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**NOTICE**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of Ashima Limited will be held on Monday 29 September, 2014 at 10.30 a.m. at the Registered Office of the company at Texcellence complex, Khokhara-Mehmedabad, Ahmedabad - 380021, to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended March 31, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint Mr. Chintan N. Parikh (DIN no. 00155225), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Dhirubhai Shah & Doshi, Chartered Accountants (Firm Registration no. 102511W) as statutory auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the board to fix their remuneration.

**Special Business:**

**Re-appointment of Mr. Chintan N. Parikh as Managing Director of the company**

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

“RESOLVED THAT pursuant to provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, consent of the company be and is hereby accorded to the re-appointment Mr. Chintan N. Parikh (DIN-00155225) as Managing Director of the company for a further period of three (3) years with effect from February 7, 2014 on terms and conditions of appointment and remuneration as set out in the agreement of his re-appointment entered into between the company and Managing Director and available for inspection of members, which is hereby specifically approved at the liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement, as may be agreed to between the company and the Managing Director and subject to necessary approvals as may be required under relevant provisions of the Act.”

“RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Managing Director, the company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites, other allowances and benefits as specified in the agreement entered into between the company and the Managing Director.”

“RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Appointment of Independent Directors**

5. 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 and 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, as amended from time to time and clause 49 of the listing agreement entered into with the Stock Exchanges, Mr. Jaykant R. Baxi (DIN 00155658), who was appointed as a Director of the company liable to retire by rotation under the Companies Act, 1956 and who retires at this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company for a term of 5 (five) consecutive years commencing from 29<sup>th</sup> September, 2014, not liable to retire by rotation.”

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6. 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 and 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, as amended from time to time and clause 49 of the listing agreement entered into with the Stock Exchanges, Dr. Bakul H. Dholakia (DIN 00005754), who was appointed as a Director of the company liable to retire by rotation under the Companies Act, 1956 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for a term of 5 (five) consecutive years commencing from September 29, 2014, not liable to retire by rotation.”

7. 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 and 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, as amended from time to time and clause 49 of the listing agreement entered into with the Stock exchanges, Mr. Bihari B. Shah (DIN 00155461), who was appointed as a Director of the company liable to retire by rotation under the Companies Act, 1956, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for a term of 5 (five) consecutive years commencing from September 29, 2014, not liable to retire by rotation.”

8. 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 and 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, as amended from time to time and clause 49 of the listing agreement entered into with the Stock exchanges, Mr. Atul Kumar Singh (DIN 00156228), who was appointed as a Director of the company liable to retire by rotation under the Companies Act, 1956, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for a term of 5 (five) consecutive years commencing from September 29, 2014, not liable to retire by rotation.”

**Increase in the Authorised Share Capital of the Company**

9. 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 read with Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the existing Authorised Share Capital of the Company of Rs.100,00,00,000 (One Hundred Crore) divided into 6,00,00,000 (Six Crore) equity shares of Rs.10/- (Rupees Ten) each and 40,00,000 (Forty Lac) preference shares of Rs.100/- (Rupees One Hundred) each be and is hereby increased to Rs.150,00,00,000/- (Rupees One Hundred Fifty Crore only) divided into 12,50,00,000 (Twelve Crore Fifty Lac) Equity shares of Rs.10/-(Rupees Ten) each and 25,00,000 (Twenty Five Lac) preference shares of Rs.100/- (Rupees One Hundred) each.

**Alteration of Capital clause V of the Memorandum of Association of the company**

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

RESOLVED THAT pursuant to section 13 and 61 and other applicable provisions of the Companies Act, 2013, the existing capital clause V of the Memorandum of Association of the company be amended and read as under:

“The Authorised Share Capital of the Company is Rs.150,00,00,000/- (Rupees One Hundred Fifty Crore only) divided into 12,50,00,000 (Twelve Crore Fifty Lac) Equity shares of Rs.10/-(Rupees Ten) each and 25,00,000 (Twenty Five Lac) Preference Shares of Rs.100/- (Rupees One Hundred) each with power to

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increase or reduce the capital of the company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the company or as may be decided by the Board of Directors or by the company in general meeting, as applicable, in conformity with the provisions of the Act, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denomination.”

**Alteration of the Capital Clause in the Articles of Association of the Company**

11. 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 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or any re-enactment thereof), the Article 3 of the Articles of Association of the company be altered and substituted by the following clause:

**Article – 3**

“The Authorised Share Capital of the company shall be as per Clause V of the Memorandum of Association of the company with power to increase or reduce the capital of the company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the company or as may be decided by the Board of Directors or by the company in general meeting, as applicable, in conformity with the provisions of the Act, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denomination”

**Borrowing Limits under Section 180(1)(c) of the Companies Act, 2013**

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

“RESOLVED THAT in supersession of Resolution No.11 passed at the 20<sup>th</sup> Annual General Meeting held on June 28, 2003 under Section 293(1)(d) of the Companies Act, 1956, the consent of the company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable and the Memorandum and Articles of Association of the company, the Board of Directors of the company (which term shall be deemed to include any duly authorised committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time, any sum or sums of money for the business of the company upon such terms and conditions and with or without security as the Board of Directors may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from company’s bankers in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs.600 Crore (Rupees Six Hundred Crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide all terms and conditions in relation to such borrowing at their absolute discretion and to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required to give effect to this resolution.”

**Creation of Charge / mortgage under Section 180(1)(a) of the Companies Act, 2013**

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

“RESOLVED THAT in supersession of Resolution No. 10 passed at the 20<sup>th</sup> Annual General Meeting held on June 28, 2003 with respect to mortgaging and/or charging by the Board of Directors, consent of the company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the company and the lenders and/or Debenture Trustees),

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all the immovable and movable properties, present and future, pertaining to any one or more of the company's units and any other undertaking of the company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs.600 Crore in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the company in respect of the said term loans, debentures or other financial instruments or assistance.

RESOLVED FURTHER THAT the Board of Directors of the company including a committee thereof, be and is hereby authorised to finalise with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees, the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.

Date : July 29, 2014

Place : Ahmedabad

**Regd. Office:**

Texcellence Complex,  
Khokhara-Mehmedabad,  
Ahmedabad - 380021.

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

**Hiren S. Mahadevia**  
Chief Financial Officer  
& 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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. An explanatory statement pursuant to section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from September 23, 2014 to September 29, 2014 (both days inclusive).
4. Electronic copy of the Annual Report for the year 2013-14 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 2013-14 is being sent in the permitted mode.
5. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime India Pvt. Ltd or Secretarial Department of the company immediately.
6. Pursuant to the requirements of Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed at the Annual General Meeting is given in the Annexure to the Notice.
7. **e-Voting through electronic means**  
In compliance with provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the company is

pleased to provide members facility to exercise their right to vote at the 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-voting services provided by Central Depository Services Ltd (CDSL):

The instructions for members for voting electronically are as under:-

**SECTION A: 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: <a href="http://www.evotingindia.com">www.evotingindia.com</a>
Step 2	:	Click on “Shareholders” to cast your vote(s).
Step 3	:	Select the Electronic Voting Sequence Number (EVSN) i.e. <b>140814011</b> along with <b>“ASHIMA LIMITED”</b> from the drop-down menu and click on “SUBMIT”
Step 4	:	Please enter your USER ID – <ul style="list-style-type: none"> <li>▪ For account holders in CDSL: Your 16 digits beneficiary ID.</li> <li>▪ For account holders in NSDL: Your 8 characters DP ID and followed by 8 digits Client ID.</li> <li>▪ Members holding shares in physical form should enter folio number registered with the company.</li> </ul>
Step 5	:	Please enter the Image verification as displayed and Click on Login.
Step 6	:	If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.
Step 7	:	If you are a first time user follow the steps given below:
PAN	:	<ul style="list-style-type: none"> <li>▪ Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</li> <li>▪ Members who have not updated their PAN with the company/depository participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field.</li> <li>▪ In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
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 registered with the company for the said demat account or folio. Any one details i.e. DOB or Bank details should be entered for logging into the account. If DOB or Bank details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date (record date) i.e. 22 <sup>nd</sup> August, 2014 in the Dividend bank details.
Step 8	:	After entering these details appropriately, click on “SUBMIT” tab.
Step 9	:	Members holding shares in Demat form will then now reach ‘Password Creation’ menu wherein, they are required to create their login password in the password field. Kindly note that this password is to be also 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. Members holding shares in physical form will then reach directly to the Company selection screen
Step 10	:	Click on the EVSN of the company i.e 140814011 to vote.



Step 11	:	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.
Step 12	:	Click on the “RESOLUTIONS FILE LINK” if you wish to view the Notice.
Step 13	:	After selecting the resolution you have decided to vote on, click on “SUBMIT”. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
Step 14	:	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.

**SECTION-B: COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS.**

- (i) The e-voting period commences on September 23, 2014 and ends on September 25, 2014. During this period shareholders of the company, holding shares either in physical or dematerialised form, as on the cut off date (record date) of August 22, 2014 may cast their vote electronically. The e-voting module shall be disabled thereafter. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company.
- (iii) Mr. Tapan Shah, Practising Company Secretary (Membership no. FCS no.4476, CP no.2839) (Address 816-818, Anand Mangal-3, Opp. Core House, Nr. Doctor House, Ellisbridge, Ahmedabad – 380006, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- (iv) The Scrutinizer shall, within a period not exceeding 3 (three) working days from the conclusion of the e-Voting period, unblock the votes in the presence of at least 2 witnesses not in the employment of the company, and make Scrutinizer’s Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the company.
- (v) The Results shall be declared on or after the date of AGM. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website [www.ashima.in](http://www.ashima.in) and on the CDSL website <https://www.evotingindia.com> in within 2 (two) days of the passing of the resolutions at the AGM of the company and communicated to the Stock Exchanges, where the shares of the company are listed.
- (vi) The resolutions shall be deemed to be passed on the date of AGM, subject to receipt of sufficient votes.
- (vii) For Shareholders holding shares in physical form, the password and default number can be used only for e-voting on the resolutions given in the notice

**For Institutional Shareholders:-**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who 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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communications regarding CDSL e-voting system in future. The same may be used in case the members forgets the password and the same needs to be reset.

- 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### Contact Details:

Company	: Ashima Limited Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021.
Registrar & Share Transfer Agent	: Link Intime India Pvt. Ltd 303, 3 <sup>rd</sup> Floor, Shoppers Plaza V, Opp. Municipal Market, Off C.G. Road, Ahmedabad – 380009.
e-Voting Agency	: Central Depository Services (India) Ltd
E-mail	: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	: Mr. Tapan Shah, Practising Company Secretary
Email	: <a href="mailto:tapanshah814@yahoo.com">tapanshah814@yahoo.com</a> , <a href="mailto:info@tapanshah.in">info@tapanshah.in</a>

### EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.

#### Item no. 4

Resolution under item no.4 of the Notice relates to the re-appointment of Mr. Chintan N. Parikh as Managing Director of the company for a further period of 3 years w.e.f. February 7, 2014 and approval of his remuneration and terms of reappointment.

The Remuneration Committee, at its meeting held on January 31, 2014, had recommended the remuneration payable to the Managing Director and the Board of Directors, at its meeting held on January 31, 2014 appointed Mr. Chintan N. Parikh as Managing Director for a period of 3 years with effect from February 7, 2014 and approved the terms of his reappointment and remuneration.

#### Extracts of the Agreement with Mr. Chintan N. Parikh, Managing Director

The material terms of remuneration and other terms and conditions for re-appointment of the Managing Director are re-produced hereinbelow:

i. Salary:

The Managing Director shall be entitled to monthly salary of Rs. 3,50,000/- (Rupees three lacs fifty thousand only) per month.

ii. Perquisites:

In addition to the above, the Managing Director shall be entitled to the following perquisites:

- iii. House Rent Allowance: House rent allowance of Rs.1,50,000/- p.m. (Rupees One lac fifty thousand only) per month.
- iv. Contribution to provident fund to the extent of Rs.42,000/- p.m. (Rupees forty two thousand only) and superannuation fund to the extent of Rs.8333/- p.m. (Rupees eight thousand three hundred thirty three only).
- v. Provision of car with chauffeur for use on company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Managing Director.
- vi. Encashment of leave at the end of tenure not to exceed salary and house rent allowance for a period of 28 days in a year. The amount shall not exceed Rs.466667/- p.a. (Rupees four lac sixty six thousand six hundred and sixty seven only) per annum at current salary.
- vii. Notwithstanding anything contained herein, where in any financial year, during the currency of tenure of the Managing Director the company has no profit or its profits are inadequate, the company will pay him the above stated remuneration and perquisites as minimum remuneration.
- viii. Sitting Fees - The Managing Director shall not be paid any sitting fees for attending the meetings of the board of directors or committee thereof from the date of his appointment.
- ix. The headquarter of the Managing Director shall be Ahmedabad in the state of Gujarat.
- x. Subject to the provisions of the Act the Managing Director shall be liable to retire by rotation.
- xi. The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatever for his own or for whatever



purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company or as to any trade secrets or secret processes of the company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.

- xii. The Managing Director shall be liable to retire by rotation and he shall automatically assume the office of the Managing Director on his re-appointment as director when retired by rotation at the relevant annual general meeting of the company and this agreement shall also remain valid and effective as if there is no change in date of his appointment as the Managing Director.

The remuneration proposed above is appropriate in terms of the size of the company and as compared to persons of his qualifications, cadre, knowledge and experience in the industry.

**I. General Information :**

The company operates in the textile industry and is in the business of manufacturing and sale of denim fabrics, and high value yarn dyed cotton fabrics. The company was incorporated in the year 1982 and is already in commercial production since quite a long time. Based on last audited financial results for the year ended on March 31, 2014, the Turnover & other income were Rs.26912.41 lacs and PBDIT was Rs.141.95 lacs. The company has not made any foreign investments. The foreign direct investors (FDIs) and Non-Resident Indians (NRIs) are holding 4.01% of the equity capital of the company.

**II. Information about the appointee**

Mr. Chintan N. Parikh is the Chairman and Managing Director of the company. Mr. Chintan N. Parikh is a management graduate in the areas of finance and accounts from India's leading and premier management institute viz. Indian Institute of Management, Ahmedabad. He has about 33 years of experience in the field of textiles. He is also Chairman & Managing Director of Ashima Dyecot Limited (ADL). He is also on the Board of Governors of Indian Institute of Management (IIM), Ahmedabad and also President of Ahmedabad Textiles Mills Association (ATMA). It was his vision and foresight which saw the company, having modest beginning, transform into a cotton textile unit having state of the art facilities for manufacturing denim fabrics and high value added yarn dyed shirting fabrics. He also visualized and set up Asia's most modern fabric processing facility in ADL. Under his leadership, the company established itself firmly in the domestic and global markets as a supplier of quality fabrics. In the recent years, when the company has been passing through difficult times due to various adverse factors, he has been painstakingly steering the company with focus on innovation and operational efficiency. His philosophy of "Texcellence" meaning thereby "Excellence in Textiles" has become a way of life at Group Ashima and it encompasses all aspect of business right from procurement of raw materials to final production.

Mr. Chintan N. Parikh, Managing Director of the company 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. Taking into qualification, consideration, dedication and his valuable contribution in the fields of textiles since long, Mr. Chintan N. Parikh is best suited for the responsibilities assigned to him as Managing Director of the company. Mr. Chintan Parikh has been paid a total remuneration (including perquisites and encashment of leave as per rules of the company) of Rs.66.44 lacs and Rs.74.98 lacs respectively for the year ended on March 31, 2013 and March 31, 2014. Remuneration and other perquisites as approved by Nomination & Remuneration Committee and Board of Directors of the company are fully set out herein above. Considering the size of the company, the profile of Mr. Chintan N. Parikh, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.

**III. Other Information:**

Reasons for loss or inadequate profits:

The various reasons for the present performance have been highlighted in the directors' report and the management discussions and analysis of year ended March 31, 2014. The profitability of the company suffered during the year mainly due to sharp fall in performance of Denim Division. In a broader perspective, the company continues to be adversely affected by several limitations that hamper its profitability. Its machinery is very old and it cannot upgrade the same due to financial constraints. This has led to lower efficiency and has affected quality of fabrics. It also restricts product innovation which is essential so as to cater to the changing needs of the customers. This has affected sales volumes, overall sales realisation and margins.

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**IV. Disclosures**

The details of remunerations and other information is given in the Corporate Governance part of the Directors' Report. Copy of the agreement executed with Mr. Chintan N. Parikh Managing Director, is available for inspection by the members at the registered office of the Company during working hours on any working day except Saturday till the date of this Annual General Meeting.

The Board of Directors recommend this resolution as set out at Item no. 4 for the approval of the members. None of the Directors, Key Managerial Personnel (KMP) and their relatives other than Mr. Chintan N. Parikh and his relatives is, anyway concerned or interested in the said resolution.

**Item no. 5 to 8**

As per the provisions of section 149, 152 and all other applicable provisions if any, of the Companies Act, 2013 (Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act, the independent directors shall be appointed for a term of upto 5 (five) consecutive years and they are not liable to retire by rotation.

Non-Executive Independent Directors i.e. Dr. Bakul H. Dholakia, Mr. Bihari B. Shah, Mr. Jaykant R. Baxi and Mr. Atul Kumar Singh ("Non-Executive Independent Directors") were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. It is proposed to appoint all the non-executive directors under section 149 of the Act and clause 49 of the listing agreement entered into the stock exchanges to hold office for (5) five consecutive years effective from the date of Annual General Meeting (AGM) i.e. September 29, 2014.

The company has received notices in writing under section 160 of the Act, from the members along with a requisite deposit amount proposing the candidature of each of the non-executive independent director for the office of Independent Director under section 149 of the Act.

The board of directors have reviewed the declarations made by each of the non-executive independent directors that they meet the criteria of the independence as provided in Section 149 (6) of the Act, and the Board has formed an opinion that they fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management.

Brief resume and other details of the non-executive Independent Directors whose appointment is proposed are provided in the annexure to the Notice. A copy of the draft letter of appointment of each of the non-executive independent directors setting out their 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.

None of the other Directors or Key Managerial Personnel or their relatives, other than non-executive Independent Directors for their respective appointment, is in any way concerned or interested in these resolutions. The Directors recommend the ordinary resolutions as set out at item no. 5 to 8 for approval of the members.

**Item no. 9, 10 and 11**

Presently the existing Authorised Share Capital of the company is Rs.100,00,00,000/- (Rupees One hundred crore) divided into 6,00,00,000/- (Six Crore) equity shares of Rs.10/- each and 4,00,00,000 (Four crores) preference shares of Rs.100/- each. In order to increase capital by further issue of shares so as to meet business requirements, it would be expedient to increase and reclassify / rearrange the Authorised Share Capital. The Authorised Share Capital is proposed to be increased to Rs.150,00,00,000/- comprising of 12,50,00,000 equity shares of Rs.10/- each and 25,00,000 preference shares of Rs.100/- each. The proposed increase of the Authorised Share Capital of the company requires approval of members. Accordingly, Capital Clause V Memorandum of Association and Article no. 3 of the Articles of Association of the company are proposed to be altered in the manner as set out in the resolutions.

The approval of members of the company is sought pursuant to sections 61, 13 and 14 of the Act, for the proposed increase in the authorized share capital and consequential alterations to the Memorandum and Articles of Association of the company.

A copy of Memorandum and Articles of Association of the company, together with the proposed alterations, is open for inspection by the members of the company at the registered office of the company between 10.00 a.m. to 12.00 noon on all working days of the company excluding Saturday and holidays.

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The Directors recommend the Resolutions at item no. 9, 10 and 11 of the accompanying notice for approval of the members of the company.

None of the Directors or Key Managerial Personnel of the company and their relatives, is concerned or interested in these Resolutions.

**Item no. 12**

The company, at its 20<sup>th</sup> Annual General Meeting (AGM) held on June 28, 2003, authorized the Board of Directors of the company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow moneys in excess of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs.600 crores (exclusive of interest).

However, pursuant to the provisions of Section 180(1) (c) of the Companies Act, 2013, the above powers can be exercised by the board of directors only with the consent of the shareholders obtained by a special resolution. Further as per clarification issued by Ministry of Corporate Affairs (MCA), the ordinary resolution earlier passed will remain valid for a period one year from the date of notification of Section 180 of the Companies Act, 2013 i.e up to September 11, 2014. As such it is necessary to obtain fresh approval of the shareholders by means of special resolution, to enable the board of directors of the company to borrow moneys, apart from temporary loans obtained from Company's bankers, in excess of paid up capital and free reserves of the company. The borrowing limit of Rs.600 Crore under the earlier resolution passed by the shareholders at the AGM held on June 28, 2003 remains unchanged.

The Directors recommend the Resolution at item no.12 of the accompanying notice for approval of the members of the company.

None of the Directors, Key Managerial Personnel of the company, and/ or their relatives are concerned or interested in the proposed resolution.

**Item no. 13**

The company, at its 20<sup>th</sup> Annual General Meeting (AGM) held on June 28, 2003, authorized the Board of Directors of the company by way of ordinary resolution under Section 293(1)(a) of the Companies Act, 1956, to create charge / mortgage / hypothecation on the immovable and movable properties of the company in favour of the lenders / trustees of the debenture holders / bonds, to secure the financial assistance availed by the company.

However, pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013, the above powers can be exercised by the board of directors only with the consent of the shareholders obtained by a special resolution. Further as per clarification issued by Ministry of Corporate Affairs (MCA), the ordinary resolution earlier passed will remain valid for a period one year from the date of notification of section 180 of the Companies Act, 2013 i.e. upto September 11, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of special resolution, to enable the board of directors of the company to create charge / mortgage / hypothecation on the company's immovable and movable properties of the company in favour of any lender / trustees of the debenture holders / bonds in regard to financial assistance availed / to be availed by the company. The existing limit of Rs.600 Crore under the earlier resolution passed by the shareholders at the AGM held on June 28, 2003 remains unchanged.

The Directors recommend the Resolution at item no.13 of the accompanying notice for approval of the members of the company.

None of the Directors or Key Managerial Personnel of the company and their relatives, is concerned or interested, in the said Resolution.

Date : July 29, 2014

Place : Ahmedabad

**Regd. Office:**

Texcellence Complex,  
Khokhara-Mehmedabad,  
Ahmedabad - 380021.

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

**Hiren S. Mahadevia**  
Chief Financial Officer  
& Company Secretary

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## ANNEXURE TO THE NOTICE DATED JULY 29, 2014

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting are given below:

Name of Director	Dr. Bakul H. Dholakia	Mr. Bihari B. Shah	Mr. Jaykant R. Baxi	Mr. Atul Kumar Singh
<b>Date of Birth</b>	15.07.1947	29.01.1939	22.01.1939	10.08.1961
<b>Qualification</b>	Ph.D. (Economics), MS University, Baroda M.A. (Economics) Gold Medalist	B.Com., FCA	B.Sc (Hons.), LLB, Diploma in Labour Welfare	Bachelor of Textiles, Graduate Diploma in Materials Management
<b>Expertise in Specific Functional Areas</b>	Dr. Bakul Dholakia is currently the Director of Adani Institute of Infrastructure Management and advisor to Adani Group. He has 45 years of professional experience including 33 years at IIM, Ahmedabad. During the course of his long tenure at IIM Ahmedabad, Dr. Bakul Dholakia occupied the Reserve Bank of India Chair from 1992 to 1999, served as the Dean from 1998 to 2001 and as the Director of IIMA from 2002 to 2007. Dr. Dholakia was the Chairman of the National Board of Accreditation for Technical Education in India from 2005 to 2008. He has guided 20 Ph.D. students specializing in Economics, Finance, Business Policy and Public Systems. Dr. Dholakia is the author of 12 books, 28 monographs and more than 50 research papers published in professional journals in India & abroad. In 2007, Dr. Dholakia was awarded	He is leading Practising Chartered Accountant based at Ahmedabad and has rich experience of 48 years in field of finance, taxation, audit and corporate laws.	He is having rich experience of more than 48 years in the field of labour laws in textile industry.	He is having vast experience and knowledge of 29 years in the field of textiles, garments etc.



	<p>Padma Shri by the Government of India in recognition of his distinguished services in the field of education. In 2008, Dr. Dholakia was conferred the coveted Bharat Asmita National Award by the Honorable Chief Justice of India. Over the last two decades, Dr. Dholakia has worked on numerous government committees. He has also been a member of the jury for various Corporate Excellence Awards and Selection Committees for CEOs.</p>	<p>Partner in M/s. Bihari Shah &amp; Company, Chartered Accountants</p>	<p>Nil</p>	<p>Nil</p>	<p>Member of Audit Committee, Nomination &amp; Remuneration Committee and Stakeholder Relationship Committee</p>
			<p>Member of Nomination &amp; Remuneration Committee and Stakeholder Relationship Committee</p>	<p>Nil</p>	<p>Nil</p>
			<p>Member of Audit Committee</p>	<p>Nil</p>	<p>Nil</p>
<p><b>Board Membership of other Companies as at 31.03.2014</b></p>	<p>Ashima Dyecot Ltd Arvind Ltd</p>		<p>Chairman of Audit Committee and Nomination &amp; Remuneration Committee.</p>	<p>Nil</p>	
<p><b>Chairman / Member of the Committee of the Board of Directors of the company as on 31.03.2014</b></p>			<p>Chairman of Audit Committee and Nomination &amp; Remuneration Committee.</p>	<p>Nil</p>	
<p><b>Chairmanship/ Memberships of the in other Public Companies</b></p>	<p><b>Ashima Dyecot Ltd</b> – Chairman of Audit Committee and Nomination &amp; Remuneration Committee. <b>Arvind Ltd</b> – Chairman of Investor Grievance Committee and Member of Audit Committee &amp; Remuneration Committee Member of CSR committee</p>		<p>1000</p>	<p>Nil</p>	
<p><b>Number of Shares held in the company</b></p>				<p>1200</p>	<p>Nil</p>



# ASHIMA LIMITED

Regd. Office: Texcellence complex,  
Khokhara-Mehmedabad, Ahmedabad – 380021.  
CIN No. L99999GJ1982PLC005253  
website:www.ashima.in

## ATTENDANCE SLIP

Folio NO./DP ID/Client Id	
No. of Shares held	

I certify that I am registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company at Texcellence Complex, Khokhara, Mehmedabad, Ahmedabad – 380 021 on Monday, September 29, 2014 at 10.30 a.m.

Name of the Shareholder(s) (In Block Letter)	
Signature of the Shareholder(s)	
Name of the Proxy (In Block Letter)	
Signature of the Proxy	

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

### Form No. 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	: Texcelence Complex,Khokhra, Mehmedabad, Ahmedabad – 380 021.
Name of the member(s)	:
Registered Address	:
Email Id	:
Folio No/Client ID	:

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

- Name \_\_\_\_\_  
Address \_\_\_\_\_  
email Id \_\_\_\_\_  
Or failing him \_\_\_\_\_ Signature \_\_\_\_\_
- Name \_\_\_\_\_  
Address \_\_\_\_\_  
email Id \_\_\_\_\_  
Or failing him \_\_\_\_\_ Signature \_\_\_\_\_
- Name \_\_\_\_\_  
Address \_\_\_\_\_  
email Id \_\_\_\_\_  
Signature \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the company, to be held on Monday, September 29, 10.30 a.m. at Texcellence Complex, Khokhara, Mehmedabad, Ahmedabad – 380 021.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Affix a  
1 Re.  
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.