.00% |
| Expected rate of return on plan assets | 7.40% | 7.60% |

| | ₹ in Lacs | |
|----------------------------------------------------------------------------------|------------------------|-------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Change in present value of the defined benefit obligation during the year | | |
| Present value of obligation as at the beginning of the year | 714 | 624 |
| Interest Cost | 50 | 40 |
| Current Service Cost | 41 | 38 |
| Benefits Paid | (165) | (52) |
| Actuarial (Gain)/Loss arising from Change in Financial Assumption | 9 | (25) |
| Actuarial (Gain)/Loss arising from Experience Adjustment | (1) | 90 |
| Present value of obligation as at the end of the year | 648 | 714 |
| Change in fair value of plan assets during the year | | |
| Fair Value of plan assets at the beginning of the year | 668 | 653 |
| Interest Income | 48 | 44 |
| Contributions by the employer | 120 | 20 |
| Benefits paid | (165) | (52) |
| Return on plan assets | 2 | 4 |
| Fair Value of plan assets at the end of the year | 673 | 668 |
| Net Asset/ (Liability) recorded in the Balance Sheet | | |
| Present value of obligation as at the end of the year | 648 | 714 |
| Net Asset/ (Liability)-Current # | 25 | (41) |
| Net Asset/ (Liability)-Non-Current | - | (5) |
| Expenses recorded in the Statement of Profit and Loss during the year | | |
| Interest Cost | 2 | (3) |
| Current Service Cost | 41 | 38 |
| Actuarial (Gain)/Loss arising from Change in Financial Assumption | - | - |
| Actuarial (Gain)/Loss arising from Experience Adjustment | - | - |
| Total expenses included in employee benefit expenses | 43 | 34 |

Notes to the Financial Statements

| | ₹ in Lacs | |
|-------------------------------------------------------------------------------------------|-----------------|------|
| | As at March 31, | |
| | 2019 | 2018 |
| Recognized in Other Comprehensive Income during the year | | |
| Actuarial (Gain)/Loss arising from Change in Financial Assumption | 9 | (25) |
| Actuarial (Gain)/Loss arising from Experience Adjustment | (1) | 90 |
| Return on plan assets | (2) | (4) |
| Recognized in Other Comprehensive Income | 6 | 61 |
| Maturity profile of defined benefit obligation | | |
| Within 12 months of the reporting period | 82 | 112 |
| Between 2 and 5 years | 198 | 240 |
| Between 6 and 10 years | 352 | 361 |
| More than 10 years | 15 | 1 |
| Quantitative sensitivity analysis for significant assumption is as below: | | |
| Increase/(decrease) on present value of defined benefit obligation at the end of the year | | |
| Half percentage point increase in discount rate | 625 | 691 |
| Half percentage point decrease in discount rate | 672 | 739 |
| Half percentage point increase in salary increase rate | 673 | 740 |
| Half percentage point decrease in salary increase rate | 624 | 690 |

Composition of Plan Assets

| Particulars | As at March 31, | |
|---------------------|-----------------|----------------|
| | 2019 | 2018 |
| Policy of Insurance | 99.50% | 99.50% |
| Bank Balance | 0.50% | 0.50% |
| Total | 100.00% | 100.00% |

The company has not recognized positive impact of ₹ 25 lacs (as at March 31, 2018 - NIL), being excess of assets over obligation, in the financial statements as a measure of prudence.

Long-Term Employment Benefits**Leave Encashment:**

Liability for the Leave Encashment for ₹ 89 Lacs (as at March 31, 2018 - ₹ 102 Lacs) has been fully provided for by the company.

Note: 39 - Segment Information:

The company's operations relate only to manufacture and sale of textile and related products and hence primary segment reporting disclosure is not applicable. The company sells goods in domestic market and also exports them to various countries. However, for the year as well as previous year, export sales, which is the reportable segment, is less than the prescribed threshold of 10% of total revenue, hence secondary segment reporting is not applicable as per Ind AS – 108 - "Operating Segments".

**Notes to the Financial Statements****Note: 40 Exceptional items:**

The Exceptional items in the Statement of Profit and Loss include gain on sale of surplus land and impact of settlement of certain liabilities.

Note: 41-Related Party Transactions:

As per the Ind AS - 24 on "Related Party Disclosures", the transactions carried out and outstanding balances with the related parties of the Company are as follows:

a) Name of Related Parties and Nature of Relationship :**Key Management Personnel**

Mr. Chintan N. Parikh

Chairman and Managing Director

Mr. Krishnachintan C. Parikh

Executive Director (w.e.f. 01.06.2017) and relative of Chairman and Managing Director

Other related parties where control exists

Ashima Dyecot Private Limited

Apus Investments Private Limited

Atrium Exports Private Limited

Albus Investments Private Limited

Shardul Garments Private Limited

b) Disclosure in respect of Related Party Transactions :**₹ in Lacs**

| Nature of Transactions | Key Management Personnel | | Others | |
|-----------------------------------------------|--------------------------|------|----------------------|------|
| | Year Ended March 31, | | Year Ended March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Purchase of Goods and Materials | | | | |
| Ashima Dyecot Private Limited | - | - | 56 | 557 |
| Total | - | - | 56 | 557 |
| Sales of Goods and Materials | | | | |
| Ashima Dyecot Private Limited | - | - | 884 | 970 |
| Atrium Exports Private Limited | - | - | 12 | 14 |
| Total | - | - | 896 | 984 |
| Sales of Property, Plant and Equipment | | | | |
| Shardul Garments Private Limited | - | - | 226 | - |
| Total | - | - | 226 | - |
| Remuneration | | | | |
| Mr. Chintan N. Parikh | 92 | 93 | - | - |
| Mr. Krishnachintan C. Parikh | 50 | 22 | - | - |
| Total | 143 | 114 | - | - |

Notes to the Financial Statements

| Nature of Transactions | Key Management Personnel | | Others | |
|----------------------------------------------------|--------------------------|------|----------------------|-------|
| | Year Ended March 31, | | Year Ended March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Interest Expenses/Bills Discounting charges | | | | |
| Apus Investments Private Limited | - | - | - | 6 |
| Albus Investments Private Limited | - | - | - | 1 |
| Mr. Krishnachintan C. Parikh | 2 | - | - | - |
| Total | - | - | - | 7 |
| Job work Expenses | | | | |
| Ashima Dyecot Private Limited | - | - | 3,388 | 2,663 |
| Total | - | - | 3,388 | 2,663 |
| Other Expenses | | | | |
| Ashima Dyecot Private Limited | - | - | 12 | 15 |
| Atrium Exports Private Limited | - | - | 3 | 3 |
| Total | - | - | 15 | 18 |
| Other Income | | | | |
| Ashima Dyecot Private Limited | - | - | 2 | 1 |
| Total | - | - | 2 | 1 |
| Loan Repaid | | | | |
| Apus Investments Private Limited | - | - | - | 114 |
| Albus Investments Private Limited | - | - | - | 15 |
| Total | - | - | - | 129 |
| Trade Receivables - | | | | |
| Closing balance at year end | | | | |
| Ashima Dyecot Private Limited | - | - | 568 | 276 |
| Atrium Exports Private Limited | - | - | 0 | 2 |
| Total | - | - | 568 | 278 |

Note: 42-Financial Instruments:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : quoted prices (unadjusted) in active markets for financial instruments.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



Notes to the Financial Statements

B Financial assets and liabilities measured at fair value - recurring fair value measurements:

| | ₹ in Lacs | | | |
|----------------------------------------------------------------|----------------------|----------|--------------|--------------|
| | As at March 31, 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets: | | | | |
| Current Financial Assets: | | | | |
| Investments | 1,126 | - | - | 1,126 |
| Trade receivables | - | - | 2,469 | 2,469 |
| Cash and Cash Equivalents | - | - | 1,109 | 1,109 |
| Bank Balance other than Cash and Cash Equivalents | - | - | 270 | 270 |
| Loans | - | - | 475 | 475 |
| Other Current Financial Assets | - | - | 2,992 | 2,992 |
| Non Current Financial Assets: | | | | |
| Other Non Current Financial Assets | - | - | 212 | 212 |
| Total Financial Assets | 1,126 | - | 7,527 | 8,653 |
| Financial Liabilities | | | | |
| Current Financial Liabilities: | | | | |
| Trade payables | - | - | 3,142 | 3,142 |
| Other Current Financial Liabilities | - | - | 449 | 449 |
| Non Current Financial Liabilities: | | | | |
| Borrowings (including current maturities and interest accrued) | - | - | 2,427 | 2,427 |
| Other Non Current Financial Liabilities | - | - | 21 | 21 |
| Total Financial Liabilities | - | - | 6,039 | 6,039 |
| | ₹ in Lacs | | | |
| | As at March 31, 2018 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets: | | | | |
| Current Financial Assets: | | | | |
| Investments | - | - | - | - |
| Trade receivables | - | - | 1,536 | 1,536 |
| Cash and Cash Equivalents | - | - | 562 | 562 |
| Bank Balance other than Cash and Cash Equivalents | - | - | 256 | 256 |
| Other Current Financial Assets | - | - | 5,576 | 5,576 |
| Non Current Financial Assets: | | | | |
| Other Non Current Financial Assets | - | - | 201 | 201 |
| Total Financial Assets | - | - | 8,130 | 8,130 |
| Financial Liabilities | | | | |
| Current Financial Liabilities: | | | | |
| Trade payables | - | - | 4,526 | 4,526 |
| Other Current Financial Liabilities | - | - | 977 | 977 |
| Non Current Financial Liabilities: | | | | |
| Borrowings (including current maturities and interest accrued) | - | - | 2,902 | 2,902 |
| Other Non Current Financial Liabilities | - | - | 31 | 31 |
| Total Financial Liabilities | - | - | 8,435 | 8,435 |

Notes to the Financial Statements

Note: 43-Financial Risk Management:

A Financial instruments by category:

| | ₹ in Lacs | | | |
|----------------------------------------------------------------|----------------------|----------|----------------|--------------|
| | As at March 31, 2019 | | | |
| | FVTPL | FVOCI | Amortised Cost | Total |
| Financial Assets: | | | | |
| Current Financial Assets: | | | | |
| Investments | 1,126 | - | - | 1,126 |
| Trade receivables | - | - | 2,469 | 2,469 |
| Cash and Cash Equivalents | - | - | 1,109 | 1,109 |
| Bank Balance other than Cash and Cash Equivalents | - | - | 270 | 270 |
| Loans | - | - | 475 | 475 |
| Other Current Financial Assets | - | - | 2,992 | 2,992 |
| Non Current Financial Assets: | | | | |
| Other Non Current Financial Assets | - | - | 212 | 212 |
| Total Financial Assets | 1,126 | - | 7,527 | 8,653 |
| Financial Liabilities: | | | | |
| Current Financial Liabilities: | | | | |
| Trade payables | - | - | 3,142 | 3,142 |
| Other Current Financial Liabilities | - | - | 449 | 449 |
| Non Current Financial Liabilities: | | | | |
| Borrowings (including current maturities and interest accrued) | - | - | 2,427 | 2,427 |
| Other Non Current Financial Liabilities | - | - | 21 | 21 |
| Total Financial Liabilities | - | - | 6,039 | 6,039 |

| | ₹ in Lacs | | | |
|----------------------------------------------------------------|----------------------|----------|----------------|--------------|
| | As at March 31, 2018 | | | |
| | FVTPL | FVOCI | Amortised Cost | Total |
| Financial Assets: | | | | |
| Current Financial Assets: | | | | |
| Trade receivables | - | - | 1,536 | 1,536 |
| Cash and Cash Equivalents | - | - | 562 | 562 |
| Bank Balance other than Cash and Cash Equivalents | - | - | 256 | 256 |
| Other Current Financial Assets | - | - | 5,576 | 5,576 |
| Non Current Financial Assets: | | | | |
| Other Non Current Financial Assets | - | - | 201 | 201 |
| Total Financial Assets | - | - | 8,130 | 8,130 |
| Financial Liabilities: | | | | |
| Current Financial Liabilities: | | | | |
| Trade payables | - | - | 4,526 | 4,526 |
| Other Current Financial Liabilities | - | - | 977 | 977 |
| Non Current Financial Liabilities: | | | | |
| Borrowings (including current maturities and interest accrued) | - | - | 2,902 | 2,902 |
| Other Non Current Financial Liabilities | - | - | 31 | 31 |
| Total Financial Liabilities | - | - | 8,435 | 8,435 |

**Notes to the Financial Statements****B Risk Management:**

The Company's activities expose it to market risk, liquidity risk, interest risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk Management is embedded in the company's operating framework. The Audit Committee of the Board evaluates the Risk Management systems and the Board takes responsibility for the total process of Risk Management in the organization, which includes framing, implementing and monitoring Risk Management Plan.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Company is exposed are described below:

a Credit risk:

Credit risk arises from the possibility that customer may not be able to settle its obligations as agreed. The company is exposed to credit risk from trade receivables, bank deposits and other financial assets. The Company periodically assesses the financial reliability of the counterparty taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Party-wise credit is monitored and reviewed accordingly.

Bank deposits:

The company maintains its Cash and Cash Equivalents and bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

Trade Receivable:

The Company is exposed to credit risk in the event of non-payment by customers. Major part of sales is made on 'Delivery against payment' basis, hence the credit risk is insignificant. To eliminate credit risk further, the high value sales are made by adequate coverage through Letters of Credit, wherever possible. The Company trades with recognized and creditworthy customers. It is the Company's policy that all customers who wish to trade on credit terms are subjected to scrutiny and periodic review. There is no clean credit as such extended by the company, except against post-dated cheques. In addition, receivable balances are monitored on an on going basis with the result that the Company exposure to bad debts is not significant.

Further, credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base, widely distributed both economically and geographically. Adequate expected credit losses are recognized as per the assessments based on historic data and prevalent market conditions. Against doubtful trade receivables of ₹ 76 Lacs (Previous year - ₹ 76 Lacs), allowance for doubtful receivables is ₹ 76 Lacs as at March 31, 2019 (Previous year - ₹ 76 Lacs). During the year the Company has made allowance of Nil (Previous year - ₹ 24 Lacs).

| Ageing of Trade Receivables | ₹ in Lacs | |
|---------------------------------------------------|-----------------|--------------|
| | As at March 31, | |
| | 2019 | 2018 |
| 0 - 3 Months | 2,334 | 1,466 |
| 3 - 6 Months | 116 | 37 |
| 6 - 12 Months | 6 | 13 |
| Beyond 12 Months | 89 | 95 |
| Total | 2,545 | 1,611 |
| Allowance for doubtful receivables | 76 | 76 |
| Trade Receivables Carried in Balance Sheet | 2,469 | 1,536 |

Notes to the Financial Statements

b Liquidity risk:

- a Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
- b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet these obligations.

c Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

| | ₹ in Lacs | | | | |
|--------------------------------------------------------|----------------------|--------------|------------|------------|--------------|
| | < 1 year | 1-2 year | 2-3 years | > 3 years | Total |
| | As at March 31, 2019 | | | | |
| Borrowings (including current maturities and interest) | | | | | |
| Term Loan from Bank | 269 | 261 | 261 | 326 | 1,116 |
| Other Borrowings | - | 750 | - | 561 | 1,311 |
| Other Non-Current Financial Liabilities | - | 21 | - | - | 21 |
| Trade Payables | 3,142 | - | - | - | 3,142 |
| Other Current Financial Liabilities | 449 | - | - | - | 449 |
| Total | 3,860 | 1,032 | 261 | 887 | 6,039 |

| | ₹ in Lacs | | | | |
|--------------------------------------------------------|----------------------|--------------|------------|--------------|--------------|
| | < 1 year | 1-2 year | 2-3 years | > 3 years | Total |
| | As at March 31, 2018 | | | | |
| Borrowings (including current maturities and interest) | | | | | |
| Term Loan from Bank | 205 | 261 | 261 | 587 | 1,313 |
| Other Borrowings | 320 | 750 | - | 519 | 1,590 |
| Other Non-Current Financial Liabilities | - | 31 | - | - | 31 |
| Trade Payables | 4,526 | - | - | - | 4,526 |
| Other Current Financial Liabilities | 977 | - | - | - | 977 |
| Total | 6,027 | 1,041 | 261 | 1,106 | 8,435 |

c Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP and EURO. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The company uses forward contracts for high valued foreign currency transaction to hedge the foreign currency risk.



Notes to the Financial Statements

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:

| Exposure of USD | ₹ in Lacs | |
|-------------------------------------------------------|-----------------|------------|
| | As at March 31, | |
| | 2019 | 2018 |
| Financial assets: | | |
| Trade Receivables | 92 | 221 |
| Total exposure to foreign currency risk (assets) | 92 | 221 |
| Financial liabilities: | | |
| Total exposure to foreign currency risk (liabilities) | - | - |
| Net exposure to foreign currency risk | 92 | 221 |

| Exposure of GBP | ₹ in Lacs | |
|-------------------------------------------------------|-----------------|----------|
| | As at March 31, | |
| | 2019 | 2018 |
| Financial assets: | | |
| Trade Receivables | - | 1 |
| Total exposure to foreign currency risk (assets) | - | 1 |
| Financial liabilities: | | |
| Total exposure to foreign currency risk (liabilities) | - | - |
| Net exposure to foreign currency risk | - | 1 |

Sensitivity Analysis:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments: *

| | ₹ in Lacs | | | |
|------------|----------------------|---------------|----------------------|---------------|
| | As at March 31, 2019 | | At at March 31, 2018 | |
| | Movement in Rate | Impact on PAT | Movement in Rate | Impact on PAT |
| USD | 2.00% | 1.20 | 2.00% | 2.89 |
| USD | -2.00% | -1.20 | -2.00% | -2.89 |
| GBP | 2.00% | - | 2.00% | 0.01 |
| GBP | -2.00% | - | -2.00% | -0.01 |

* Holding all other variables constant

d Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flow of the financial instrument may fluctuate because of the change in market interest rates.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2019, the Company is not exposed to changes in market interest rates through bank borrowings as all its bank borrowings are at fixed interest rate. Also, the Company opts for investments in Fixed Deposits at fixed interest rates.

Notes to the Financial Statements

e Price risk:

The Company has no significant exposure to price risk arising from investments in mutual funds, as the investments are in debt funds.

Note: 44-Capital Management:

The Company's capital management objectives are:

- a to ensure the Company's ability to continue as a going concern.
- b to provide an adequate return to shareholders.
- c maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| | ₹ in Lacs | |
|--------------------------|-----------------|--------|
| | As at March 31, | |
| | 2019 | 2018 |
| Net debts | 2,158 | 2,698 |
| Total equity | 17,803 | 16,027 |
| Net debt to equity ratio | 0.12 | 0.17 |

Signatures to Significant Accounting Policies and Notes 1 to 44 to the Financial Statements

As per our report of even date

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

Suvrat S. Shah

Partner

Membership Number: 102651

Ahmedabad, Dated: May 25, 2019

Hiren S. Mahadevia

Company Secretary

For and on behalf of the Board

Chintan N. Parikh

Chairman & Managing Director

(DIN:00155225)

Jayesh C. Bhayani

Chief Financial Officer

Ahmedabad, Dated: May 25, 2019

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ASHIMA LIMITED**Regd. Office: Texcellence Complex, Khokhara-Mehmedabad Ahmedabad – 380 021****CIN: L99999GJ1982PLC005253****Website: www.ashima.in****ATTENDANCE SLIP**

| | |
|---------------------------|--|
| Folio No./DP ID/Client Id | |
| No. of Shares held | |

I certify that I am shareholder/proxy for the shareholder of the Company.

I hereby record my presence at the 36th Annual General Meeting of the Company held at the Registered Office of the Company at Texcellence Complex, Khokhara, Mehmedabad, Ahmedabad – 380 021 on Saturday, August 10, 2019 at 11.00 a.m.

| | |
|-----------------------------------------------|--|
| Name of the Shareholder(s) (In Block Letters) | |
| Signature of the Shareholder(s) | |
| Name of Proxy (In Block Letters) | |
| Signature of Proxy | |

Note: You are requested to sign and handover this slip at the entrance of the meeting venue.

Form MGT-11**PROXY FORM**

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

| | | |
|---------------------------|---|----------------------------------------------------------------|
| CIN | : | L99999GJ1982PLC005253 |
| Name of the Company | : | ASHIMA LIMITED |
| Registered Office | : | Texcellence Complex, Khokhara, Mehmedabad, Ahmedabad – 380 021 |
| Name of the Member(s) | : | |
| Registered Address | : | |
| Email ID | : | |
| Folio No./Client ID/DP ID | : | |

I/we being the member(s) of _____ shares of the above named company, hereby appoint

1. Name _____
Address _____
email Id _____
Or failing him _____ Signature _____
2. Name _____
Address _____
email Id _____
Or failing him _____ Signature _____
3. Name _____
Address _____
email Id _____
Or failing him _____ Signature _____



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Saturday, August 10, 2019, 11.00 a.m. at the Registered Office of the Company at Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380 021 and any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of Audited Financial Statements of the Company as on March 31, 2019. (Ordinary Resolution)
2. Re-appointment of Mr.Chintan N. Parikh – Managing Director, retiring by rotation and being eligible offering himself for re-appointment. (Ordinary Resolution)

Special Business

3. Appointment of Mr. Sanjay Majmudar as an Independent Director (Ordinary Resolution)
4. Re-Appointment of Dr. Bakul H. Dholakia as an Independent Director(Special Resolution)
5. Appointment of Mr. Vipul Naik as Director (Ordinary Resolution)
6. Re-Designation/ Appointment of Mrs. Koushlya Melwani, Non-Independent Director as Independent Director. (Ordinary Resolution)
7. Alteration of Object clause of Memorandum of Association. (Special Resolution)
8. Approval of Cost Auditor's Remuneration. (Ordinary Resolution)
9. Approval of Material Related Party Transactions. (Ordinary Resolution)
10. Approval for the Fees/Charges to be levied for the Delivery of Document(s) through a particular mode as may be sought by the Member(s). (Ordinary Resolution)

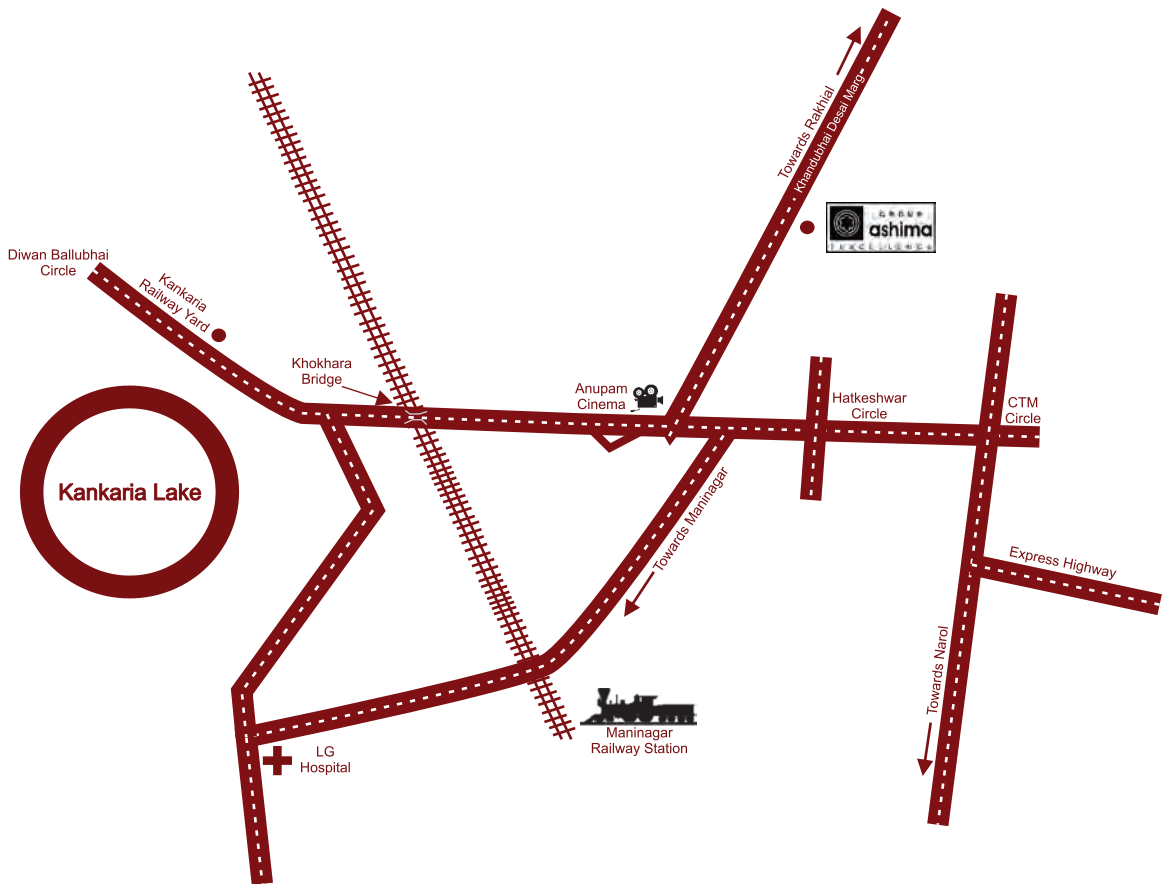
Signed this _____ day of _____ 2019

Signature of Shareholder : _____

Signature of Proxy Holder : _____

| |
|--------------------------------------|
| Affix a Re. 1 Revenue Stamp |
|--------------------------------------|

Note: 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.





If undelivered, please return to :

ASHIMA LIMITED

CIN No. L99999GJ1982PLC005253
Regd office: Texcellence Complex
Khokhara-Mehmedabad, Ahmedabad-380 021