ashima LIMITED

35th Annual Report
2017-18

Corporate Information

BOARD OF DIRECTORS

Mr. Chintan N. Parikh	-	Chairman & Managing Director
Mr. Krishnachintan Parikh	-	Executive Director (w.e.f. 01.06.2017)
Dr. Bakul H. Dholakia	-	Independent Director
Mr. Bihari B. Shah	-	Independent Director
Mr. Neeraj Golas	-	Independent Director
Mr. Atulkumar Singh	-	Independent Director
Mrs. Koushlya Melwani	-	Director

COMPANY SECRETARY

Mr. Hiren S. Mahadevia

CHIEF FINANCIAL OFFICER

Mr. Jayesh C. Bhayani

AUDITORS

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

BANKERS

Axis Bank Ltd.

SHARES LISTED ON STOCK EXCHANGES

BSE Ltd.
National Stock Exchange of India Ltd.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
506-508, Amarnath Business Centre (abc-1),
Beside Gala Business Centre,
Near 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, Gujarat
CIN: L99999GJ1982PLC005253
Website : www.ashima.in

35th ANNUAL REPORT
2017 – 18

NOTICE

Notice is hereby given that the **35th ANNUAL GENERAL MEETING (AGM)** of Ashima Limited will be held on **Saturday, August 11, 2018 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, 2018 and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint Mrs. Koushlya Melwani – Non Independent & Non Executive Director (DIN: 01575110), who retires by rotation and being eligible, offers herself for re-appointment.

3. Modification to the resolution related to appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the amendment to the Section 139 of the Companies Act, 2013, effective from May 7, 2018, the consent of the members of the Company be and is hereby accorded to delete the requirement, seeking ratification of appointment of Statutory Auditors (M/s. Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad) at every Annual General Meeting, from the resolution passed by the Shareholders at the 34th Annual General Meeting held on 11th August, 2017."

SPECIAL BUSINESS:-

4. Revision in remuneration of Mr. Krishnachintan Parikh– Executive Director (Whole-Time Director) of the Company.

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

"**RESOLVED THAT** pursuant to provisions of Section 196, 197 and 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 subject to such approvals, permissions and sanctions, if any required, the approval of members of the Company be and is hereby accorded to revise the remuneration of Mr. Krishnachintan Parikh - Executive Director (Whole-Time Director) of the Company from April 1, 2018 to May 31, 2020 upon terms and conditions including payment of remuneration as set out hereunder:

I. Salary: The Executive Director (Whole-Time Director) shall be entitled to a salary of ₹1,60,000/-. (Rupees One Lac Sixty Thousand only) per month.

II. House Rent Allowance: House rent allowance of ₹1,00,000/- (Rupees One Lac only) per month.

III. Special Allowance: ₹ 1,40,000/- (Rupees One Lac Forty Thousand only) per month.

IV. Perquisites:

   a. Contribution to provident fund to the extent of ₹19,200/- per month (Rupees Nineteen Thousand, Two Hundred only).

   b. Provision of car 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 Director.

   c. 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 ₹2,42,666/- (Rupees Two lac, forty two thousand, six hundred and sixty six only) per annum at current salary.

   d. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

V. The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

Provided that where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites as aforesaid to the Whole-Time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act.

RESOLVED FURTHER THAT other terms and conditions of appointment shall remain same as approved by the members of the Company at the 34th Annual General Meeting of the Company held on August 11, 2017.

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

5. **Approval of Cost Auditor's Remuneration**

To consider and if though 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, 2019, amounting to ₹70,000/- (Rupees Seventy Thousand only) exclusive of service tax and other applicable levies and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURHTER THAT the Board of Directors of the Company (including its Committee thereof) 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. **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 be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

Date : May 19, 2018
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 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 Section102 of the Companies Act, 2013, in respect of the businesses under Item No. 4 to 6 of the accompanying notice is annexed hereto.
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 6, 2018 to Saturday, August 11, 2018 (both days inclusive).
6. Electronic copy of the Annual Report for the year 2017-18 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 2017-18 is 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 Section108 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 8, 2018 at 9.00 a.m. and will end on Friday, August 10, 2018 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 4, 2018, 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 4, 2018, 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 4, 2018, 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 4, 2018.
   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 – • 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	:	• 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 Detaiils- 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. **180526001** 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:- • 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 35th 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 shareholders had, at 34th Annual General Meeting (AGM) of the Company held on August 11, 2017, appointed M/s. Mukesh M. Shah & Co., Chartered Accountants Ahmedabad (Firm Registration No.: 106625W) as Statutory Auditors of the Company, to hold office from conclusion of 34th AGM of the Company till the conclusion of 39th AGM, subject to ratification of such appointment by the shareholders at every AGM.

Pursuant to amendment of Section 139 of the Companies Act, 2013, effective from May 7, 2018, the requirement related to ratification of appointment of Statutory Auditors by the members of the Company at every AGM was omitted.

In view of the above, it is proposed to delete the requirement of seeking ratification of appointment of Statutory Auditors at every AGM, from resolution passed at the 34th Annual General Meeting held on August 11, 2017.

The Board recommends the resolution at Item No. 3 of the Notice, for deleting the requirement of seeking ratification of appointment of Statutory Auditors at every AGM, for your approval, as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

Item no. 4:

Resolution under item no. 4 of the Notice relates to revision of remuneration of Mr. Krishnachintan Parikh as an Executive Director (Whole-Time Director) of the Company w.e.f. 1st April, 2018.

On recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company has at its meeting held on 19th May, 2018 approved revision of remuneration of Mr. Krishnachintan C. Parikh – Executive Director (Whole -Time Director) from ₹ 2 lacs per month to ₹ 4 lacs per month and other perquisites as per the provisions of section 197 read with Schedule V of the Companies Act, 2013, till the remaining tenure of his term. In case of Company having no profit or inadequate profit, Mr. Krishnachintan Parikh would be entitled for minimum remuneration as mentioned in the abovesaid resolution.

The material terms of remuneration of Mr. Krishnachintan Parikh effective from April 1, 2018 to May 31, 2020 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in their respective meetings held on May 19, 2018 have been set out in the resolution.

The remuneration as proposed in the resolution 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.

The specified information while seeking approval/consent of the shareholders as required under Schedule V is listed out hereinbelow:

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, 2018, the Turnover & other income were ₹23261 lacs. The Company has reported a profit of ₹12648 lacs for the year at PBT level compared to a profit of ₹2764 Lacs in the previous year. The performance for the year includes ₹14540 lacs being an exceptional and extraordinary item in terms of gain on account of disposing surplus asset not required for Company's textile operations. The Company has not made any foreign investments. The foreign holding including Non-Resident Indians (NRIs) holding is 0.38% of the equity capital of the company.

II. Information about the appointee

a) Background details:

Mr. Krishnachintan Parikh is a Bachelor in Electronic Engineering from University of Sheffield, UK and an MBA from Columbia University, USA. He has work experience of preparing financial reports for analysis, reporting progress of projects during 2009 to 2012. Mr. Krishnachintan Parikh was associated with the Company initially as Management Analyst during July 2012 to December 2014 and as Vice President (Business Development) during the year 2015. Mr. Krishnachintan Parikh, since his taking over charge as Executive Director has taken complete responsibility for all divisions / functions of the Company and he is responsible for overseeing all major activities of the Company on a day-to-day basis.

b) Past Remuneration:

Mr. Krishnachintan Parikh is currently receiving monthly salary of ₹2,00,000/- along with perquisites such as contribution to provident fund, encashment of leave at the end of tenure as per rules of the company and gratuity in accordance with Schedule V of the Companies Act, 2013 and approved by the shareholders at the 34th Annual General Meeting held on August 11, 2017.

c) Job profile and his suitability

Mr. Krishnachintan Parikh, since his taking over charge as Executive Director has taken complete responsibility for all divisions /functions of the Company and is responsible for overseeing all major activities of the Company on a day-to-day basis. Considering prevalent industry standard and remuneration of other senior management employees, his present remuneration requires revision.

d) Remuneration proposed:

Details of remuneration proposed for approval of the Shareholders at the 35th Annual General Meeting of the Company is provided in the respective resolution.

e) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration in the industry in general has gone up. Considering prevalent industry standard and remuneration of other senior management executives, the remuneration proposed to be paid to the Executive Director (Whole-Time Director) is commensurate with his qualifications, experience and the responsibilities shouldered by him. Further, the Nomination and Remuneration Committee has prior to recommending revision in his remuneration considered all relevant aspects including prevalent industry standard, size of the Company, profile and responsibilities of Mr. Krishnachintan Parikh and the Board has accordingly approved the remuneration as proposed hereinabove, subject to shareholders' approval.

f) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any

Besides the remuneration and perquisites proposed, Mr. Krishnachintan Parikh does not have any pecuniary relationship with the Company and he is related to Chairman and Managing Director of the company.

III. Other Information:

a. Reasons for loss or inadequate profits:

The various reasons for the present performance have been highlighted in the Board's Report and the Management Discussion and Analysis for the year ended March 31, 2018. The Company posted profit in terms of gain on account of sale of surplus asset of the Company. However, the operational performance is marginally down with loss of ₹1849 lacs at PBT level arrived at after adjusting reported PBT for non-recurring expenses (net) of ₹42.51 lacs.

On the operational front, all the divisions registered growth in the business volumes. However, margins remained under pressure. Reduced interest cost has contributed positively in overall performance.

b. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

Company's various initiatives to strengthen its manufacturing facilities have resulted into volume growth, but shift towards higher value-added production and its consequential positive effect on margins is expected to take place over a longer period of time. Introduction of new looms and other equipments / machines in both Denim and Spinfab Division have helped reduce company's dependence on low value-added business. The Company is now well placed to offer better products, newer designs.

Company has made focused investments over last two years into plant and machinery with a view to improve its technical capabilities and enhance customer serving facilities. All these measures have strengthened technical competence of Company in terms of product offerings and enable it operate in a high value-added market segment.

IV. Disclosures

The details of remuneration and other information is given in the Corporate Governance part of the Board's Report. The resolution sets out the entire terms and conditions of his proposed remuneration.

The remuneration proposed to be given to Mr. Krishnachintan Parikh is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel(s). There is no severance fee or stock option in the case of the aforesaid managerial personnel. The tenure of the aforesaid managerial personnel is 3 years from June 1, 2017 and notice period is governed by the rules of the Company.

The Board of Directors recommends Ordinary resolution as set out at Item no. 4 for the approval of the members.

Except, Mr. Chintan N. Parikh and Mr. Krishnachintan Parikh, none of the Directors, Key Managerial Personnel (KMP) and their relatives are anyway concerned or interested in the said resolution.

Item No. 5:

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 2018-19 on a remuneration of ₹70,000/- exclusive of applicable taxes 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 Section148(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. 5 of the Notice for ratification of the payment of remuneration to the Cost Auditor for the Financial Year 2018-19.

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. 6:

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. The said Regulation defines the term "material" as follows:

"a transaction with a related party shall be 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."

The Company has entered into following material related party transactions with a related party during the year ended March 31, 2018.

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 March 31, 2018
Purchase	557.44
Sales	969.78
Expenses	2677.35
Income	0.62
Outstanding Receivables (as at the end of the year)	276.26

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, related parties of the Company shall abstain from voting on 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.

Date : May 19, 2018
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 19, 2018

Details of Directors seeking Appointment /Re-appointment at the 35th Annual General Meeting to be held on August 11, 2018 (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Item no. 2

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.
Expertise in Specific Functional Areas	Project Finance, Company Law and Cost Accounting
Directorship held in Other Companies	1. Melwani Finsoft Pvt. Ltd.
Chairmanship / Membership of Committees	a. Member- Audit Committee b. Member-Nomination and Remuneration Committee c. Chairperson-Stakeholders Relationship Committee d. Member- Share Transfer Committee
Shareholding of Director	NIL
Relationship between Directors inter-se	NIL

BOARD'S REPORT

Your Directors take pleasure in presenting the Thirty Fifth Annual Report of your Company together with audited Financial Statements for the year ended on March 31, 2018.

1. FINANCIAL RESULTS

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

(₹ in Lacs)

Particulars	**March 31, 2018**	March 31, 2017
Total Income	**23261**	19339
Profit / (Loss) before Finance Costs, Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	**(871)**	(1232)
Less: Finance Costs	**654**	921
Profit/(Loss) before Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	**(1525)**	(2153)
Less: Depreciation and Amortization	**367**	339
Profit / (Loss) before Exceptional Items & Tax Expenses	**(1892)**	(2492)
Add: Exceptional Item (Income)	**14540**	5255
Profit Before Tax	**12648**	2764
Less: Tax Expenses	**-**	41
Profit After Tax	**12648**	2723
Other Comprehensive Income	**(61)**	(116)
Total Comprehensive Income	**12587**	2607

2. DIVIDEND

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

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 ₹ 12648 lacs for the year at PBT level compared to ₹2764 lacs in the preceding year. It may be noted that the performance for the year includes ₹ 14540 lacs (last year ₹5255 lacs) being an exceptional and extraordinary item in terms of gain on account of sale of a major part of surplus asset by the company. The operational performance is marginally down and the loss at PBT level stands at ₹ 1849 lacs (arrived at after adjusting reported PBT for non-recurring expenses (net) of ₹ 42.51 lacs) compared to loss of ₹ 1759 lacs in year 2016-17 (adjusted for non-recurring expenses (net) of ₹733.46 lacs). The proceeds from the said sale helped the company in repaying its secured debts.

Hardened yarn prices, stiff competition and the resultant pricing pressures adversely affected the performance of the Denim Division. There was a reduction in overall margins, despite double-digit growth in volumes. Introduction of new looms and other equipment during the year enabled the denim division to achieve higher business volumes from brands and garment exporters thereby reducing its dependence on low value-added distributor business channel.

Higher business volumes from garment exporters and large format stores helped the Spinfab Division register significant increase in volumes. However, margins remained tight on account of a number of factors related to market as well as stressed operating cycle. Division's capability to offer better products, newer designs and speed of product development strengthened on account of installation of new looms and few other machines.

The Company's focused investments into plant and machinery over last two years has given a boost to manufacturing set up and strengthened its technical competence in terms of product offerings and enable it to operate in a high value-added market segment. Since the Company had been passing through difficult times for past several years, it is expected that the trend reversal would require some time. The management is confident of taking appropriate steps to achieve an operational turnaround as the stage is set right for the same.

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

5. INDIAN ACCOUNTING STANDARDS (IND AS)

Indian Accounting Standards (IND AS) have become applicable to your Company with effect from 1st April, 2017 pursuant to Rule 4 (1) (iii) (a) of Companies (Indian Accounting Standards) Rules, 2015. Accordingly, your Company has prepared Financial Statements for the year ended on March 31, 2018 in accordance with IND AS, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other recognized accounting practices and policies to the extent applicable.

6. CHANGE IN ARTICLE OF ASSOCIATION (AOA).

During the year under review, the company adopted a new set of Articles of Association with a view to aligning the same with the provisions of the Companies Act, 2013, as approved by the members at the 34th Annual General Meeting held on August 11, 2017.

7. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF OUR COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS 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.

8. 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, 2018.

9. 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, 2018.

10. 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**.

11. RISK MANAGEMENT

The Company has set up a risk management framework to identify, monitor, minimize, mitigate and report and also to identify business opportunities. The company 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.

12. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

In terms of requirements of Section 135(1), the Board of Directors at its meeting held on 11th August, 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.

During the Financial Year, the said Committee met on November 11, 2017 to recommend the CSR Policy to the Board and the Board of Directors approved the said CSR Policy in its meeting held on same date. The CSR Policy is placed on the website of the company i.e. www.ashima.in

The Company is not required to spend any amount towards CSR activities in view of the fact that it does not have any average net profit during the three immediately preceding financial years.

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

There are no loans granted or guarantees given or security provided or investment made under Section 186 of the Companies Act, 2013.

14. 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 adopted by the Board of Directors is available at the Company's website at the web link http://www.ashima.in/Policy_Related_Party_Transactions.pdf.

The members may note that all transactions entered into by the Company with the Related Parties were on arm's length basis and in the ordinary course of business and therefore provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC-2 is not required. Transactions with related parties as per requirements of IND-AS are disclosed in the notes to accounts annexed to financial statements.

15. 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 approved by the Board of Directors at its meeting held on March 7, 2015. The said policy may be referred to, at the Company's website at http://www.ashima.in

16. 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.

17. 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**.

18. 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.

19. 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 2017-18 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).

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Krishanachintan Parikh was appointed as Executive Director on the Board w.e.f. June 1, 2017 and his appointment and remuneration was approved by the members at the 34th Annual General Meeting of the Company held on August 11, 2017.

Further, in accordance with the Articles of Association and the relevant provisions of the Companies Act, 2013, Mrs. Koushlya Melwani retires by rotation and being eligible seeks re-appointment.

21. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3) (c) and 134 (5) of the Act, that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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.

22. DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have given their declaration to the Company stating their independence pursuant to Section 149(6) and 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.

23. 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 Program 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.

24. 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.

25. 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.

26. 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 7, 2018 omitted the requirement of ratification of appointment of Statutory Auditors at every intervening Annual General Meeting and accordingly the same is not required to be placed before the Members at the Annual General Meeting. Pursuant to the amendment, the Board recommends to the shareholders for their approval that the requirement of seeking ratification of appointment of Statutory Auditors at every Annual General Meeting (referred to in the resolution passed at the 34th Annual General Meeting held on August 11, 2017), be deleted.

The Auditors' Report for FY 2017-18 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 Accountant (Membership No: M/ 34404) as Cost Auditor of the Company for the financial year 2018-19, on a remuneration as mentioned in the Notice convening the 35th 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.

(c) SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. Tapan Shah, Practicing Company Secretary, Ahmedabad, to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2018. The Secretarial Audit Report is annexed herewith as **Annexure - 4**.

The Secretarial Audit Report for the year ended on 31st March, 2018 does not contain any qualifications, reservations or adverse remarks.

27. 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.

28. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM.

The details of composition of Audit Committee have been furnished in the Corporate Governance Report forming part of this Annual Report.

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.

29. 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.

30. 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.

31. 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.

32. 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 relating to the same are given in the Report of Corporate Governance forming part of this Report. During the Financial Year 2017-18, there has been no instance where the Board has not accepted the recommendations of the Audit Committee.

33. 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.

34. 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.

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

Your Directors state that during the year under review, there were no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36. APPRECIATION

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

37. 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

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

Place : Ahmedabad
Date : May 19, 2018

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, 2018 is given here below and forms part of the Board's Report.

A. Conservation of Energy

i. Energy Conservation measures taken:

- Replacement of old type capacitors having lower capacity with new capacitors having higher capacity as well as addition of new capacitors in power distribution system thereby saving power.
- In weaving sections, conventional tube fixtures were replaced by LED tubes, thereby achieving better illumination at work places as well as saving power.
- Yarn dyeing machines which reduce power, steam and water consumption and generate lower effluents.
- 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 ₹6.75 Lacs.

B. Technology Absorption

i. Efforts, in brief, made towards Technology Absorption.

- Conversion of old model DC motors, DC drives, & PLC of Sizing machine by latest version of PLC & software & hardware.

ii. The benefits derived:

The benefit of the above effort was better productivity and reduction in breakdowns.

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 ₹1749.72 lacs excluding deemed export and foreign exchange outgo was ₹1270.60 lacs.

For and on behalf of the Board

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

Place : Ahmedabad
Date : May 19, 2018

Annexure -2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

(as on financial year ended on March 31, 2018)

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 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SN	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1.	Cotton Fabrics	13121	98.75

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. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	–	–	–	–	–	–	–	–	–
a) Individual/ HUF	426721	–	426721	0.33	298345	-	298345	0.23	-0.10
b) Central Govt. or State Govt.	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	73049359	–	73049359	56.87	75281559	–	75281559	58.61	+1.74
d) Bank/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Trust	-	-	-	-	2671441	-	2671441	2.08	+2.08
SUB TOTAL:(A) (1)	**73476080**	**–**	**73476080**	**57.20**	**78251345**	**-**	**78251345**	**60.92**	**+3.72**
(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)	**73476080**	**–**	**73476080**	**57.20**	**78251345**	**-**	**78251345**	**60.92**	**+3.72**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	–	3300	3300	0.00	-	3300	3300	0.00	-
b) Banks/FI	152985	89	153074	0.12	231554	89	231643	0.18	+0.06
c) Central govt	–	–	–	–	–	–	–	–	–
d) State Govt.	–	–	–	–	–	–	–	–	–
e) Venture Capital Fund	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture									
Capital Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
SUB TOTAL (B)(1):	**152985**	**3389**	**156374**	**0.12**	**231554**	**3389**	**234943**	**0.18**	**+0.06**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions	-	-	-	-					-
a) Bodies corporate	16893906	14762	16908668	13.16	13463412	14762	13478174	10.49	-2.67
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	12491585	664978	13156563	10.24	13596804	655762	14252566	11.09	+0.85
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lac	17982685	-	17982685	14.00	17447148	-	17447148	13.58	-0.85
c) Others (specify)	–	–	–	–	–	–	–	–	-
(I) OCBs	1077465	15000	1092465	0.85	-	15000	15000	0.01	-0.83
(II) Individuals (Non Resident Individuals-Non Repat.,)	70907	-	70907	0.05	80223	-	80223	0.06	+0.01
(III) Individuals (Non Resident Individuals-Repatriation)	228455	45002	273457	0.21	345929	45002	390931	0.30	+0.09
(IV) HUF	3980727	250	3980977	3.10	3443418	250	3443668	2.68	-0.41
(V) Clearing Members	1348200	-	1348200	1.05	859878	-	859878	0.67	-0.38
(VI) Foreign Nationals	7500	-	7500	0.01	-	-	-	-	-0.01
SUB TOTAL (B)(2):	**54081430**	**739992**	**54821422**	**42.68**	**49236812**	**730776**	**49967588**	**38.90**	**-3.78**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**54234415**	**743381**	**54977796**	**42.80**	**49468366**	**734165**	**50202531**	**39.08**	**-3.72**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**127710495**	**743381**	**128453876**	**100.00**	**127719711**	**734165**	**128453876**	**100.00**	-

(ii) SHARE HOLDING OF PROMOTERS

SN	Shareholders Name	No. of Shares held at the beginning of the year i.e. April 1, 2017			No. of Shares held at the end of the year i.e. March 31, 2018			% 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	[1] Albus Investments Private Limited	14364608	11.18	-	16596808	12.92	-	+1.74
6	Apus Investments Private Limited	58684751	45.68	-	58684751	45.68	-	-
7	[2] Chintan N. Parikh and Shefali Chintan Parikh Trustees of Navchintan Trust	-	-	-	2671441	2.08	-	+2.08
8	[3] Uttara Chintan Parikh	100463	0.08	-	-	-	-	-0.08
9	[4] Parikh Ayesha Chintan	27913	0.02	-	-	-	-	-0.02
	Total -----→	**73476080**	**57.20**	**-**	**78251345**	**60.92**	**-**	**+3.72**

Note:

1. Acquisition on account of amalgmation of Geek Technologies Pvt. Ltd. with Albus Investments Pvt. Ltd.
2. Navchintan Trust forms part of Promoter/Promoter Group in terms of Regulation 2(1)(za)/(zb) of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and accordingly disclosed as part of Promoter/Promoter Group.

3&4. Pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Reg 2015 and approval granted by the BSE Ltd and National Stock Exchange of India Ltd in May, 2017, shareholding of Mrs. Uttara Chintan Parikh and Ms. Parikh Ayesha Chintan have been re-classified and accordingly shown in public category for the financial year ended on March 31, 2018.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SN.	Particulars	Shareholding at the beginning of the year April 1, 2017		Change in Shareholding , i.e. Increase/Decrease		Cumulative Shareholding as on March 31, 2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of shares	No. of shares	% of total shares of the company
1.	Albus Investments Private Limited	14364608	11.18	-	-	14364608	11.18
	*Transfer			15.12.17	2232200	16596808	12.92
2.	Chintan N. Parikh and Shefali C. Parikh-Trustees of Navchintan Trust	-	-	-	-	-	-
	Transfer			28.04.17	1581100	1581100	1.23
	Transfer			21.07.17	765341	2346441	1.82
	Transfer			28.07.17	325000	2671441	2.07

*Note : Acquisition on account of amalgmation of Geek Technologies Pvt. Ltd. with Albus Investments Pvt. Ltd.

(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 April 1, 2017		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.	ASSET RECONSTRUCTION COMPANY (INDIA) LTD.	10264862	7.99	-	-	10264862	7.99
	Transfer	-	-	22 Dec 2017	(996235)	9268627	7.22
	At the end of the Year	-	-	-	-	9268627	7.22
2	ANKITA VISHAL SHAH	1625001	1.26	-	-	1625001	1.26
	Transfer	-	-	07 Apr 2017	(81000)	1544001	1.20
	Transfer	-	-	14 Apr 2017	2000	1546001	1.20
	Transfer	-	-	21 Apr 2017	(259001)	1287000	1.00
	Transfer	-	-	28 Apr 2017	(147000)	1140000	0.89
	Transfer	-	-	05 May 2017	(40003)	1099997	0.85
	Transfer	-	-	12 May 2017	11003	1111000	0.86
	Transfer	-	-	19 May 2017	161915	1272915	0.99
	Transfer	-	-	26 May 2017	64085	1337000	1.04
	Transfer	-	-	02 Jun 2017	33000	1370000	1.06
	Transfer	-	-	16 Jun 2017	(40000)	1330000	1.03
	Transfer	-	-	23 Jun 2017	28000	1358000	1.06

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on April 1, 2017		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
	Transfer	-	-	30 Jun 2017	(78000)	1280000	0.99
	Transfer	-	-	07 Jul 2017	499301	1779301	1.38
	Transfer	-	-	14 Jul 2017	(324301)	1455000	1.13
	Transfer	-	-	21 Jul 2017	(30000)	1425000	1.11
	Transfer	-	-	28 Jul 2017	(135005)	1289995	1.00
	Transfer	-	-	04 Aug 2017	332505	1622500	1.26
	Transfer	-	-	11 Aug 2017	(60000)	1562500	1.21
	Transfer	-	-	18 Aug 2017	105936	1668436	1.30
	Transfer	-	-	25 Aug 2017	197064	1865500	1.45
	Transfer	-	-	01 Sep 2017	(372500)	1493000	1.16
	Transfer	-	-	08 Sep 2017	(18000)	1475000	1.15
	Transfer	-	-	15 Sep 2017	(654000)	821000	0.64
	Transfer	-	-	22 Sep 2017	(21000)	800000	0.62
	Transfer	-	-	29 Sep 2017	(11000)	789000	0.61
	Transfer	-	-	13 Oct 2017	(89000)	700000	0.54
	Transfer	-	-	27 Oct 2017	(50000)	650000	0.51
	Transfer	-	-	03 Nov 2017	90000	740000	0.58
	Transfer	-	-	10 Nov 2017	(50000)	690000	0.54
	Transfer	-	-	17 Nov 2017	(50038)	639962	0.50
	Transfer	-	-	24 Nov 2017	(9962)	630000	0.49
	Transfer	-	-	08 Dec 2017	(5000)	625000	0.49
	Transfer	-	-	12 Jan 2018	89000	714000	0.56
	Transfer	-	-	19 Jan 2018	100000	814000	0.63
	Transfer	-	-	26 Jan 2018	15000	829000	0.64
	Transfer	-	-	09 Feb 2018	(50000)	779000	0.61
	Transfer	-	-	16 Feb 2018	242100	1021100	0.79
	Transfer	-	-	23 Feb 2018	(196900)	824200	0.64
	Transfer	-	-	02 Mar 2018	109266	933466	0.73
	Transfer	-	-	09 Mar 2018	(4767)	928699	0.72
	Transfer	-	-	16 Mar 2018	56984	985683	0.77
	Transfer	-	-	23 Mar 2018	(38460)	947223	0.73
	Transfer	-	-	31 Mar 2018	(17223)	930000	0.72
	At the end of the Year	-	-	-	-	930000	0.72

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on April 1, 2017		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
3.	JAYESH PRATAPCHAND SHAH	-	-	-	-	-	-
	Transfer	-	-	04 Aug 2017	100000	100000	0.07
	Transfer	-	-	15 Sep 2017	25000	125000	0.10
	Transfer	-	-	29 Sep 2017	50000	175000	0.14
	Transfer	-	-	06 Oct 2017	100000	275000	0.21
	Transfer	-	-	27 Oct 2017	(200000)	75000	0.06
	Transfer	-	-	03 Nov 2017	(75000)	0	0.00
	Transfer	-	-	08 Dec 2017	170460	170460	0.13
	Transfer	-	-	15 Dec 2017	58746	229206	0.18
	Transfer	-	-	22 Dec 2017	140785	369991	0.29
	Transfer	-	-	05 Jan 2018	(100000)	269991	0.21
	Transfer	-	-	19 Jan 2018	(125078)	144913	0.11
	Transfer	-	-	26 Jan 2018	225000	369913	0.29
	Transfer	-	-	02 Feb 2018	69782	439695	0.34
	Transfer	-	-	09 Feb 2018	260000	699695	0.54
	Transfer	-	-	16 Feb 2018	305	700000	0.54
	At the end of the year	-	-	-	-	700000	0.54
4	ROSY BLUE SECURITIES PVT. LTD	1115000	0.87	-	-	1115000	0.87
	Transfer	-	-	21 Apr 2017	60000	1175000	0.91
	Transfer	-	-	28 Apr 2017	(50000)	1125000	0.88
	Transfer	-	-	12 May 2017	(125000)	1000000	0.78
	Transfer	-	-	16 Jun 2017	(1722)	998278	0.78
	Transfer	-	-	23 Jun 2017	(98278)	900000	0.70
	Transfer	-	-	30 Jun 2017	(11727)	888273	0.69
	Transfer	-	-	07 Jul 2017	(38273)	850000	0.66
	Transfer	-	-	28 Jul 2017	(75000)	775000	0.60
	Transfer	-	-	04 Aug 2017	(20000)	755000	0.59
	Transfer	-	-	18 Aug 2017	(10000)	745000	0.58
	Transfer	-	-	01 Sep 2017	(20000)	725000	0.56
	Transfer	-	-	08 Sep 2017	(50000)	675000	0.52
	Transfer	-	-	13 Oct 2017	(10000)	665000	0.52
	Transfer	-	-	20 Oct 2017	(40000)	625000	0.49
	Transfer	-	-	27 Oct 2017	(75000)	550000	0.43
	Transfer	-	-	03 Nov 2017	(50000)	500000	0.39
	At the end of the year	-	-	-	-	500000	0.39

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on April 1, 2017		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
5	JUGAL KISHORE MAHESHWARI	-	-	-	-	0	0.00
	Transfer	-	-	05 May 2017	3480	3480	0.00
	Transfer	-	-	12 May 2017	38439	41919	0.03
	Transfer	-	-	19 May 2017	(41919)	0	0.00
	Transfer	-	-	26 May 2017	9230	9230	0.01
	Transfer	-	-	16 Jun 2017	100000	109230	0.08
	Transfer	-	-	18 Aug 2017	(56000)	53230	0.04
	Transfer	-	-	25 Aug 2017	(9230)	44000	0.03
	Transfer	-	-	15 Sep 2017	56000	100000	0.08
	Transfer	-	-	17 Nov 2017	(50000)	50000	0.04
	Transfer	-	-	15 Dec 2017	100000	150000	0.11
	Transfer	-	-	12 Jan 2018	(80000)	70000	0.05
	Transfer	-	-	23 Mar 2018	295000	365000	0.28
	Transfer	-	-	31 Mar 2018	69380	434380	0.34
	AT THE END OF THE YEAR	-	-	-	-	434380	0.34
6	CHAMPAKLAL BABALDAS VORA	363348	0.2829	-	-	363348	0.28
	Transfer	-	-	07 Apr 2017	(300)	363048	0.28
	Transfer	-	-	14 Apr 2017	(3750)	359298	0.28
	Transfer	-	-	26 May 2017	10000	369298	0.29
	Transfer	-	-	14 Jul 2017	5702	375000	0.29
	Transfer	-	-	28 Jul 2017	(2505)	372495	0.29
	Transfer	-	-	15 Sep 2017	18000	390495	0.30
	Transfer	-	-	29 Sep 2017	(18000)	372495	0.29
	Transfer	-	-	27 Oct 2017	(9000)	363495	0.28
	Transfer	-	-	08 Dec 2017	9000	372495	0.29
	Transfer	-	-	16 Feb 2018	4413	376908	0.29
	Transfer	-	-	31 Mar 2018	1994	378902	0.29
	AT THE END OF THE YEAR	-	-	-	-	378902	0.30
7	MENTOR CAPITAL LIMITED	378671	0.2948	-	-	378671	0.29
	AT THE END OF THE YEAR	-	-	-	-	378671	0.29

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on April 1, 2017		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
8	BANSIDHAR SARDA	-	-	-	-	-	-
	Transfer	-	-	26 May 2017	25000	25000	0.02
	Transfer	-	-	02 Jun 2017	25000	50000	0.04
	Transfer	-	-	04 Aug 2017	50000	100000	0.08
	Transfer	-	-	01 Sep 2017	50000	150000	0.12
	Transfer	-	-	15 Sep 2017	50000	200000	0.15
	Transfer	-	-	13 Oct 2017	25000	225000	0.17
	Transfer	-	-	27 Oct 2017	25000	250000	0.19
	Transfer	-	-	17 Nov 2017	100000	350000	0.27
	AT THE END OF THE YEAR	-	-	-	-	350000	0.27
9	VISHAL PANKAJ DEDHIA (HUF)	334552	0.2604	-	-	334552	0.26
	Transfer	-	-	06 Oct 2017	(5000)	329552	0.26
	Transfer	-	-	05 Jan 2018	(10000)	319552	0.25
	AT THE END OF THE YEAR	-	-	-	-	319552	0.25
10	RAHUL BHARAT DEDHIA (HUF)	334552	0.2604	-	-	334552	0.26
	Transfer	-	-	22 Sep 2017	(1948)	332604	0.26
	Transfer	-	-	06 Oct 2017	(3052)	329552	0.25
	Transfer	-	-	05 Jan 2018	(20000)	309552	0.24
	AT THE END OF THE YEAR	-	-	-	-	309552	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 1, 2017		Change in Shareholding, i.e. Increase/Decrease		Shareholding at the end of the year March 31, 2018	
		No. of shares	% of total shares of the company	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. Hiren S. Mahadevia	34930	0.03	-	-	34930	0.03
4.	*Mr. Krishnachintan Parikh	31300	0.02	-	-	31300	0.02

* Appointed as an Executive Director w.e.f. June 1, 2017

Note : Except above Directors / KMPs, no other Directors / KMPs hold any share 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	6,154.72	1674.16	-	7,828.88
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)		**6,154.72**	**1674.16**	**-**	**7,828.88**
Change in Indebtedness during the financial year					
Addition		1,312.75	38.45	-	1,351.20
Reduction		6,154.72	122.95	-	6,277.67
Indebtedness at the end of the financial year					
i)	Principal Amount	1,312.75	1589.66	-	2,902.41
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)		**1,312.75**	**1589.66**	**-**	**2,902.41**

@ 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	20,00,000	1,04,00,000
	(b) Value of perquisites u/s 17(2) of the IT Act, 1961	39,600	-	39,600
	(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	84,39,600	20,00,000	1,04,39,600
	**Ceiling as per the Act	₹ 84 Lacs p.a. & applicable perquisites	₹ 24 Lacs p.a. and applicable perquisites	₹108 Lac & 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.

** Appointed as Executive Director (Whole Time Director) w.e.f. June 1, 2017.

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	
Fees for attending Board/ Committee Meetings	39000/-	63000/-	49000/-	43000/-	194000
Commission	-	-	-	-	-
Other, Please specify	-	-	--	-	-
Total	39000/-	63000/-	49000/-	43000/-	194000/-
*Ceiling as per the Act	Not Applicable as except sitting fees, no other remuneration is paid				

2. OTHER NON EXECUTIVE DIRECTORS (Amt in ₹)

Particulars of remuneration	Name of Directors	Total Amount
	Mrs. Koushlya Melwani	
Fees for attending Board/ Committee Meetings	66000/-	**66000/-**
Commission	-	-
Other, Please specify	-	-
Total	**66000/-**	**66000/-**
*Ceiling as per the Act	Not Applicable as except sitting fees, no other remuneration is paid	

C. REMUENRATION TO KEY MANAGERIAL PERSSONNEL, OTHER THAN MD/MANAGER/WTD

(Amt in ₹)

S.N.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
1.	Gross Salary	94,27,384	54,83,550	1,49,10,934
	(a) Salary as per the section 17(1) of the IT Act, 1961			
	(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	**94,27,384**	**54,83,550**	**1,49,10,934**

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

There were no penalties / punishments / compounding of offences for the year ended on March 31, 2018.

For and on behalf of the Board

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

Place : Ahmedabad
Date : May 19, 2018

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 43.12 : 1 and that of Executive Director is 12.18 : 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 and of Company Secretary is 14.84% and that of Chief Financial Officer is 10.24%. Increase in remunertaion of Executive Director is not applicable since appointed during the current year.
3	The percentage increase in the median remuneration of employees is 7.96%.
4	There were 596 permanent employees on the rolls of the company as on March 31, 2018.
5	Average increase in remuneration of Managerial Personnel (KMP including CMD) is 8.35% while that of other employees is 10.06%. Remuneration of Executive Director is not considered since appointed during the current year.
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

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

Place : Ahmedabad
Date : May 19, 2018

SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2018
(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
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 31st March, 2018 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 31st March, 2018 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 there under 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;

v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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. Adoption of new set of Articles of Association (AOA) of the Company as approved by the members in their meeting held on 11th day of August, 2017.
2. Reappointment of Mr. Chintan Parikh as a Chairman and Managing Director of the Company w.e.f. 7th February, 2017 for a further period of three years.
3. Appointment of Mr. Krishnachintan Parikh as an Executive Director of the Company w.e.f. 1st June,2017 for a period of three years.

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839

Place : Ahmedabad
Date : May 19, 2018

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

To,
The Members,
ASHIMA LIMITED
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
FCS No.: 4476
C P No.: 2839

Place : Ahmedabad
Date : May 19, 2018

CEO AND CFO CERITIFICATION

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, 2018 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 19, 2018

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2018:

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 under Regulation 17(1) of SEBI Regulations, 2015. The Board of Directors of the Company as at March 31, 2018 comprises of 7 directors including woman director with more than 50% of it as non-executive independent directors. Further none of the Directors are members 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. 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, 2018, details of which are as follows:-

Category	Name of Directors
Promoter Director	1. Mr. Chintan N. Parikh - Chairman and Managing Director 2. Mr. Krishnachintan Parikh – Executive Director
Independent Directors Non-Executive	3. Dr. Bakul H. Dholakia 4. Mr. Neeraj Golas 5. Mr. Bihari B. Shah 6. Mr. Atul Kumar Singh
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 (Listing Obligations and Disclosure Requirements), Regulations, 2015 with respect to the directors retiring and seeking re-appointment / directors sought to be appointed, is as under:-

At the ensuing Annual General Meeting, Mrs. Koushlya Melwani, Non-Executive and Non Independent Director of the company, retires by rotation and being eligible is seeking re-appointment. A brief profile of the said Director is as under:

Mrs. Koushlya Melwani is a Fellow Member of Institute of Cost Accountants of India and having 30 years of professional experience in the field of project finance, company law and cost accounting.

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	No
6.	Mr. Atul Kumar Singh	4	Yes
7.	Mr. Krishnachintan Parikh (Appointed as Executive Director w.e.f. 01.06.2017)	3	Yes

c. Number of other Companies in which the Directors are Director/ Chairman and other Board Committees in which they are Member or Chairperson (*):

Sr. No.	Name of the Director(s)	Number of Directorships including alternate director	No. of memberships in board committees	Whether Chairman/ Member
1.	Mr. Chintan N. Parikh	3	2	Chairman
2.	Dr. Bakul H. Dholakia	3	7	Chairman - 3 Member - 4 Committees
3.	Mr. Bihari B. Shah	-	-	-
4.	Mr. Neeraj Golas	-	-	-
5.	Mrs. Koushlya Melwani	1	-	-
6.	Mr. Atul Kumar Singh	-	-	-
7.	Mr. Krishnachintan Parikh	-	-	-

(*) Includes Directorship, all Board level Committees and Chairmanship in private limited companies.

d. Number of board meetings held during the year 2017-18

The board meets at least once in a quarter to review the quarterly results and consider other items on agenda. During the year 2017-18 Board of Directors of the Company met 4 (four) times on following dates:- May 6, 2017, August 11, 2017, November 11, 2017 and February 10, 2018.

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 March 31, 2018	
		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	---

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 meetings and 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. The details of familiarization programme imparted to independent directors during the year 2017-18 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 its own performance, the performance of all individual directors including independent directors and the Chairman of the Board of Directors 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 redressel of the investors & stakeholders, independent views and judgments, leadership effectiveness etc.

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 been changed as and when required. 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. The Audit Committee at present comprises of 3 (Three) directors viz. Dr. Bakul H. Dholakia, Mr. Bihari B. Shah and Mrs. Koushlya Melwani. The constitution of audit committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Regulations.

The terms of reference of audit committee as approved by the Board of Directors are as per guidelines set out in the SEBI Regulations read with Section 177 of the Companies Act, 2013, stipulated hereinbelow:

1. The audit committee will meet at least four times a year and not more than 120 days shall elapse between two meetings.
2. Powers of audit committee:-
   a. to investigate any activity within its terms of reference.
   b. to seek information from any employee.
   c. to obtain outside legal or other professional advice.
   d. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee and Review of Information by Audit Committee

3. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
4. Recommending to the Board, the appointment / re-appointment, replacement or removal if any required, of Statutory Auditors, Cost Auditors and or any other auditors including fixation of remuneration.
5. Approval of payment to Statutory Auditors for any other services rendered by them.
6. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval with reference to:-
    - Matters required to be included in Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on exercise of judgment by management.
    - Significant adjustments made in financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of related party transactions.
    - Modified Opinion(s) in the draft audit report.
7. Reviewing with the management, the quarterly financial statement before submission to the board for approval.
8. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in the matter.
9. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
10. Approval or any subsequent modification of transactions of the company with related parties.
11. Scrutiny of inter-corporate loans and investments.
12. Valuation of undertakings or assets of the company, wherever it is necessary.
13. Evaluation of internal financial controls and risk management systems.
14. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
15. To formulate in consultation of internal auditor the scope, functioning, periodicity and methodology for conducting the internal audit and Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
16. Discussion with internal auditors on any significant findings and follow up thereon.
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
18. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
19. To review the functioning of the Whistle Blower Mechanism.

20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
21. Approval of appointment of CFO (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
22. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

In addition to the above, the following items will be reviewed by the Audit Committee:-

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions, (as defined by the Audit Committee) submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- appointment, removal and terms of remuneration of the internal auditor.

During the year 2017-18, the Audit Committee met 4 times on May 6, 2017, August 11, 2017, November 11, 2017 and February 10, 2018. 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 6, 2017 was to review annual accounts for the year ended on March 31, 2017.

Mr. Bihari B. Shah, Independent Director was appointed to Chair Audit Committee Meetings and also attend Annual General Meeting in absence of Dr. Bakul Dholakia, Chairman of Audit Committee. Accordingly, Mr. Bihari B. Shah was present at the 34th Annual General Meeting held on August 11, 2017 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. 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 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 and 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.

The nomination and remuneration committee has formulated a Nomination and Remuneration Policy and the same was approved by the Board of Directors. The policy 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 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. The Nomination & Remuneration Committee met twice on May 6, 2017 and February 10, 2018. 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	2	2
2.	Mr. Chintan N. Parikh	Member	2	2
3.	Mrs. Koushlya Melwani	Member	2	2
4.	Mr. Neeraj Golas	Member	2	2

5. Remuneration of Directors for the financial year 2017-18:

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee at their meeting held on May 6, 2017 approved the appointment of the Mr. Krishnachintan Parikh as Executive Director of the company w.e.f. April 1, 2017 for a period of 3 years from June 1, 2017 to May 31, 2020 at a remuneration of ₹ 2,00,000/- 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 34th Annual General Meeting held on August 11, 2017.

The remuneration (including perquisites not considered as part of Managerial Remuneration as per Schedule V provisions) paid for the financial year ended on March 31, 2018 to Mr. Chintan N. Parikh, Managing Director of the company is ₹92.60 lacs and to Mr. Krishnachintan Parikh, Executive Director of the company is ₹21.72 lacs. The perquisites includes contribution to provident fund, superannuation fund 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 ₹10000/- per meeting of the board, ₹5000/- per meeting of the audit committee and ₹3000/- per meeting for other board level committees. Sitting fees of ₹3000/- was also paid to each Independent Director for their separate meeting. The total sitting fees paid for the year ended on March 31, 2018 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	49000
4.	Mrs. Koushlya Melwani	66000
5.	Mr. Atulkumar Singh	43000

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 is paid to the non-executive directors.

6. Stakeholders Relationship Committee (SRC):

The company constituted shareholders'/investors' grievances committee in the year 2002. The composition of same has been changed as and when required. As at March 31, 2018, the committee consists of Mr. Bihari B. Shah, Mr. Neeraj Golas, and Mrs. Koushlya Melwani as Directors and Mr. Hiren S. Mahadevia, Company Secretary acts as the Secretary to the Committee and is the "Compliance Officer" pursuant to the requirements of SEBI Regulations. The SRC primarily considers and resolves grievances of investors complaints like transfer of shares, non-receipt of annual report and other investor related matters. 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.

The committee met 4 (Four) times in the year on May 6, 2017, August 11, 2017, November 11, 2017 and February 10, 2018 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, and there is no complaint pending as at March 31, 2018. 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

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 Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the company has inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading (Code) duly approved by the Board of Directors of the company. Mr. Hiren S. Mahadevia, Company Secretary, is the Compliance Officer for the purpose of this Code.

9. Risk Management

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 10, 2018 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 Board of Directors, 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 meetings held	No. of meetings 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

11. General Body Meetings:

Location and time for the last three AGMs:

Year	Date	AGM	Venue	Time
2015	September 18, 2015	AGM	Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021.	12.00 noon
2016	August 12, 2016	AGM	As Above	11.00 a.m.
2017	August 11, 2017	AGM	As above	11.00 a.m.

Two special resolutions were passed by the Shareholders at the 34th Annual General Meeting of the company held on August 11, 2017. No special resolution was passed by the shareholders at the 33rd Annual General Meeting of the Company held on August 12, 2016. Three special resolutions were passed by the Shareholders at the 32nd Annual General Meeting of the company held on September 18, 2015. Resolutions, if required would be passed through postal ballot during financial year 2018-19, as per 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 news paper 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 11, 2018 at 11.00 a.m. at Texcellence Complex, Khokhara - Mehmedabad, Ahmedabad – 380021.

b. Date of book closure: Monday August 6, 2018 to Saturday August 11, 2018.

c. Listing on stock exchanges:

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

d. Listing fees: Paid for all the above stock exchanges for financial year 2017-18.

e. Address of Registered Office: Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021, Gujarat

f. Financial Year:

The Financial Year of the company is for a period of 12 months from April 1 to March 31.

g. Stock exchange security code:

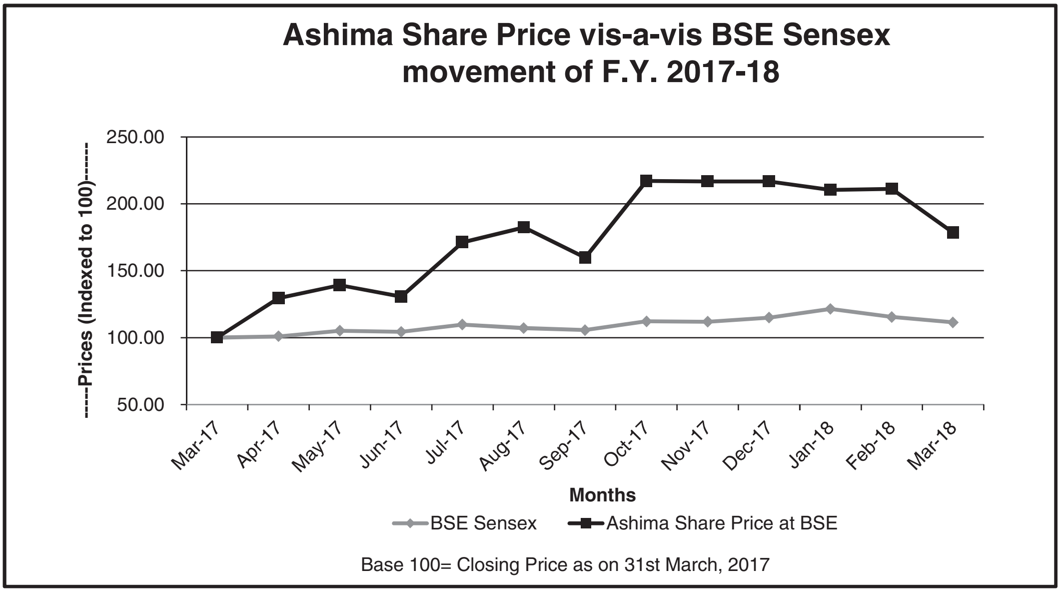
- ➢ BSE Limited : 514286
- ➢ The National Stock Exchange of India Ltd : ASHIMASYN

Demat ISIN numbers in NSDL and CDSL for equity shares : ISIN No. : INE 440A01010

h. Monthly high and low quotations along with the volume of shares traded at National Stock Exchange and Bombay Stock Exchange during the financial year ended March 31, 2018:

MONTH	NSE			BSE		
	High ₹	Low ₹	Volume Nos	High ₹	Low ₹	Volume Nos.
April 2017	20.40	14.75	12827691	20.40	14.70	6137117
May 2017	23.20	18.00	18835070	23.20	18.10	6997399
June 2017	20.90	18.55	3931745	20.95	18.60	1672110
July 2017	27.20	18.70	17964361	27.10	18.70	6939142
August 2017	27.45	19.40	11615809	27.45	19.60	3658181
September 2017	26.90	21.90	6891990	26.80	21.85	2531492
October 2017	32.65	22.40	10861765	32.75	22.50	3973925
November 2017	36.70	30.00	13304077	36.70	30.25	5570469
December 2017	33.50	28.20	4894923	33.50	28.65	1476954
January 2018	38.35	30.00	17993426	38.30	30.00	5900660
February 2018	33.75	25.50	6337031	33.50	25.00	1996157
March 2018	30.80	22.05	4252493	30.70	22.30	1519748

i. Performance of Company's closing share price during the FY 2017-18 in comparison of BSE Sensex



j. Distribution of shareholding:

As on March 31, 2018 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	18387	73.94	3046801	2.37
501-1000	2686	10.80	2403960	1.87
1001-2000	1423	5.72	2348707	1.83
2001-3000	653	2.63	1716153	1.34
3001-4000	277	1.11	1013390	0.79
4001-5000	371	1.49	1801825	1.40
5001-10000	499	2.01	3920810	3.05
10001 and above	571	2.30	112202230	87.35
Total	**24867**	**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)		
	a. Mutual Funds and UTI	3300	0.00
	b. Financial Institutions/ Banks	231643	0.18
	c. NRIs / OCBs	486154	0.38
	d. Bodies Corporates	13478174	10.49
	e. Clearing Members	859878	0.67
	f. Individual / HUF	35143382	27.36
	Sub Total B	**50202531**	**39.08**
	Grand Total ----------------------------→	**128453876**	**100.00**

k. Registrar and Share Transfer Agents:

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.

l. 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.

m. Dematerialisation Details:

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, 2018, 17641 shareholders have sought dematerialisation of their 12,77,19,711 equity shares which constitutes 99.43% of total share capital of the company.

n. Liquidity:

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 "h" hereinabove.

o. Dividend:

The Board of Directors of the company have not recommended any dividend for the year ended on March 31, 2018.

p. Plant Location:

Texcellence Complex, Khokhara – Mehmedabad, Ahmedabad – 380021.

q. 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.

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, 2018.

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, or 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) **Subsidiary Company.**

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

During the year, the company has fully complied with the mandatory requirements as stipulated in the SEBI Regulations. The status on the compliance with the non-mandatory requirements of the SEBI Regulations is as under:

Board: The Chairman of the company 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 2017-18 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.

16. Disclosure of 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.

The information as required under 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.

The above report has been placed before the board of directors of the company at their meeting held on May 19, 2018 and the same was approved thereat.

For and on behalf of the Board

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

Place : Ahmedabad
Date : May 19, 2018

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, 2018 as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. 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.

4. 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, 2018.

5. 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

Date : May 19, 2018
Place : Ahmedabad

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, 2018, received from the members of the board and senior management personnel declaration of compliance with code of conduct as applicable to them.

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

Date : May 19, 2018
Place : Ahmedabad

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW:

After remaining subdued for quite some-time, the economy worldwide is now gaining recovery and showing signs of improvement. Global outlook is strengthening in the backdrop of firmed price recovery on the oil and other commodity markets and also led by momentum in global business activity. The United Nations Department of Economics and Social Affairs (UN-DESA) forecasts the global growth to remain steady in 2018 because of improvement in manufacturing and trade, rising confidence and favorable global financing conditions. The growth in the developed economies have shown noticeable improvement in 2017-18, but rising levels of debt, policy uncertainty and protectionism measures undertaken by various countries seem to be the major hurdles.

Indian Economy witnessed impacts of Demonetization and GST during recent past and the growth is now seen recuperating to a respectable 7.5% in the aftermath of many other policy changes mainly in infrastructure and financial sectors. This, however, is still below the 13-year average. The year 2017-18 was marked with strong macro-economic fundamentals. However, the growth of gross domestic product (GDP) moderated in 2017-18 vis-à-vis 2016-17. An important macro-economic challenge faced by the Indian economy relates to the declining trend in the investment and saving rates as also rising crude prices. Nonetheless, medium-term macro outlook remains bright against the background of implementation of GST, recovering global economy, relatively stable prices, prediction of normal monsoon and improvement in indicators of external sector.

Textile industry plays a major role in the Indian economy and contributes significantly to the GDP and the country's exports. As per the latest Annual Report of Ministry of Textiles, it is a $100 billion-plus industry, employs more than 45 million people, accounts for almost 14% of exports and over a quarter of foreign exchange earnings. It is the second-largest employment sector after agriculture. The textile industry has a share of 7% in industry output in value terms and 2% in India's GDP.

It may however be noted that country is quickly losing its place at the top of the table of apparel-exporting nations. In fiscal 2017-18 (April to February), overall apparel production declined 10.4%, while garment exports fell 4%. Worse, the trend is clearly downwards. Garment exports have fallen for six months in a row now and, except for a spike in a couple of months, have been mostly negative.

There are no signs of any immediate turnaround. The sector witnessed impacts of demonetisation and the goods and services tax (GST) – organized sector getting affected more than the unorganized one. Moreover, the rupee also appreciated by more than 6% against the dollar through 2017, hurting the competitiveness of the sector in the international markets, though the trend reversal has started lately.

The competitor countries like Bangladesh and Vietnam are gaining at the cost of India and their apparel exports have long surpassed India's volumes. Both nations enjoy the same advantage that India does — an abundance of cheap, skilled labour. In addition, they also enjoy favoured access through treaties to major markets like the U.S. and the European Union, while India is under intense pressure from the World Trade Organisation to phase out subsidies and incentives. As highlighted by the Chief Economic Adviser's team, the key issues facing the textiles sector include logistics, labour regulations, tax and tariff policy and disadvantages emanating from the international trading environment compared to competitor countries.

Under the overall challenging scenario, the company has witnessed tough business conditions and its performance has remained constrained. The company has been able to achieve volume growth through persistent efforts in various customer segments however the margins remained under pressure. Market disruptions on account of macro level economic measures also adversely impacted the industry and the company for a good part of the year, leading to inventory built-up, liquidity crunch as well as pricing uncertainties.

During the year, the company continued with the plan of revamping and modernizing its textile operations and made further investments into various plant and machinery. The investments will result into widening its product portfolio, enhancing product designing and development abilities and better customer servicing capabilities. These developments will sharpen the marketing edge of the company and enable it operate in high value-added market segment. The next challenge for the company would be to address the operating cycle which has undergone severe impact consequent to the changing market dynamics. During the year under review, the interest cost for the year has further gone down as the company repaid the loans out of funds realised on sale of surplus assets.

SEGMENT ANALYSIS AND REVIEW:

The company operates only in one segment viz. Textiles. The different products within textiles in which company has its presence are discussed below:

Denim Division: The performance of the division took a beating on account of pricing pressures resulting from stiff competition as well as hardened yarn prices. Though there was a double-digit growth in terms of volumes, overall margins contracted. Introduction of new looms and other equipment during the year enabled the division to fetch higher business volumes from brands and garment exporters and thereby lowering its dependence on low value-added distributor business channel. However, policy changes and appreciating rupee resulted into lowering the export business and impacted margins in domestic markets. The yarn prices, especially for the coarser counts firmed up sharply. On the cost front, the advantage from power trading through open access platform no more remains viable after increased levies for the same and resulted into higher power costs for the division. Moreover, the fuel costs also went upwards due to tightened coal prices. Though the division exercised controls on fixed costs and gained from increased volumes, the adverse impact of reduced margins more than off-set the gains.

Spinfab Division: The division recorded significant increase in the volumes, riding on higher business volumes from garment exporters and large format stores. Installation of new looms and few other machines strengthened the division's capability to offer better products, newer designs and the speed of product development. However, the margins remained tight on account of a number of market factors including impact of policy changes, competition as well as stressed operating cycle. On the other hand, increased variable costs, especially the utilities costs, limited the overall growth in contribution levels. Overall, the performance of the division got adversely affected.

Brand business and others: This business also witnessed significant volume growth, especially in the piece-dyed segment. The retail volumes however remained almost flat. The overall profitability of the division remained under constraint as domestic markets, which is the major market segment for the activity, remained highly price-sensitive and impacted the margins adversely.

FINANCIAL RESULTS AND OUTLOOK:

Financial performance:

The company has reported a profit of ₹12648 lacs for the year at PBT level compared to ₹2764 lacs in the preceding year. It may be noted that the performance for the year includes ₹14540 lacs (last year ₹5255 lacs) being an exceptional and extraordinary item in terms of gain on account of sale of a major part of surplus land by the company. The proceeds from the sale helped the company in repaying its secured debts. The operational performance is marginally down and the loss at PBT level stands at ₹1849 lacs (arrived at after adjusting reported PBT for non-recurring expenses (net) of ₹42.51 lacs) compared to loss of ₹1759 lacs in year 2016-17 (adjusted for non-recurring expenses (net) of ₹733.46 lacs). The interest cost reduced further by ₹267 lacs and contributed positively to the change in overall performance. (It may be noted that the financials are now prepared in accordance with Indian Accounting Standards (Ind-AS) and the comparatives for previous year have been restated, wherever necessary.) On the operational front, all the divisions witnessed growth in the business volumes, but the margins remained under pressure. Various initiatives undertaken by the company on strengthening its manufacturing facilities have supported the volume growth, however the shift towards higher value-added production and its consequent positive impact on margins will happen over a longer period.

Raw material:

The yarn prices remained firm all throughout the year, for second year in a row, with the prices of coarser counts, especially the open-end varieties showing an increasing trend. The increased export avenues for the local yarn suppliers are resulting into the domestic prices slowly catching up with the international prices, which have remained higher than the local prices. On the other hand, stiff competition restricts the company's ability to fully pass on the impact of price increase in terms of higher selling prices, thereby building pressure on the product margins.

Dyes and Chemicals:

Dyes and chemical costs have remained under control though there was steep increase in the prices of certain basic chemicals towards the later part of the year. The company has a practice of making continuous efforts to develop economical alternatives, thereby exercising control on the consumption. Investments into a few efficient dyeing machines also worked favourably in reducing the chemical consumption. On the other hand, higher production volumes have also helped the costs to go down in per meter terms.

Utilities:

The year under review witnessed a rise in the utility costs as the power tariff as well as fuel costs moved up. The gains on sourcing of power through open access platform have almost disappeared upon steep increase in various levies thereon. Moreover, the power tariff from the electricity company has also gone up. On the other hand, the fuel costs also went up on account of hardened Indonesian coal prices. The company controlled the overall impact by starting use of higher GCV coal in order to optimize the generation cost per unit of energy.

Other expenses:

Other manufacturing expenses have moved up during the year primarily in line with increased business volumes. The stores/spares consumption has also increased since the ageing plant and machinery require higher expenditure on maintenance thereof. The fixed costs, adjusted for non-recurring expenditure, have increased marginally on account of inflationary pressures.

Interest:

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

Outlook:

Over the next couple of years, the global economy is expected to grow at a healthier rate as per forecast by various international agencies like the World Bank and PWC as also by CRISIL.

The World Bank forecasts global economic growth to edge up to 3.1 percent in 2018 after a much stronger-than-expected 2017, as the recovery in investment, manufacturing and trade continues. Growth in advanced economies is expected to moderate slightly to 2.2 percent in 2018, as central banks gradually remove their post-crisis accommodation and the upturn in investment growth stabilizes. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018.

As per the PWC report of 2017, the global economy will grow by almost 4% in purchasing power parity (PPP) terms, its fastest since 2011.

As per CRISIL, with improving economy and turning credit cycle, fresh slippages will moderate and NPAs will likely peak at 11% by March 2019. Continued government support though capital infusion, including growth capital, will, however, be critical for the lending cycle to start, a requisite for growth step-up.

At the same time, the global outlook is still subject to downside risks, including the possibility of financial stress, increased protectionism and rising geopolitical tensions.

In light of the improving global economy, the future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as improved export demand. With consumerism and disposable income on the rise, the retail sector is likely to experience a good growth rate. With impact of demonetization becoming a matter of the past and the GST benefits likely to kick in, economy is likely to experience stronger growth rates.

As far as the company is concerned, it has already made focused investments over last two years into plant and machinery, aimed at improving its technical capabilities and enhancing customer servicing facilities. The manufacturing set up has got a boost which is evident from the increased business volumes across all its operating divisions during the year. The measures have strengthened technical competence of the company in terms of product offerings and enable it operate in a high value-added market segment. The company is in the process of establishing its newer product range in the market. At the same time, the operating cycle has undergone significant change on account of market dynamics as well as due to the volume growth and there is an immediate need to address the stress in the working capital cycle. Going ahead, the challenge would be to address the requirements and to translate the technical competence into improved margins, resulting into an overall improvement in the operational performance. With the stage set right, management is confident of taking necessary steps to ensure an operational turnaround for the company. At the same time, it would be worthwhile to note that the company had been passing through a rough weather for past many years and hence the trend reversal would require some time.

RESOURCES AND LIQUIDITY:

Since several years, the efficiency of the company was facing a severe limitation on account of old plant and machineries and operational bottlenecks. Over last couple of years, the company has mobilized resources from internal sources by disposing off surplus assets not required for company’s textile operations and used the proceeds revamping and modernizing textile operations, meeting requirements of working capital and repayment of other secured debts. The pending cashflows from asset disposals would help the company reshape its operating cycle in an efficient manner.

OPPORTUNITIES:

The company has rightly focused on improving its manufacturing set up and sharpening its marketing skills. Various policy reforms including GST implementation and infrastructure push is likely to accelerate the economic growth rate further and provide a boost to the domestic demand of textiles. An important development in the global textile trade is the fall in China’s predominance, which presents India with a chance to up its market share. However, the fast emergence of new textile manufacturing hubs like Vietnam and Bangladesh can upset India’s calculations in a changing market, driven by market access and the policy support given by the respective governments to empower the textile chain. At the same time, emerging regional trading agreements can script a paradigm shift in future trade and investment flows. At a time when the government has initiated the ‘Make in India’ programme to revive Indian manufacturing, planned and systematic efforts by the government and industry bodies to support Indian textiles and apparels will give the necessary fillip to the industry and help it to address various barriers to its growth, ultimately leading to economic prosperity. The company is well poised to take an appropriate advantage of such growth for improving its own performance.

THREATS, RISKS AND CONCERNS:

Availability of good quality raw materials at competitive prices and access to working capital facilities are of major concern for the company going forward. The textile sector is facing a major challenge from low-cost neighboring countries and appropriate government policies to fight this competition will play a major role in terms of the industry’s domestic and export business growth.

INTERNAL CONTROL SYSTEMS:

The Company maintains adequate Internal Control System commensurate with the nature of business, size, scale and complexity of its operations across all the areas and processes. The internal control system is periodically reviewed by the Audit Committee. Further, the internal control systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information. To maintain its objectivity and independence, the Internal Audit function has been outsourced and it reports to the Chairman of the Audit Committee of the Board. The Audit committee members also review the adequacy and effectiveness of the company’s internal financial control and risk management systems periodically and monitor the implementation of audit recommendations.

RESEARCH AND DEVELOPMENT:

Research and development is a continuous assignment for various operational functions of the company. With ever increasing local and international competition, the company continues its efforts on various areas like product innovation and designing, introduction and improvement of its existing products and constant improvement in its processes and procedures.

HEALTH, SAFETY AND ENVIRONMENT:

The company attaches due importance to human resources development. The human resources policy of the company ensures that right talent is attracted and retained. Adequate steps are taken on an ongoing basis aimed at safe and comfortable working conditions for staff and workers. The company takes employee-friendly measures in normal course so as to enhance employee welfare and satisfaction. The company also complies with regulations relating to environmental and emission 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 Board

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

Place : Ahmedabad
Date : May 19, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASHIMA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ASHIMA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position, of the Company as at 31st March, 2018, and its financial performance (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
   (e) On the basis of the written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, 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 31st March, 2018 on its financial position in its financial statements – Refer Note 22 of 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

Suvrat S. Shah
Partner
Membership No.: 102651

Place : Ahmedabad
Date : 19th May, 2018

"Annexure A" referred to in the Independent Auditors' Report of even date to the members of ASHIMA LIMITED on the Financial Statements for the year ended 31st March, 2018.

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 31st March, 2018, 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 31st March, 2018 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	69.57	1997	Gujarat High Court
2	The Income Tax Act, 1961	Income tax	676.66	A.Y. 1996-97	Assessment Officer (matter remanded by ITAT)
3	The Income Tax Act, 1961	Income tax	0.87	A.Y. 2001-02	Assessment Officer
4	Gujarat Sales Tax Act, 1969	Sales Tax	1906.01	F.Y. 1999-2000 and 2000-2001	Joint Commissioner (Appeals) of Commercial Tax
5	Gujarat Value Added Tax Act, 2003	VAT	1.34	F.Y. 2011-12	Commissioner (Appeals) of Commercial Tax
6	Employees' State Insurance Act, 1948	ESI Contribution	86.37	Part of FY 1994-95 to FY 1996-97	ESI Court

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 14** 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

Suvrat S. Shah
Partner
Membership No.: 102651

Place : Ahmedabad
Date : 19th May, 2018

"ANNEXURE B" TO THE AUDITORS' 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 31st March, 2018 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 Judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 : 19th May, 2018

BALANCE SHEET AS AT MARCH 31, 2018

₹ in Lacs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS:				
Non-Current Assets:				
Property, Plant and Equipment	3 (A)	**10,479**	12,083	13,737
Capital work-in-progress		**-**	16	-
Intangible Assets	3 (B)	**25**	29	23
Financial Assets:				
Other Financial Assets	4	**201**	200	269
Other Non-Current Assets	5	**42**	304	34
Assets for Current tax (Net)	6	**279**	130	72
		11,027	12,763	14,134
Current Assets:				
Inventories	7	**5,718**	4,447	4,630
Financial Assets:				
Trade Receivables	8	**1,536**	826	803
Cash and Cash Equivalents	9	**817**	1,159	1,205
Other Current Financial Assets	10	**5,576**	35	54
Other Current Assets	11	**613**	331	1,475
Non-current Assets classified as held for sale		**275**	279	38
		14,535	7,076	8,204
Total		**25,562**	19,839	22,338
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital	12	**12,845**	12,845	3,337
Other Equity	13	**3,182**	(7,460)	(9,879)
Share Application money pending Allotments		**-**	-	8,009
		16,027	5,385	1,466
Non-Current Liabilities:				
Financial Liabilities:				
Borrowings	14	**2,377**	7,385	6,231
Other Financial Liabilities	15	**31**	29	24
Provisions	16	**5**	-	61
		2,413	7,414	6,316
Current Liabilities:				
Financial Liabilities:				
Borrowings	17	**320**	443	9,769
Trade Payables	18	**4,526**	2,707	3,206
Other Financial Liabilities	19	**1,181**	939	1,133
Other Current Liabilities	20	**947**	2,816	275
Provisions	21	**147**	134	173
		7,121	7,040	14,556
Total		**25,562**	19,839	22,338
Significant Accounting Policies	**2**			
Notes to the Financial Statements	**1 to 42**			

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 19, 2018

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 19, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lacs

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations	23	**22,997**	19,292
Other Income	24	**264**	47
Total Income		**23,261**	19,339
EXPENSES:			
Cost of Materials Consumed	25	**12,094**	8,487
Purchases of Stock-in-Trade	26	**1,144**	847
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	27	**(1,149)**	370
Employee Benefits Expense	28	**3,268**	3,592
Finance Costs	29	**654**	921
Depreciation, Amortisation and Impairment expense	3	**367**	339
Other Expenses	30	**8,774**	7,276
Total Expenses		**25,153**	21,830
Profit/(Loss) before Exceptional items and Tax		**(1,892)**	(2,492)
Exceptional Items		**14,540**	5,255
Profit before Tax		**12,648**	2,764
Less: Tax Expense:			
Tax adjustment for earlier years	31	**-**	41
Profit for the year		**12,648**	2,723
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		**(61)**	(116)
Income tax effect		**-**	-
Other Comprehensive Income for the year (Net of tax)		**(61)**	(116)
Total Comprehensive Income for the year (Net of Tax)		**12,587**	2,607
Basic & Diluted Earning per Equity Share (EPS) (in ₹)	32	**9.85**	2.28
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 42		

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 19, 2018

For and on behalf of the Board

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

Hiren S. Mahadevia
Company Secretary

Jayesh C. Bhayani
Chief Financial Officer

Ahmedabad, Dated: May 19, 2018

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

		No. of Shares	₹ in Lacs
a	**Equity Share Capital:**		
	Equity Shares of ₹ 10/- each, Issued, Subscribed and Fully Paid-up:		
	As at April 1, 2016	33,368,787	3,337
	Add: Equity Shares allotted through Right Issue	80,085,089	8,009
	Add: Equity Shares allotted under Scheme of Arrangement u/s 391 to 394 of Companies Act, 1956	15,000,000	1,500
	As at March 31, 2017	128,453,876	12,845
	As at March 31, 2018	128,453,876	12,845

₹ in Lacs

		Capital Reserve		Retained Earnings		Other Comprehensive Income		Total	
b	**Other Equity:**	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
	Balance at the beginning of the year	**38**	38	**(48,087)**	(49,304)	**(116)**	-	**(48,165)**	(49,266)
	Add: Profit for the year			**12,648**	2,723			**12,648**	2,723
	Add/(Less) Adjusted upon sale/ retirement of Asset held for sale			**(1,945)**	(1,506)			**(1,945)**	(1,506)
	Other Comprehensive Income for the year			**-**	-	**(61)**	(116)	**(61)**	(116)
		38	38	**(37,384)**	(48,087)	**(177)**	(116)	**(37,523)**	(48,165)
	Less:								
	Capital Redemption Reserve - I			**2**	2			**2**	2
	Capital Redemption Reserve - II			**38**	38			**38**	38
	Securities Premium Account			**12,388**	12,388			**12,388**	12,388
	Debenture Redemption Reserve			**2,901**	2,901			**2,901**	2,901
	Reconstruction Reserve			**984**	984			**984**	984
	Business Reconstruction Reserve			**24,393**	24,393			**24,393**	24,393
		-	-	**40,705**	40,705	**-**	-	**40,705**	40,705
	Balance at the end of the year	**38**	38	**3,320**	(7,382)	**(177)**	(116)	**3,182**	(7,460)

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 19, 2018

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 19, 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Particulars	₹ in Lacs			
	Year ended			
	March 31, 2018		March 31, 2017	
(A) Cash Flow from Operating Activities				
Profit/(Loss) before Exceptional items and Tax		**(1,892)**		(2,492)
Adjustments for:				
Depreciation and amortization	**367**		339	
Interest and finance charges	**630**		897	
Interest income	**(33)**		(40)	
(Gain)/Loss on Property, Plant & Equipment sold/ discarded (net)	**36**		126	
(Gain)/Loss on Investment	**(2)**		-	
Bad debts / advances written off	**44**		-	
Liability no longer required written back	**(46)**		(5)	
Insurance claim received on Property Plant and Equipments	**(61)**	**934**	-	1,317
Operating Profit before Working Capital Changes		**(958)**		(1,175)
Adjustments for changes in working capital :				
(Increase)/decrease in trade receivables	**(754)**		(23)	
(Increase)/decrease in loans & advances and other assets	**(72)**		958	
(Increase)/decrease in inventories	**(1,271)**		183	
Increase/(decrease) in trade payables	**1,865**		(494)	
Increase/(decrease) in other liabilities and provisions	**500**	**267**	(592)	33
Cash Generated from Operations		**(691)**		(1,142)
Income taxes paid		**(149)**		(99)
Net Cashflow from Operating Activities		**(840)**		(1,241)
(B) Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipments	**(2,162)**		(1,422)	
Proceeds from sale of Property, Plant & Equipments	**8,395**		8,825	
Gain/(Loss) on Investment	**2**		-	
Proceeds from bank deposits (with original maturity over 3 months)	**720**		(755)	
Interest received	**35**	**6,992**	42	6,689
Net Cashflow from Investing Activities		**6,992**		6,689

Particulars	₹ in Lacs			
	Year ended			
	March 31, 2018		March 31, 2017	
(C) Cash Flow from Financing Activities				
Proceeds from / (Repayment of) long term borrowings	**(5,047)**		1,119	
Proceeds from / (Repayment of) short term borrowings	**(123)**		(6,508)	
Interest and finance charges	**(604)**	**(5,773)**	(861)	(6,250)
Net Cashflow from Financing Activities		**(5,773)**		(6,250)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**379**		(802)
Add: Cash and bank balances at the beginning of the year		**183**		984
Cash and bank balances at the end of the year		**562**		183

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 Equivalent	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks			
In current accounts	**555**	163	978
Cash on hand	**7**	20	6
Cash & Bank Balances	**562**	183	984
Add: Bank deposits maturing between 3 to 12 months	**256**	976	221
Cash and Cash Equivalents as per Note 9	**817**	1,159	1,205

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 Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 19, 2018

For and on behalf of the Board

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

Hiren S. Mahadevia
Company Secretary

Jayesh C. Bhayani
Chief Financial Officer

Ahmedabad, Dated: May 19, 2018

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/slub denims, pigment/discharged print, polyester denim, various yarn dyed fabrics like stripes, chambrays, twills, oxford, herringbones, indigo checks, pique, satin, dobbies, 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. To cater to such product innovation and changing fashion trends as well as to strengthen customer servicing capabilities, the company has recently undertaken a comprehensive modernization programme to make targeted investments into the Denim and Spinfab (shirting) divisions.

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 31st March, 2018 were authorised for issue in accordance with a resolution of the directors on 19th May, 2018.

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 For all periods up to and including the year ended 31st March, 2017, the Company has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP). The Company has adopted Ind AS as per Companies (Indian Accounting Standards) Rules, 2015 as notified under Section 133 of the Companies Act, 2013 for these Financial statements beginning 1st April, 2017. As per the principles of Ind AS 101, the transition date to Ind AS is 1st April, 2016 and hence the comparatives for the previous year ended 31st March, 2017 and balances as on 1st April, 2016 have been restated as per the principles of Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized in note 42.

C 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

D 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.

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.

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.

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 Value Added Tax / GST is not received by the Company on its own account, but is tax collected on value added to the Goods 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 value added taxes.

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.

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 1st January, 2005 have been carried at revalued figures and subsequent additions thereto are accounted for on actual/historical cost 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 1st April, 2016, the Company has elected to measure its Property, Plant and Equipment at carrying value as per previous GAAP. Further, as per the requirement of paragraph 11 of Ind AS 101, outstanding amount in the revaluation reserve is transferred to retained earning account, 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	22.5
Continuous Process Plants	45
Office Equipments	20
Computers & Printers	6
Vehicles	10
Furniture & Fixtures	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.

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 ad 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.

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 annually.

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.

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 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 Debt instruments at amortized cost:

A ‘debt instrument’ 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 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 **Debt instruments at fair value through other comprehensive income (FVTOCI):**

A ‘debt instrument’ 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.

Debt instruments 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 debt instrument is reported as interest income using the EIR method.

iii **Debt instruments and derivatives at fair value through profit or loss (FVTPL):**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Instruments 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.

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 that 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 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 - Property, Plant & Equipment:

₹ in Lacs

	Tangible Assets								Intangible Assets	
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	Computer Software	Total
Gross Block:										
As at April 1, 2016*	98	8,546	5,009	11,200	155	54	239	25,301	155	155
Additions	-	229	137	1,005	3	-	12	1,386	19	19
Disposals	-	(2,383)	(460)	(855)	-	-	-	(3,698)	-	-
As at March 31, 2017	**98**	**6,392**	**4,687**	**11,351**	**158**	**54**	**251**	**22,990**	**174**	**174**
Additions	-	66	115	1,969	2	-	24	2,176	2	2
Disposals	-	(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**	**176**
Depreciation, Amortisation and Impairment:										
As at April 1, 2016*	-	-	1,748	9,547	101	24	144	11,564	133	133
Depreciation provided / Amortisation for the year	-	-	139	159	10	5	13	326	13	13
Disposals	-	-	(178)	(805)	-	-	-	(984)	-	-
As at March 31, 2017	**-**	**-**	**1,709**	**8,901**	**110**	**29**	**158**	**10,907**	**145**	**145**
Depreciation provided / Amortisation for the year	-	-	137	197	8	3	16	362	6	6
Disposals	-	-	(77)	(12)	-	(8)	(4)	(101)	-	-
As at March 31, 2018	**-**	**-**	**1,769**	**9,087**	**118**	**24**	**170**	**11,168**	**151**	**151**
Net Block:										
As at April 1, 2016*	98	8,546	3,261	1,653	54	30	94	13,737	23	23
As at March 31, 2017	98	6,392	2,978	2,449	47	25	93	12,083	29	29
As at March 31, 2018	**98**	**3,156**	**2,850**	**4,220**	**41**	**12**	**102**	**10,479**	**25**	**25**

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Depreciation, Amortisation and Impairment expenses:		
Depreciation	**367**	339
Total	**367**	339

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

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

Notes to the Financial Statements

Note: 4 - Other Financial Assets:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, Considered Good unless otherwise stated)			
A Security Deposits	**201**	200	269
B Loans and advances to parties other than related parties			
Considered Doubtful	**178**	178	178
Less: Impairment allowance	**(178)**	(178)	(178)
	-	-	-
Total	**201**	200	269

Note: 5 - Other Non-Current Assets:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, Considered Good unless otherwise stated)			
A Capital Advance	**3**	302	-
B Claims and other receivables			
Considered Good	**2**	2	23
Considered Doubtful	**-**	-	6
	2	2	29
Less: Impairment allowance	**-**	-	(6)
	2	2	23
C Prepaid Expense	**37**	-	11
Total	**42**	304	34

Note: 6 - Asset for Current Tax (Net):

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Advance payment of Tax	**279**	130	72
Total	**279**	130	72

Note: 7 - Inventories:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(The Inventory is valued at lower of cost or net realisable value)			
Classification of Inventories:			
Raw Materials	**981**	838	710
Work-in-progress	**1,294**	970	929
Finished Goods	**2,774**	1,944	2,288
Stock-in-Trade	**288**	293	358
Stores and Spares	**343**	369	310
Packing Materials	**37**	32	32
Others	**1**	2	2
Total	**5,718**	4,447	4,630
The above includes Goods in transit as under:			
Raw Materials	**79**	59	28
Stores and Spares	**3**	12	8

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

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Net of reversal of write-down	**113**	(9)

Note: 8 - Trade Receivables:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, Considered Good, unless otherwise stated)			
From Related Party	**278**	-	-
From Others			
Considered good	**1,258**	826	803
Considered doubtful	**76**	72	72
Less: Impairment allowance	**(76)**	(72)	(72)
	1,258	826	803
Total	**1,536**	826	803

Notes to the Financial Statements

Note: 9 - Cash and Cash Equivalents:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Balances with Banks			
Balances with banks in current account	**555**	163	165
Share Application money collected in Escrow Accounts of the Rights Issue	**-**	-	813
Cash on Hand	**7**	20	6
Total Cash and Bank Balances	**562**	183	984
Bank deposits maturing between 3 to 12 months*	**256**	976	221
Total	**817**	1,159	1,205

* **Note:**
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 ₹ 253 Lacs, (₹ 237 Lacs as at 31st March, 2017 and ₹ 219 Lacs as at 1st April, 2016) which is not available for free use as per the court order.

Note: 10 - Other Current Financial Assets:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, Considered Good, unless otherwise stated)			
Advances Receivable in cash			
Considered Good	**0**	-	1
Considered Doubtful	**2**	2	-
Less: Impairment allowance	**(2)**	(2)	-
Sub Total	**0**	-	1
Claims and other receivables	**72**	7	22
Receivables on account of sale of Property, Plant & Equipment	**5,479**	0	-
Interest receivable	**25**	28	30
Total	**5,576**	35	54

Note: 11 - Other Current Assets:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, Considered Good, unless otherwise stated)			
Balances with Statutory Authorities	**459**	2	-
Share Application money through ASBA applications under the Rights Issue	**-**	-	1,157
Claims and other receivables			
Considered Good	**35**	73	56
Considered Doubtful	**-**	6	-
Less: Impairment allowance	**-**	(6)	-
	35	73	56
Prepaid Expenses	**38**	102	48
Export Incentive Receivables	**21**	54	82
Advances to Suppliers	**58**	99	131
Advances to Staff	**2**	1	1
Total	**613**	331	1,475

Notes to the Financial Statements

Note: 12 - Equity Share Capital:

		₹ in Lacs		
		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
Authorised Capital:				
12,95,00,000	Equity shares of ₹10/- each (As at 31st March, 2017 12,95,00,000 Equity Shares; As at 1st April, 2016 12,95,00,000 Equity Shares)	**12,950**	12,950	12,950
20,50,000	Preference shares of ₹100/- each (As at 31st March, 2017 20,50,000 Equity Shares; As at 1st April, 2016 20,50,000 Equity Shares)	**2,050**	2,050	2,050
		15,000	15,000	15,000
Issued, Subscribed and Paid-up:				
12,84,53,876	Equity shares of ₹10/- each (As at 31st March, 2017 12,84,53,876 Equity Shares; As at 1st April, 2016 3,33,68,787 Equity Shares of ₹10/- each)	**12,845**	12,845	3,337
Total		**12,845**	12,845	3,337
A	**The reconciliation in number of shares is as under:**			
	Number of shares at the beginning of the year	**128,453,876**	33,368,787	33,368,787
	Add: Issued pursuant to Rights issue of shares	**-**	80,085,089	-
	Add: Issued to a secured creditor by conversion of debt pursuant to Scheme of Arrangements under section 391 to 394 of the Companies Act, 1956, approved by the Honorable High Court of Gujarat vide Order dated 24th September, 2015	**-**	15,000,000	-
	Number of shares at the end of the year	**128,453,876**	128,453,876	33,368,787
B	**Details of Shareholder 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	8,734,221
	% to total share holding	**45.69%**	45.69%	26.17%
2	Albus Investments Pvt. Ltd.			
	Number of Shares	**16,596,808**	14,364,608	2,137,871
	% to total share holding	**12.92%**	11.18%	6.41%
3	Assets Reconstruction Company (India) Ltd.			
	Number of Shares	**9,268,627**	10,264,862	-
	% to total share holding	**7.22%**	7.99%	-
4	Geek Technologies Pvt. Ltd.			
	Number of Shares	**-**	-	2,194,200
	% to total share holding	**-**	-	6.58%

C Rights of Equity Shareholders

(a) Holder of equity shares is entitled to one vote per share.

(b) The Company declares and pays dividends in Indian Rupees. The Companies Act, 2013 provides that the 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.

(c) 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.

(d) In the event of Liquidation of the Company, the holders of 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.

D 1,50,00,000 Equity Shares of ₹10/- each at par have been issued to a secured creditor by conversion of debt pursuant to scheme of arrangement u/s 391 of The Companies Act, 1956 approved by Hon'ble High Court of Gujarat vide order dated 24th September, 2015.

Note: 13 - Other Equity:

		₹ in Lacs As at March 31, 2018	₹ in Lacs As at March 31, 2017
Other Reserves:			
Capital Reserve (Created on account of reissue of shares/debentures forfeited)	(A)	**38**	38
Retained Earnings:			
Balance as per last Balance Sheet		**(48,087)**	(49,304)
Add: Profit for the year		**12,648**	2,723
Add/(less): Adjusted upon sale/retirement of assets for component of Revaluation Reserve		**(1,945)**	(1,506)
		(37,384)	(48,087)
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)	**3,320**	(7,382)
Less: Items of other Comprehensive income recognised directly in Retained Earnings:			
Balance as per last Financial year		**(116)**	-
Re-measurement gains/ (losses) on defined benefit plans (net of tax) for the year		**(61)**	(116)
Balance at the end of the year	(C)	**(177)**	(116)
Balance as at the end of the year	(D = B+C)	**3,144**	(7,498)
Total	(E = A+D)	**3,182**	(7,460)

Notes to the Financial Statements

Note: 14 - Borrowings (Non-Current):

		₹ in Lacs				
		Non-current portion			**Current Maturities**	
		As at			**As at**	
	March 31, 2018	March 31, 2017	April 1, 2016	**March 31, 2018**	March 31, 2017	April 1, 2016
A Preference Shares						
20,50,000 1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid	**519**	481	445	**-**	-	-
B Term Loans from Banks - Secured	**1,108**	-	-	**196**	-	-
C From Parties other than Bank - Secured	**-**	6,155	5,036	**-**	-	-
D From Others (Unsecured)	**750**	750	750	**-**	-	-
Total	**2,377**	7,385	6,231	**196**	-	-
The above amount includes:						
Secured borrowings	**1,108**	6,155	5,036	**196**	-	-
Unsecured borrowings	**1,269**	1,231	1,195	**-**	-	-
Amount disclosed under the head "Other Current Financial Liabilities" (Note-19)	**-**	-	-	**196**	-	-
Net amount	**2,377**	7,385	6,231			

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 20th year 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

(a) 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.

(b) 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.

(c) 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 The Loan is primarily secured by exclusive charge on the Plant and Machineries 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 (Khokhara – Mehmedabad) and Registration District Sub-District Ahmedabad – 7 (Odhav).

ii Term Loan from bank is ₹1304 Lacs, bearing interest rate of 8.25% per annum (fixed), which is repayable in 20 equal installments at quarterly rest starting from August-2018.

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 dispute is the subject matter of notice correspondence between HDFC Bank and BBK and under dispute between the company, BBK and HDFC Bank in various courts.

Order dated 18th April, 2016 of the Debt Recovery Tribunal (DRT), Mumbai, directing BBK to refund amount received by it to HDFC and thereupon increase loan amount of Ashima with continuing rate of interest as contractually applicable on the loan amount under intimation to Ashima, was stayed by the Hon'ble Bombay High Court and the stay continued till disposal of the proceedings before DRT. The proceedings at DRT were completed and Order dated 30th June, 2017 was passed directing BBK (Defendant No. 1) and the Company (Defendant No.2) jointly and severally to pay the suit amount with further simple interest @12% per annum. Recovery Proceedings have been initiated.

The Company filed an application before DRT to review its order dated 30th June, 2017. The matter was reserved for orders. However, DRT has reopened the matter for further arguments. The Company has also filed an Appeal at Debt Recovery Appellate Tribunal, Mumbai (DRAT) against the said DRT order of 30th June, 2017, which is pending. In view of this, the said amount of ₹750 Lacs is continued in the suspense account.

Note: 15 - Other Financial Liabilities:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Trade Deposits	**30**	28	23
Others	**1**	1	1
Total	**31**	29	24

Note: 16 - Provisions:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for Employee Benefits			
For Gratuity	**5**	-	61
Total	**5**	-	61

Notes to the Financial Statements

Note: 17 - Borrowings (Current):

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Loans repayable on Demand:			
Secured			
From parties other than Banks	**-**	-	5,247
Unsecured			
From parties other than Banks *	**320**	320	320
From related parties	**-**	123	4,202
Total	**320**	443	9,769

* Note: Unsecured borrowing is obtained from other than related party, without any specific terms of repayment and does not bear any interest.

Note: 18 - Trade Payables:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Micro, Small and Medium Enterprises *	**-**	-	-
Others	**4,526**	2,707	3,206
Total	**4,526**	2,707	3,206

* Note: The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures regarding the following matters as required under Section 22 of MSMED Act, 2006 have not been given:

a. Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;

b. Interest paid during the year;

c. Amount of payment made to the supplier beyond the appointed day during accounting year;

d. Interest due and payable for the period of delay in making payment;

e. Interest accrued and unpaid at the end of the accounting year; and

f. 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;

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the MSMED Act.

Note: 19 - Other Financial Liabilities:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Current Maturities of Long Term Debt (Refer Note- 14)	**196**	-	-
Interest accrued but not due on borrowings	**9**	-	-
Payable to Statutory Authorities	**83**	86	77
Share Application Money to be Refunded from Escrow Accounts	**-**	-	179
Bills Payables	**463**	463	463
Unpaid Expenses	**431**	391	415
Total	**1,181**	939	1,133

Note: 20 - Other Current Liabilities:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Advances from customers	**382**	82	270
Advance received for sale of property	**560**	2,728	-
Other liabilities	**5**	5	5
Total	**947**	2,816	275

Notes to the Financial Statements

Note: 21 - Provisions:

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for Employee Benefits:			
For Gratuity	**41**	-	47
For Leave Encashment	**102**	100	98
Provision for product quality claims *	**5**	34	26
Others	**-**	-	3
Total	**147**	134	173
* 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	**34**	26	20
ii Additional provision made during the year	**5**	34	26
iii Amount used	**(34)**	(26)	(20)
iv Carrying amount at the end of the year	**5**	34	26

Note: 22 - Contingent Liabilities and Commitments (to the extent not provided for):

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Contingent Liabilities:			
(A) Bills Discounted	**108**	-	-
(B) Claims against the company not acknowledged as debt			
(i) Income-tax	**678**	678	719
(ii) Central excise duty	**10**	10	10
(iii) Sales-tax / VAT	**1,907**	1,907	1,953
(iv) Employees' State Insurance dues	**86**	84	81
(v) Custom-duty	**70**	67	64
(vi) Others	**1,346**	-	-
Total	**4,097**	2,746	2,827

	₹ in Lacs		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(C) Other money for which the company is contingently liable:			
Employees who have yet not opted for VRS	**14**	19	35
(D) Contingent liability in the event of default by the Company under Scheme of Arrangement under section 391 of the Companies Act, 1956 for debt settlement: The Secured Debt covered under the Scheme has been repaid during the previous year and hence there is no contingent liability on account of the same as on the date of the Balance Sheet or as at 31st March, 2017.	**-**	-	273,744
Note:			
In case of 150 Lacs equity shares issued to one secured lender by conversion of loan, the Scheme provides that the company will pay shortfall amount, if any, to the lender upon sale / disposal of these equity shares as detailed in the Scheme. Considering the market price of the share of ₹25.70 as on the date of Balance Sheet (As at 31st March, 2017: ₹14.35) no contingent liability arises on that date.			
Commitments:			
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**39**	1,098	-
Total	**4,258**	3,863	276,606

Note: 23 - Revenue from Operations:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Sale of Products	**22,608**	18,696
Sale of Services	**197**	352
Other Operating Revenues:		
Waste Sales	**106**	106
Export Incentives	**67**	130
Net gain on foreign currency transaction and translation	**19**	9
	192	245
Total	**22,997**	19,292

Notes to the Financial Statements

Note: 24 - Other Income:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	**33**	40
Insurance Claim	**66**	-
Gain on sale of instruments measured at FVTPL	**2**	-
Transitional Input Tax Credit	**156**	-
Miscellaneous income	**6**	7
Total	**264**	47

Note: 25 - Cost of Materials Consumed:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Raw Materials consumed:		
Stock at commencement	**735**	646
Add: Purchases during the year	**12,252**	8,466
	12,987	9,112
Less: Stock at closing	**980**	735
	12,007	8,377
Packing Materials consumed	**87**	109
Total	**12,094**	8,487

Note: 26 - Purchases of Stock-in-Trade:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Purchases of Stock-in-Trade	**1,144**	847
Total	**1,144**	847

Note: 27 - Changes in Inventories:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Stock at commencement:		
Work-in-progress	**970**	929
Finished Goods	**1,945**	2,290
Stock-in-Trade	**293**	358
	3,208	3,578
Less: Stock at close:		
Work-in-progress	**1,294**	970
Finished Goods	**2,776**	1,945
Stock-in-Trade	**288**	293
	4,357	3,208
Total	**(1,149)**	370

Note: 28 - Employee Benefits Expense:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Salaries and wages	**2,832**	3,137
Contribution to provident and other funds *	**330**	348
Staff welfare expenses	**106**	106
Total	**3,268**	3,592

* 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: 29 - Finance Cost:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Interest expense		
- On Term Loans	**476**	527
- On Working Capital	**24**	40
- Others	**129**	330
Bank commission and charges	**25**	23
Total	**654**	921

Notes to the Financial Statements

Note: 30 - Other Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
Consumption of Stores and spare parts	**1,532**	1,465
Power and fuel	**2,367**	1,930
Rent *	**5**	23
Repairs to Buildings	**27**	19
Repairs to Plant and Machinery	**173**	117
Repairs to Others	**23**	41
Insurance	**76**	61
Rates and Taxes (excluding taxes on income)	**42**	57
Jobwork Charges	**3,159**	2,163
Managing Directors' Remuneration	**105**	101
Freight and forwarding expenses	**179**	64
Sales Commission	**49**	38
Other Sales promotion expenses	**130**	125
Travelling Expenses	**114**	109
Loss on sale/retirement/damage of Property, Plant and equipments	**36**	126
Labour Charges	**364**	314
Legal and Professional Fees	**128**	264
Directors' fees	**3**	3
Miscellaneous Expenses **	**263**	257
Total	**8,774**	7,276
* The Company has taken various office premises under leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties.		
** Miscellaneous Expenses include:		
a Payment to the Statutory Auditors (excluding Service Tax /GST):		
i - As Auditor	**10**	11
- For taxation matters	**-**	-
- For Other Services	**-**	1
- Total	**10**	12
ii Cost Auditor’s Remuneration including fees for other services (excluding Service Tax/GST)	**1**	1

Note: 31 - Tax Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2018	2017
The major components of income tax expense are:		
A Statement of Profit and Loss:		
Profit or loss section:		
Current income tax:		
Current income tax charge	**-**	-
Tax adjustment for earlier year	**-**	41
	-	41
Deferred tax:		
Relating to origination and reversal of temporary differences	**-**	-
Total Tax expense reported in the Statement of Profit or Loss	**-**	41
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss/ (gain) on remeasurements of defined benefit plans	**-**	-
Tax charged to OCI	**-**	-
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit before tax	**12,648**	2,764
Enacted Tax Rate in India (%)	**34.61%**	34.61%
Expected Tax Expenses	**4,377**	956
Adjustments for:		
Effect of non-deductible expenses	**(78)**	130
Effect of additional deductions in taxable income	**(255)**	(713)
Unused Tax losses of the earlier year now utilised	**(4,045)**	-
Others/ Differential tax rate on capital gains on land	**-**	(374)
Tax adjustment for earlier year	**-**	41
Total	**(4,377)**	(915)
Tax Expenses as per Statement of Profit and Loss	**(0)**	41

Note: 32 - Calculation of Earnings per Equity Share (EPS):

			Year ended March 31,	
			2018	2017
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
For profit before exceptional item(s)				
A	Profit/(Loss) attributable to Shareholders	₹ in Lacs	**(1,892)**	(2,533)
B	Average Number of Equity shares outstanding during the year	Numbers	**128,453,876**	119,596,635
C	Nominal value of equity share	₹	**10**	10
D	Basic & Diluted EPS	₹	**(1.47)**	(2.12)
For profit after exceptional item(s)				
A	Profit/(Loss) attributable to Shareholders	₹ in Lacs	**12,648**	2,723
B	Average Number of Equity shares outstanding during the year	Numbers	**128,453,876**	119,596,635
C	Nominal value of equity share	₹	**10**	10
D	Basic & Diluted EPS	₹	**9.85**	2.28

Note: 33 - 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 2016	Charge for the year	As at March 31 2017	Charge for the year	**As at March 31 2018**
Deferred Tax Liabilities:					
Depreciation	(1,151)	(2)	(1,153)	(250)	**(1,403)**
	(1,151)	(2)	(1,153)	(250)	**(1,403)**
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	234	94	328	(77)	**251**
Receivables	82	-	82	7	**89**
Other Comprehensive Income	-	40	40	21	**61**
Unabsorbed depreciation/ Business Loss	7,054	(49)	7,004	-	**7,004**
Total	7,369	85	7,454	(49)	**7,405**
Net Deferred Tax Assets/ (Liabilities)	6,218	83	6,301	(299)	**6,002**

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 31st March, 2018. The Company has taken conservative view of future profitability. Accordingly, the Company has not recognized deferred tax asset.

Note: 34 - Disclosures as required by Ind AS-19 Employee Benefits:

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

(a) Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The gratuity plan is a funded plan administered by a Trust and the Company makes contributions to recognised Trust. In accordance with Indian Accounting Standard 19, 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.

The assumptions used are summarized in the following table:

	Gratuity (Funded)		
	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate (per annum)	**7.60%**	7.10%	7.80%
Future salary increase	**3.00%**	3.00%	3.00%
Expected rate of return on plan assets	**7.60%**	7.10%	7.80%

Gratuity (Funded)	₹ in Lacs	
	As at	
	March 31, 2018	March 31, 2017
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	**624**	822
Interest Cost	**40**	60
Current Service Cost	**38**	47
Benefits Paid	**(52)**	(447)
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**(25)**	31
Actuarial (Gain)/Loss arising from Experience Adjustment	**90**	111
Present value of obligation as at the end of the year	**714**	624
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	**653**	714
Interest Income	**44**	53
Contributions by the employer	**20**	307
Benefits paid	**(52)**	(447)
Return on plan assets	**4**	26
Fair Value of plan assets at the end of the year	**668**	653
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	**714**	624
Net Asset/ (Liability) - Current	**(41)**	29
Net Asset/ (Liability) - Non-Current	**(5)**	-
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	**(3)**	7
Current Service Cost	**38**	47
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**-**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**-**	-
Total expenses included in employee benefit expenses	**34**	54

Gratuity (Funded)	₹ in Lacs	
	As at	
	March 31, 2018	March 31, 2017
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**(25)**	31
Actuarial (Gain)/Loss arising from Experience Adjustment	**90**	111
Return on plan assets	**(4)**	(26)
Recognized in Other Comprehensive Income	**61**	116
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	**112**	109
Between 2 and 5 years	**240**	197
Between 6 and 10 years	**361**	287
Quantitative sensitivity analysis for significant assumption is as below:		
Present value of defined benefit obligation at the end of the year considering following changes:		
Half percentage point increase in discount rate	**691**	601
Half percentage point decrease in discount rate	**739**	648
Half percentage point increase in salary increase rate	**740**	649
Half percentage point decrease in salary increase rate	**690**	600

Composition of Plan Assets

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Policy of Insurance	**99.50%**	99.59%	99.54%
Bank Balance	**0.50%**	0.41%	0.46%
Total	**100.00%**	100.00%	100.00%

(b) Leave Encashment

Liability for the Leave Encashments for ₹102 Lacs has been fully provided for by the company.

Note: 35 - Segment Information:

The company's operations relate only to manufacture and sale of textile and related products and hence primary 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 on Operating Segment.

Note: 36 - Assets Held for Sale and Exceptional items:

Pursuant to the company's plan to meet the balance funds requirement for secured debt settlement as per court sanctioned scheme as well as funds requirements for its textile operations, the Board of directors of the company has constituted an empowered committee to identify disposable assets, which are not required for its textile operations. Accordingly, the said committee has identified some portion of the land which is not required for the textile operations and the sale proceeds can be utilized for settlement with the creditors and also for the textile operations.

The land identified as disposable assets have been classified as “Non-current assets held for sale” until the same is sold and is disclosed separately in the financial statements. The management of the company expects to dispose off the assets classified as “Non-current held for sale” within a period of 12 months.

The Exceptional items in the Statement of Profit and Loss represents the difference between the sale value and the actual cost of the respective assets classified as asset held for sale, which includes land and other assets. Accordingly, the company has recognized the gain of ₹14540 Lacs (financial year 2016-17 – ₹5255 Lacs), which includes an amount of ₹1945 Lacs (financial year 2016-17 – ₹1506 Lacs) transferred from Revaluation Reserve to Statement of Profit and Loss on disposal of such assets.

Note: 37 - Related Party Transactions:

As per the Indian Accounting Standard on “Related Party Disclosures” (Ind AS 24), 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
Relative of Chairman and Managing Director

Other related parties where control exists

Ashima Dyecot Private Limited

Atrium Exports Private Limited

Lahar Trading and Investments Limited (upto 22.08.2016)

Apus Investments Private Limited

Albus Investments Private Limited

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

Nature of Transactions	Key Management Personnel		Others	
	Year Ended		Year Ended	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Purchase of Goods and Materials				
Ashima Dyecot Private Limited	**-**	-	**557**	94
Total	**-**	-	**557**	94
Sales of Goods and Materials				
Ashima Dyecot Private Limited	**-**	-	**970**	959
Atrium Exports Private Limited	**-**	-	**14**	5
Total	**-**	-	**984**	964

Notes to the Financial Statements

Nature of Transactions	Key Management Personnel		Others	
	Year Ended		Year Ended	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Remuneration				
Mr. Chintan N. Parikh	**93**	109	**-**	-
Mr. Krishnachintan C. Parikh	**22**	-	**-**	-
Total	**114**	109	**-**	-
Interest Expenses				
Apus Investments Private Limited	**-**	-	**6**	146
Albus Investments Private Limited	**-**	-	**1**	89
Total	**-**	-	**7**	236
Job work Expenses				
Ashima Dyecot Private Limited	**-**	-	**2,663**	1,956
Atrium Exports Private Limited	**-**	-	**-**	0
Total	**-**	-	**2,663**	1,956
Other Expenses				
Ashima Dyecot Private Limited	**-**	-	**15**	15
Atrium Exports Private Limited	**-**	-	**3**	4
Total	**-**	-	**18**	19
Other Income				
Ashima Dyecot Private Limited	**-**	-	**1**	1
Total	**-**	-	**1**	1
Other Receipts				
Ashima Dyecot Private Limited	**-**	-	**-**	5
Total	**-**	-	**-**	5
Loan Repaid				
Apus Investments Private Limited	**-**	-	**114**	2,515
Albus Investments Private Limited	**-**	-	**15**	1,776
Total	**-**	-	**129**	4,291
Trade Receivables - Closing balance at year end				
Ashima Dyecot Private Limited	**-**	-	**276**	-
Atrium Exports Private Limited	**-**	-	**2**	-
Total	**-**	-	**278**	-
Trade Payable - Closing balance at year end				
Ashima Dyecot Private Limited	**-**	-	**-**	145
Total	**-**	-	**-**	145
Loans Payable Closing balance at year end				
Apus Investments Private Limited	**-**	-	**-**	109
Albus Investments Private Limited	**-**	-	**-**	14
Total	**-**	-	**-**	123

Note: 38 - Financial Instruments:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the financial statements 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.

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

	₹ in Lacs			
	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Non-Current Other Financial Assets	-	-	201	201
Trade Receivables	-	-	1,536	1,536
Cash and Cash Equivalents	-	-	817	817
Other Current Financial Assets	-	-	5,576	5,576
Total	**-**	**-**	**8,130**	**8,130**
Financial liabilities				
Borrowings (including current maturities and interest accrued)	-	-	2,902	2,902
Trade Payables	-	-	4,526	4,526
Other Non-Current Financial Liabilities	-	-	31	31
Other Current Financial Liabilities	-	-	977	977
Total	**-**	**-**	**8,435**	**8,435**

	₹ in Lacs			
	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Non-Current Other Financial Assets	-	-	200	200
Trade Receivables	-	-	826	826
Cash and Cash Equivalents	-	-	1,159	1,159
Other Current Financial Assets	-	-	35	35
Total	**-**	**-**	**2,220**	**2,220**
Financial liabilities				
Borrowings (including current maturities and interest accrued)	-	-	7,829	7,829
Trade Payables	-	-	2,707	2,707
Other Non-Current Financial Liabilities	-	-	29	29
Other Current Financial Liabilities	-	-	939	939
Total	**-**	**-**	**11,504**	**11,504**

	₹ in Lacs			
	As at April 1, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Non-Current Other Financial Assets	-	-	269	269
Trade Receivables	-	-	803	803
Cash and Cash Equivalents	-	-	1,205	1,205
Other Current Financial Assets	-	-	54	54
Total	**-**	**-**	**2,330**	**2,330**
Financial liabilities				
Borrowings (including current maturities and interest accrued)	-	-	16,000	16,000
Trade Payables	-	-	3,206	3,206
Other Non-Current Financial Liabilities	-	-	24	24
Other Current Financial Liabilities	-	-	1,133	1,133
Total	**-**	**-**	**20,363**	**20,363**

Note: 39 - Financial Risk Management:

A Financial instruments by category:

	₹ in Lacs			
	As at March 31, 2018			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Non-Current Other Financial Assets	-	-	201	201
Trade Receivables	-	-	1,536	1,536
Cash and Cash Equivalents	-	-	817	817
Other Current Financial Assets	-	-	5,576	5,576
Total	**-**	**-**	**8,130**	**8,130**
Financial liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,902	2,902
Trade Payables	-	-	4,526	4,526
Other Non-Current Financial Liabilities	-	-	31	31
Other Current Financial Liabilities	-	-	977	977
Total	**-**	**-**	**8,435**	**8,435**

	₹ in Lacs			
	As at March 31, 2017			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Non-Current Other Financial Assets	-	-	200	200
Trade Receivables	-	-	826	826
Cash and Cash Equivalents	-	-	1,159	1,159
Other Current Financial Assets	-	-	35	35
Total	**-**	**-**	**2,220**	**2,220**
Financial liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	7,829	7,829
Trade Payables	-	-	2,707	2,707
Other Non-Current Financial Liabilities	-	-	29	29
Other Current Financial Liabilities	-	-	939	939
Total	**-**	**-**	**11,504**	**11,504**

	₹ in Lacs			
	As at April 1, 2016			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Non-Current Other Financial Assets	-	-	269	269
Trade Receivables	-	-	803	803
Cash and Cash Equivalents	-	-	1,205	1,205
Other Current Financial Assets	-	-	54	54
Total	**-**	**-**	**2,330**	**2,330**
Financial liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	16,000	16,000
Trade Payables	-	-	3,206	3,206
Other Non-Current Financial Liabilities	-	-	24	24
Other Current Financial Liabilities	-	-	1,133	1,133
Total	**-**	**-**	**20,363**	**20,363**

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.

Notes to 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 counter party 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 credit worthy customers. It is the Company's policy that all customers who wish to trade on credit terms are subjected to scrutiny and periodic review. In addition, receivable balances are monitored on an on-going basis with the result that the Company's 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.

Allowance for bad and doubtful debts amounts to ₹ 76 Lacs as at 31st March, 2018. The Company has made allowance of ₹ 24 Lacs (Previous Year- ₹ Nil), against trade receivables of ₹ 76 Lacs (Previous year - ₹ 52 Lacs).

Ageing of Trade Receivables	**₹ in Lacs**		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
0 - 3 Months	**1,466**	723	717
3 - 6 Months	**37**	35	32
6 - 12 Months	**13**	34	14
beyond 12 Months	**95**	85	91
Total	**1,611**	877	855
Provision for Bad Debts	**76**	52	52
Trade Receivables Carried in Balance Sheet	**1,536**	826	803

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 the entity operates. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet these.

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 year**	**> 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	1,181	-	-	-	1,181
Total	6,232	1,041	261	1,106	8,640
	As at March 31, 2017				
Borrowings (including current maturities and interest)	6,598	750	-	481	7,829
Other Non-Current Financial Liabilities	-	29	-	-	29
Trade Payables	2,707	-	-	-	2,707
Other Current Financial Liabilities	939	-	-	-	939
Total	10,244	779	-	481	11,504
	As at April 1, 2016				
Borrowings (including current maturities and interest)	14,805	750	-	445	16,000
Other Non-Current Financial Liabilities	-	24	-	-	24
Trade Payables	3,206	-	-	-	3,206
Other Current Financial Liabilities	1,133	-	-	-	1,133
Total	19,143	774	-	445	20,363

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.

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, 2018	March 31, 2017	April 1, 2016
Financial assets:			
Trade Receivables	**221**	10	35
Total exposure to foreign currency risk (assets)	**221**	10	35
Financial liabilities:	**-**	-	-
Total exposure to foreign currency risk (liabilities)	**-**	-	-
Net exposure to foreign currency risk	**221**	10	35

Exposure of GBP	**₹ in Lacs**		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
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**	-	-

Exposure of EURO	**₹ in Lacs**		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets:			
Trade Receivables	**-**	1	1
Total exposure to foreign currency risk (assets)	**-**	1	1
Financial liabilities:	**-**	-	-
Total exposure to foreign currency risk (liabilities)	**-**	-	-
Net exposure to foreign currency risk	**-**	1	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			
	March 31, 2018		March 31, 2017	
	Movement in Rate	**Impact on PAT**	Movement in Rate	Impact on PAT
USD	**2%**	**2.89**	2%	0.13
USD	**-2%**	**(2.89)**	-2%	(0.13)
GBP	**2%**	**0.01**	2%	-
GBP	**-2%**	**(0.01)**	-2%	-
EURO	**2%**	**-**	2%	0.01
EURO	**-2%**	**-**	-2%	(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 31st March, 2018, 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.

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: 40 - 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, 2018	March 31, 2017	April 1, 2016
Net debts	**2,698**	7,829	16,000
Total equity	**16,027**	5,385	1,466
Net debt to equity ratio	**16.83%**	145.37%	1091.02%

Note: 41 - First Time Adoption of Ind AS:

The accounting policies set out in the note here have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance is set out in Note 42.

Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Deemed cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments required under other Ind AS. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values.

B Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

C Classification of financial assets:

As per the requirements of Ind AS 101 the Company assessed classification of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

D De-recognition of financial assets and liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The company has followed such policy. However, there were no assets or liabilities to be derecognised.

E Transition to Ind AS- Reconciliations:

The following reconciliations, as provided in Note 42, provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

i. Reconciliation of Equity as at 1st April 2016 (Transition date) and as at 31st March, 2017

ii. Reconciliation of Net Profit for the year ended 31st March, 2017

F Classification and Presentation for Assets held for sale:

Under the previous GAAP, the concept of asset held for sale did not exist. As per Ind AS 105, Non-Current Assets held for sale are required to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considerably highly probable.

Ind AS 105 lays down detailed guidelines and criteria in this regard. Based on the assessment performed by the management, certain land and certain other items of property, plant and equipment are classified as held for sale under Ind AS and the same have been presented separately from the other assets. There is no impact on the total equity as a result of this adjustment.

G Discounts to customers:

Under the previous GAAP, discounts to the customers were shown as a part of selling and distribution expenses. Under Ind AS, revenue from sale of products is recognised at net of discounts and incentives to the customers. Thus, sale of products under Ind AS has decreased by ₹55 Lacs during the previous year with a corresponding decrease in selling and distribution expenses.

Note: 42 - Reconciliation with previous GAAP:

				₹ in Lacs	
				As at	
				March 31, 2017	April 1, 2016
A	**Reconciliation of equity:**				
1	Equity as per previous GAAP			**5,836**	(6,093)
	Less: Preference Shares classified as Long Term Borrowings as per Ind AS			**2,050**	2,050
	Adjusted Equity as per previous GAAP			**3,786**	(8,143)
2	Add/(Less): Adjustments:				
	a	Effective Interest rate on Long term Borrowings	@	**32**	-
	b	Fair Valuation adjustments on Preference Shares	#	**1,569**	1,605
	c	Other adjustments	$	**(2)**	(4)
		Total		**1,600**	1,600
3	Equity as per Ind AS			**5,385**	(6,542)

				₹ in Lacs
				As at
				March 31, 2017
B	**Reconciliation of Net Profit for the year ended 31st March, 2017:**			
1	Net profit as per previous GAAP			**2,608**
2	Add/(Less): Adjustments in Statement of Profit and Loss			
	a	Effective Interest rate on Long term Borrowings	@	**32**
	b	Actuarial loss on employee defined benefit plan recognised in OCI	£	**116**
	c	Amortisation effect on Long Term Financial Instrument (Preference Shares)	#	**(36)**
	d	Other adjustments	$	**3**
		Total		**115**
3	Net profit before OCI as per Ind AS			**2,723**
4	Add/(Less): Adjustments in OCI			
	a	Actuarial loss on defined benefit plan transferred from Statement of Profit and Loss	£	**(116)**
		Total		**(116)**
5	Total Comprehensive Income as per Ind AS			**2,607**

Note: 42 - Reconciliation with previous GAAP (Contd...):

@ Effective Interest rate on Long term Borrowings:

- As required under the Ind AS 109, transaction costs incurred towards origination of term loan borrowings were charged to Statement of Profit and Loss account in FY 2016-17. Under Ind-AS, the same has been re-considered as asset and will be recognised in the Statement of Profit and Loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method, with corresponding effect being in Long term borrowings to the extent attributable to current maturity of long term debts.

  Under previous GAAP, the transaction cost were charged to Statement of Profit and Loss as and when incurred. Consequently, the profit for the year ended 31st March, 2017 has been increased by ₹ 32 Lacs, thereby increasing the retained earnings with a corresponding increase in asset (prepaid expenses).

 # Fair Value adjustment and Amortisation effect on Long Term Financial Instrument (Preference Shares):

Preference Shares are considered as debt as per Ind AS, which were included in Equity as per previous GAAP. Under previous GAAP, the company carried the amount of Preference Shares issued at the value at which they were redeemable at a future date. Under Ind-AS, the amount of Preference Shares have been fair valued and discounted to the date of balance sheet for respective years, and the discounted value is carried in the balance sheet. The difference between the fair value and payable amount at future date is adjusted in the retained earnings from the opening balance as at 1st April, 2016. As per the requirement of Ind-AS, the amount is to be amortised each year, which affects the Statement of Profit and Loss of the previous years. The amortisation for the financial year 2016-17 works out to be ₹36 Lacs, which has reduced the Net Profit and retained earnings of previous year.

$ Other adjustments:

Security Deposits:

Under previous GAAP, the security deposits given and taken by the company were carried at the transacted amount. Under Ind-AS, all financial assets and liabilities are required to be recognised at fair value. Accordingly, the amounts of security deposits (given and taken by the company) have been fair valued and the difference between transacted value and fair value has been recognised as other current asset or liability.

Consequently, security deposits given by the company as at 1st April, 2016 have been reduced by ₹4 Lacs, the Prepaid expenses as at 1st April, 2016 have increased by ₹2 Lacs and retained earnings as at 1st April, 2016 has reduced by ₹2 Lacs. Security Deposits taken by the company as at 1st April, 2016 has reduced by ₹2 Lacs, the other current financial liabilities as at 1st April, 2016 have increased by ₹1 Lacs and retained earnings as at 1st April, 2016 have increased by ₹1 Lacs.

£ Actuarial loss on defined benefit plan:

The Company recognises costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, was charged to Statement of Profit or Loss. Under Ind AS, re-measurements gains and losses (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are

Note: 42- Reconciliation with previous GAAP (Contd...):

not recognised in Statement of Profit or Loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' include remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and corresponding tax impact thereon.

The amount of actuarial gain and loss on defined benefit plan of ₹116 Lacs for the previous year ended 31st March, 2017 was grouped under Employee Benefits as per previous GAAP. Under Ind AS, the same has been reduced from Employee Benefits and reclassified as other comprehensive income. The concept of other comprehensive income did not exist under previous GAAP.

Statement of cash flows:

The transition from previous GAAP to Ind AS does not have a material impact on the statement of cash flows.

Signatures to Significant Accounting Policies and Notes 1 to 42 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 19, 2018

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 19, 2018

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 registered shareholder/proxy for the registered shareholder of the company.

I hereby record my presence at the 35th 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 11, 2018 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 35th Annual General Meeting of the Company, to be held on Saturday, August 11, 2018, 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, 2018. (Ordinary Resolution)
2. Re-appointment of Mrs. Koushlya Melwani –Director, retiring by rotation and being eligible offering herself for re-appointment. (Ordinary Resolution)
3. Modification to the resolution related to appointment of Statutory Auditors. (Ordinary Resolution)

Special Business

4. Revision in remuneration of Mr. Krishnachintan Parikh– Executive Director (Whole Time Director) of the Company. (Ordinary Resolution)
5. Approval of Cost Auditor's Remuneration. (Ordinary Resolution)
6. Approval of Material Related Party Transactions. (Ordinary Resolution)

Signed this ____________ day of ____________ 2018

Signature of Shareholder : ______________________

Affix a 1 Re. Revenue Stamp

Signature of Proxy Holder : ______________________

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.