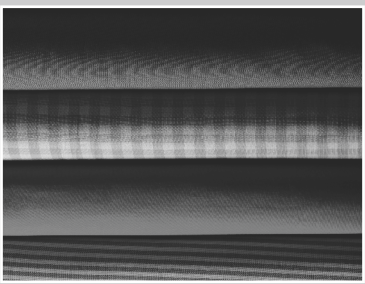
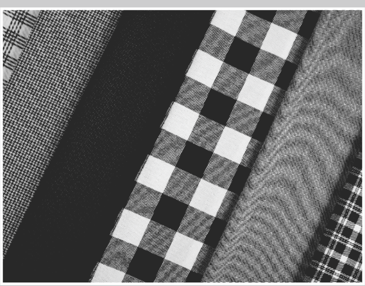




37th Annual Report 2019-20

ashima LIMITED

Corporate Information

BOARD OF DIRECTORS

Mr. Chintan N. Parikh	-	Chairman & Managing Director
Mr. Krishnachintan Parikh	-	Executive Director (up to 20.12.2019)
Dr. Bakul H. Dholakia	-	Independent Director
Mrs. Koushlya Melwani	-	Independent Director
Mr. Neeraj Golas	-	Independent Director
Mr. Sanjay Majmudar	-	Independent Director
Mr. Vipul Naik	-	Non-Independent Director (up to 01.08.2020)
Mr. Shrikant Pareek	-	Director (Operations) (w.e.f. 01.08.2020)

GROUP CHIEF FINANCIAL OFFICER
Mr. Hiren S. Mahadevia (w.e.f. 30.07.2020)

CHIEF FINANCIAL OFFICER
Mr. Jayesh C. Bhayani (up to 30.07.2020)

COMPANY SECRETARY
Mr. Hiren S. Mahadevia (up to 30.07.2020)
Mr. Dipak S. Thaker (w.e.f. 30.07.2020)

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.

REGISTERED OFFICE & WORKS
Texcellence Complex,
Khokhara – Mehmedabad
Ahmedabad – 380 021, Gujarat
CIN: L99999GJ1982PLC005253
Website : www.ashima.in

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

CONTENTS

Notice 01
Board's Report...14
Corporate Governance Report 43
Management Discussion and Analysis 60
Auditor's Report and Standalone
Financial Statements 66
Auditor's Report and Consolidated
Financial Statements 120

NOTICE

Notice is hereby given that the **37th ANNUAL GENERAL MEETING (AGM)** of **ASHIMA LIMITED** will be held on **Tuesday, the September 29, 2020 at 11.30 a.m.** through Video Conferencing / Other Audio Visual Means (OVAM), to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021.

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint Mr. Chintan N. Parikh, Managing Director (DIN: 00155225), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

3. Re-Appointment of Mr. Chintan N. Parikh as Managing Director of the Company.

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

"**RESOLVED THAT** pursuant to provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals and permissions, as may be required, consent of the company be and is hereby accorded for re-appointment of Mr. Chintan N. Parikh (DIN : 00155225) as Managing Director of the Company for a further period of three (3) years with effect from February 7, 2020 on terms and conditions of re-appointment and remuneration as set out hereunder:

I. Salary:

The Managing Director shall be entitled to a salary of ₹ 7,00,000/- (Rupees Seven Lacs only) per month.

II. House Rent Allowance:

House rent allowance of ₹ 3,00,000/- (Rupees Three Lacs only) per month.

III. Perquisites:

a. Provision of car with chauffeur for use on Company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

b. Contribution of Provident Fund – ₹ 84,000/- (Rupees Eighty Four Thousand) per month.

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 ₹ 9,33,333/- per annum (Rupees Nine Lacs Thirty Three Thousand Three Hundred and Thirty Three only) per annum.

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

Note: The aforesaid items (b) to (d) are not considered as part of remuneration as per provisions of Schedule V to The Companies Act, 2013.

IV. Sitting Fees: The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof during the tenure of his appointment.

V. The headquarter of the Managing Director shall be Ahmedabad in the State of Gujarat.

VI. Subject to the provisions of the Act, the Managing Director shall be liable to retire by rotation.

VII. The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.

VIII. Subject to the superintendence, control and direction of the Board as it may from time to time determine, the Managing Director shall have substantial powers of the management of the Company and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors and any duly constituted committee thereof 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."

4. Appointment of Mr. Shrikant S. Pareek (DIN: 02139143) as Director and also as a Whole-Time Director, designated as "Director (Operations)".

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

"**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for time being in force) and the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), Mr. Shrikant S. Pareek (DIN:02139143), who was appointed by the Board of Directors as an Additional Director and also as a Whole Time Director, designated as "Director (Operations)" w.e.f. August 1, 2020 for a period of 3 years on remuneration as per Schedule V of the Companies Act, 2013 based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director and Article 37 of the Company's Articles of Association, who is eligible for appointment as Director of the Company and who has declared that he has not been debarred from holding the office of director or continuing as a Director of Company by SEBI/ MCA or any other authority, whose appointment has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company, consent of the Members be and is hereby accorded to the appointment of Mr. Shrikant S. Pareek as a Whole-Time Director of the Company designated as Director (Operations) for a period 3 (three) years effective from August 1, 2020 on the terms and conditions and remuneration as set out hereunder:

I. Salary:

The Director (Operations) shall be entitled to a salary of ₹ 4,01,330/-. (Rupees Four Lacs One Thousand Three Hundred Thirty Only) per month.

II. House Rent Allowance:

House rent allowance of ₹ 2,50,828/- (Rupees Two Lacs Fifty Thousand Eight Hundred Twenty Eight Only) per month.

III. Special Allowance:

Special Allowance of ₹ 2,54,154/- (Rupees Two Lacs Fifty Four Thousand One Hundred Fifty Four Only) per month.

IV. Other Allowances and perquisites:

a. City Compensatory Allowance: ₹ 25083/- (Rupees Twenty Thousand Eighty Three Only) per month.

b. Other Allowances and Reimbursements: Education, Transport and Medical Allowance, and other reimbursements and LTA all together put not exceeding ₹ 27,517/- (Rupees Twenty Seven Thousand Five Hundred Seventeen Only) per month.

c. Encashment of leave as per rules of the company.

d. Company's contribution to Provident Fund and National Pension Scheme aggregating to ₹ 62460/- (Rupees Sixty Two Thousand Four Hundred Sixty Only) per month

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

Note: The company's contribution to provident fund as stated in (d) and gratuity as per (e) are not considered as part of remuneration as per provisions of Schedule V to The Companies Act, 2013.

V. Other Terms:

a. Sitting Fees – He shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof during the tenure of his appointment.

b. Subject to the provisions of the Act, he shall be liable to retire by rotation.

c. He shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and he shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from doing so.

d. The Director (Operations) shall report to the Managing Director and shall subject to the superintendence, control and direction of the Board of Directors (Board) as it may from time to time determine, shall have powers that may be specifically delegated to him by the Board and those under the Companies Act and/or the Articles of Associations of the Company and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors and duly constituted committee thereof 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. Ratification of Remuneration of Cost Auditor.

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, 2021, amounting to ₹ 85,000/- (Rupees Eighty Five Thousand only) exclusive of applicable tax and other applicable levies and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit;

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

Date : July 30, 2020
Place: Ahmedabad
Regd. Office:
Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

By order of the Board of Directors
For Ashima Limited

Dipak Thaker
Company Secretary

Notes:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item No. 3 to 5 of the accompanying notice is annexed hereto. The relevant details of the persons seeking appointment / re-appointment as Director, are also annexed to this Notice.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 21, 2020 to Tuesday, September 29, 2020 (both days inclusive).

3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 37th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 16 and available at the Company's website www.ashima.in

4. In line with the aforesaid MCA circulars and SEBI Circular dated May 12, 2020, the Notice of AGM alongwith Annual Report for the year 2019-2020 is being sent only through electronic mode to those members whose email IDs are registered with the company/depository participant(s). Member may note that Notice and Annual Report 2019-2020 has been uploaded on the website of the Company at www.ashima.in. Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Corporate Members are encouraged to attend the AGM through their Authorized Representatives. They are requested to send by email, a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf in the Meeting.

7. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy, to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

8. 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.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

10. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

11. PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS –

i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and SEBI Circular dated May 12, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a Member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

ii. 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. September 22, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

iii. A person who has acquired the shares and has become a member of the Company after the mailing of the Notice of the AGM and prior to the Cut-off date i.e. September 22, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

iv. The remote e-voting will commence on Saturday, September 26, 2020 at 9.00 a.m. and will end on Monday, September 28, 2020 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. September 22, 2020, 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.

v. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. September 22, 2020.

vi. The Company has appointed Mr. Tapan Shah, Practising Company Secretary (Membership No. FCS: 4476; CP No: 2839), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

12. PROCESS FOR THOSE MEMBERS WHOSE EMAIL IDs ARE NOT REGISTERED (Refer Note 4 above):

a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to investor_redressel@ashima.in. Please also refer to Company's web site under shareholder infromation and disclosure tab and also at https://www.linkintime.co.in/emailreg/email_register.html portal of Link Intime India Pvt. Ltd., Registrar and Transfer Agent of the Company, which has been given to enable shareholders to update their necessary details.

b) Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant.

13. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

a. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

b. The shareholders should log on to the e-voting website www.evotingindia.com.

c. Click on “Shareholders” module.

d. Now enter your User ID

   i. For CDSL: 16 digits beneficiary ID,

   ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

e. Next enter the Image Verification as displayed and Click on Login.

f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

g. 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 indicated, in the PAN field.
Date of Birth (DOB) or Dividend Bank Details	:	DOB- Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
	:	Dividend Bank Details- Enter the dividend bank details as recorded in your demat account or the Company records for the said demat account or folio. Please enter the DOB or Dividend bank details in order to login. If DOB or Bank details are not recorded with the depository or Company please enter the Member ID / Folio No. in the Dividend bank details field as mentioned in instruction (d).

h. After entering these details appropriately, click on “SUBMIT” tab.

i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

l. 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 as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

n. 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.

o. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

q. If demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

r. Shareholders can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

s. 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk evoting@cdslindia.com or call 1800225533.

14. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON E-VOTING SYSTEM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.

3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.

4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

15. 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 48 hours of the passing of the Resolutions at the 37th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

16. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders'/ members' login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fuctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. For ease of conduct, members who would like to ask questions may send their questions in advance at least (7) seven days before AGM mentioning their name, demat account number / folio number, email id, mobile number at investor_redressel@ashima.in and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

6. Since the AGM will be held through VC/OAVM, the route map is not annexed in this Notice.

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:

On recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company had at its meeting held on November 9, 2019 approved re-appointment of Mr. Chintan N. Parikh as Managing Director of the Company with payment of remuneration of ₹ 120 lacs (Rupees One Crore Twenty Lacs only) and perquisites as per Schedule V of the Companies Act, 2013 for the period for 3 years w.e.f. February 7, 2020 to February 6, 2023.

The remuneration as set out 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 information pursuant to Schedule V is given hereunder:

I. General Information:

The Company operates in the textile industry and is one of India's leading 100% cotton fabric manufacturers. It offers a range of cotton textile products encompassing Denims, Yarn-dyed Shirting fabrics, garments and ready-to-stitch fabrics and is also engaged in garment processing. The Company was incorporated in the year 1982 and is already in commercial production since quite a long time. Based on audited financial results of the year ended on 31.03.2020, the turnover and other income were ₹ 29320 lacs. The Company has reported a loss (before exceptional items and tax) of ₹ 339 lacs for the year at PBT level compared to a profit of ₹ 42 lacs in the year 2019. The Company has not made any foreign investments. The foreign holding including Non Resident Indians (NRIs) holding is 0.44% of the equity capital of the Company.

II. Information about the appointee:

Mr. Chintan N. Parikh, Founder and Chairman of Group Ashima, started his career as a first-generation entrepreneur in 1981. He had a dream to make Ashima, a front runner in the world of cotton textiles. He was a doctoral student of Indian Institute of Management (IIM), Ahmedabad in the area of Finance & Accounting. He was also a Member of the Board of Governors of IIM, Ahmedabad during April 2007 to April 2016, for consecutive 3 terms, each term having tenure of 3 years. He was also specially appointed as President of Gujarat Chamber of Commerce and Industry (GCCI) for the year 2010-11, by the Empowered Committee of GCCI, entrusted with the task of transforming functioning and operations of GCCI including its constitution, which task he successfully accomplished. He has about 38 years of experience in the field of textiles. He was also President of Ahmedabad Textiles Mills Association (ATMA). In nineties, his vision to bring world class technology and global customers at the doorstep of India, started a new era for cotton fabrics in India. Under his leadership, the company established itself strongly in the domestic and international markets as a supplier of quality fabrics.

Mr. Chintan N. Parikh, Managing Director of the Company is responsible for day to day management and affairs of the Company, subject to overall superintendence, control and directions of the board of directors of the Company. Taking into qualification, consideration, dedication and his valuable contribution in the fields of textiles since long, Mr. Chintan N. Parikh is best suited for the responsibilities assigned to him as Managing Director of the Company. Mr. Chintan Parikh has been paid a remuneration of ₹ 84 Lacs per annum and other perquisites for his earlier tenure of 3 years which ended on 06.02.2020. The proposed remuneration and other perquisites as recommended by Nomination & Remuneration Committee and approved by the Board of Directors of the Company at the meeting held on November 9, 2019 are fully set out herein above. Considering the size of the Company, the profile of Mr. Chintan N. Parikh, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.

Besides remuneration proposed, Mr. Chintan N. Parikh does not have any pecuniary relationship with the Company directly or indirectly. He holds 147900 equity shares in the share capital of the Company and is part of promoter group.

III. Other Information:

a. Reasons for loss or inadequate profits:

The Company has reported improvement in its operational financial performance during the year 2019-20. Economic slowdown has hit the company hard in terms of its business volumes and as a result its divisions have witnessed considerable reduction in production and sales volumes.

b. Steps taken or proposed to be taken for improvement:

After successful financial restructuring of the company in the year 2015, under the guidance and supervision of Managing Director, the Company underwent a modest modernization programme in the form of an operational restructuring by way of making investments into de-bottlenecking, upgrading and modernizing the existing production operations with an objective of creating an efficient and competitive business organization that is financially viable and stable. The Company turned its focus on realigning its operational facilities. Since the year 2017, the focus is on consolidation of businesses, improvement in working capital management and export markets.

The company has continued its efforts on enhancing its product profile and customer segments which have helped it improve upon the margins. Over last few years, the company has invested into its operational capabilities targeted towards value-added products and has taken various initiatives to strengthen its manufacturing facilities and marketing setup. These steps have helped the company off-set the adverse impact of lower volumes to some extent. Moreover, the company's focus continues to remain on better controls over the operational costs as a continuing mission and its results are visible in terms of reduced costs across most expense heads.

c. Expected increase in productivity and profits in measurable terms

Outbreak of the Covid-19 pandemic during the later part of the year 2019-20 is likely to alter the business scenario significantly going forward. The nationwide lockdown of about 10 weeks between March 2020 to May 2020 and substantial restrictions on movements have already disrupted manufacturing operations and adversely affected operational performance of the company, which would be more profoundly reflected in financials of next year.

However, the company is putting emphasis on niche products, innovative finishes and improving service levels to counter the impact of large number of organized and decentralized capacities that have come up over last few years. Moreover, the pandemic effect is likely to lower raw material prices which should help the company in pricing. With the merger of Ashima Dyecot Pvt. Limited with the Company, the Company is looking forward to developing markets for both denim and shirting divisions.

Management has already taken measures to contain the adverse impact by way of optimizing plant operations, cashflow and liquidity management and effective cost management. The business situation is likely to remain very challenging in times to come. The focus will also shift to ensure adequate risk management in light of volatile and uncertain economic scenario.

IV. Disclosures:

The requisite details of remuneration and other information is given in the Corporate Governance part of Board's Report, forming part of the Annual Report of FY 2019-2020 of the Company. The resolution sets out the entire terms and conditions of his re-appointment and remuneration. The Board of Directors recommend this ordinary resolution as set out at Item no. 3 of the Notice, for the approval of the members.

Brief resume of Mr. Chintan Parikh, whose appointment is proposed is provided in the annexure to the notice. Except Mr. Chintan Parikh, none of the Directors, Key Managerial Personnel (KMP) and their relatives are anyway concerned or interested in the said resolution.

Item no. 4

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Shrikant S. Pareek as an Additional Director and also as an Whole Time Director, designated as "Director (Operations)" w.e.f. August 1, 2020 for a period of 3 years on remuneration as per Schedule V of the Companies Act, 2013 with payment of remuneration including perquisites of ₹ 9,58,912/- lacs (Rupees Nine Lacs Fifty Eight Thousand Nine Hundred Twelve only) as per Schedule V of the Companies Act, 2013 for the abovesaid period.

The Board of Directors is of the opinion that his vast knowledge and experience in textile industry will be of great value to the Company and hence recommend the Special Resolution at Item No. 4 of this Notice for your approval.

Brief resume of Mr. Shrikant S. Pareek whose appointment is proposed is provided in the annexure to the Notice. Except Mr. Shrikant Pareek 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.

The information pursuant to Schedule V is given hereunder:

I. General Information:

For this information, please refer to Item 3

II. Information about the appointee:

Mr. Shrikant S. Pareek has done his B. Tech. (Textile Technology) from L.D.C.E. and MBA (Marketing) from BK School of Management, Ahmedabad. He has over 28 years of experience in field of textiles. After working in Arvind and ATIRA, he is working with the Group Ashima since past 25 years. While working in various positions from head of the department to Chief Commercial Officer of Group Ashima, he has managed various assignments in all the divisions and functions of the Company. While having responsibilities at corporate level and in strategic management he is responsible as the business head of Yarn Dyed Shirting division. The Company has benefitted lot on account of his leadership, sharp insight and analytical ability during his tenure.

Taking into qualification, consideration, dedication and his valuable contribution in the fields of textiles since long, Mr. Shrikant Pareek is best suited for the responsibilities assigned to him as Whole-time Director of the Company. At present Mr. Shrikant Pareek is working with the Company as Chief Commercial Officer and has been paid remuneration of ₹ 9,58,912 /- excluding Company's contribution of Provident fund and National Pension Scheme, Gratuity, Leave encashment and LTA as per rules of the Company.

The proposed remuneration and other perquisites as recommended by Nomination & Remuneration Committee and approved by the Board of Directors of the Company are fully set out herein above. Considering the size of the Company, the profile of Mr. Shrikant Pareek, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.

Besides remuneration proposed, Mr. Shrikant Pareek does not have any pecuniary relationship with the Company directly or indirectly. He holds 186 equity shares in the share capital of the Company.

III. Other Information:

a) Reasons for loss or inadequate profits:

b) Steps taken or proposed to be taken for improvement:

c) Expected increase in productivity and profits in measurable terms

For this information, please refer to Item 3.

IV. Disclosures:

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2019-2020 of the Company. The resolution sets out the entire terms and conditions of his re-appointment and remuneration.

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 2020-21 on a remuneration of ₹ 85,000/- exclusive of applicable tax and other applicable levies and re-imbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the said audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor is required to be ratified by members of the Company. Accordingly, the members are requested to pass an Ordinary Resolution as set out at Item no. 5 of the Notice for ratification of the payment of remuneration to the Cost Auditor for the Financial Year 2020-21.

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.

Date : July 30, 2020
Place: Ahmedabad
Regd. Office:
Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

By order of the Board of Directors
For Ashima Limited

Dipak Thaker
Company Secretary

Annexure to the Notice dated 30.07.2020

Details of Directors seeking Appointment /Re-appointment at the 37th Annual General Meeting to be held on September 29, 2020 (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings)

Item no. 3

Name of Director	Mr. Chintan N. Parikh (DIN: 00155225)
Date of Birth	May 25, 1957
Date of Appointment on the Board	June 17, 1982
Qualifications	B.A. (Economics), MBA (Finance). He was a Doctoral Student at IIM, Ahmedabad.
Experience / Expertise in Specific Functional Areas	He has about 38 years of experience in the field of textiles. Vast experience in the fields of finance and accounts.
Relationship between Directors inter-se	Not related to any Board Member or KMP of the Company.
No. of Board meeting attended during the year (2019-20)	4 (four)
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	As per the resolution at Item No. 3 of the Notice convening this Meeting read with explanatory statement.
Directorship held in Other Listed entities	Nil
Chairmanship/Membership of Board Committees in other listed entities (2019-20)	Nomination & Remuneration Committee (NRC) - Member
Shareholding of Director	1,47,900 Equity Shares

Item no. 4

Name of Director	Mr. Shrikant S. Pareek (DIN: 02139143)
Date of Birth	September 13, 1967
Date of Appointment on the Board	August 1, 2020
Qualifications	Mr. Shrikant S. Pareek has done his B. Tech. (Textile Technology) from L.D.C.E. and MBA (Marketing) from BK School of Management, Ahmedabad
Experience / Expertise in Specific Functional Areas	He possesses an overall experience of 28 years. Expertise in export quality fabric specifications, international market requirements and functional expertise of various departments of a Textile Mill such as from Grey fabric to Preparatory, Dyeing, Finishing and Finished fabric inspection & packaging as well as product development and Customer service.
Relationship between Directors inter-se	Not related to any Board Member or KMP
No. of Board meeting attended during the year (2019-20)	Appointed as Director with effect from August 1, 2020, hence not applicable.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement.
Directorship held in Other Listed entities	Nil
Chairmanship/Membership of Board Committees in other listed entities (2019-20)	Nil
Shareholding of Director	186 Equity Shares

BOARD'S REPORT

Your Directors take pleasure in presenting the Thirty Seventh Annual Report of your Company together with Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended on March 31, 2020.

1. FINANCIAL RESULTS

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

(INR in lacs)

Particulars	Standalone		Consolidated	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Total Income	**29320**	35404	**29320**	35404
Profit / (Loss) before Finance Costs, Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	**402**	1392	**402**	1377
Less: Finance Costs	**203**	794	**203**	794
Profit/(Loss) before Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	**199**	598	**199**	598
Less: Depreciation and Amortization	**537**	555	**537**	555
Profit / (Loss) before Exceptional Items & Tax Expenses before share of profit in associate	**(339)**	42	**(339)**	42
Share of profit in associate	**-**	-	**-**	(15)
Profit/(loss) before Exceptional Items & Tax Expenses	**(339)**	42	**(338)**	27
Add: Exceptional Item (Income)	**-**	3236	**-**	3236
Profit/(loss) Before Tax	**(339)**	3278	**(338)**	3263
Less: Tax Expenses	**-**	-	**-**	-
Profit/(loss) After Tax	**(339)**	**3278**	**(338)**	**3263**
Other Comprehensive Income	**(93)**	(35)	**(93)**	(35)
Total Comprehensive Income	**(431)**	**3243**	**(431)**	**3228**

2. DIVIDEND

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

3. RESERVES

During the year under review, no amount has been transferred to any reserve.

4. SCHEME OF AMALGAMATION AND ARRANGEMENT

The Scheme of Amalgamation and Arrangement of Ashima Dyecot Private Limited ("Transferor Company"/"ADPL") with the Company and their respective Shareholders and Creditors under section 230-232 of the Companies Act, 2013 ("The Scheme"), was sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated July 22, 2020 with an appointed date April 1, 2019 and the same became effective on and from July 29, 2020 upon latest filing of Certified Copy of the Order with the Registrar of Companies, Gujarat.

5. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The company has reported a loss of ₹ 339 lacs for the year at PBT level compared to profit of ₹ 3278 lacs in the preceding year. However, the performance for the previous year includes ₹ 3236 lacs being an exceptional and extraordinary item mainly related to gain on account of sale of surplus land, excluding which, the profit for previous year at PBT level works out to ₹ 42 lacs.

On consolidated basis, the total revenue for FY 2020 was ₹ 29320 lacs as compared to previous year's total revenue of ₹ 35404 lacs. The profit after tax (PAT) stood at ₹ (338) lacs as compared to the previous year's PAT of ₹ 3263 lacs for FY 2019.

Denim Division: The volumes for the division have reduced during the year on account of slowdown in the industry as well as the impact of lockdown at the fag end of the year. The reduction is however limited to domestic brand and distributor segment. Innovative product developments with the help of new rope dyeing facility have helped increased business volumes with garment exporters as well as physical exports. Though pricing pressure continues across product varieties and markets, company's flexibility in offering product range upon upgraded manufacturing facilities have strengthened its pricing capabilities and the company has been able to provide cost effective product developments and improve upon the margins across almost all market segments. Overall, the operational profitability for the division has improved during the year, though not significantly.

Spinfab Division: Cotton yarn dyed fabrics have been facing tough market situation with the shelf space being partly taken up by prints, linen and other fancy shirting products. Over the last few years, the company has been able to strengthen its position with brands and large format stores. As a result, though most of the brands suffered severe slowdown in their seasonal sales volumes across the country, the company could shield itself from its adverse impact to a great extent. However, the business with distributor and garment exporter segments took a hit and has reduced considerably during the year. The division put more efforts in the large format stores segment which was the fastest growing segment in the domestic market and could achieve higher volumes in that segment. However, ongoing pressure on prices limited its ability to improve upon the margins.

Dyecot Division: The fabric processing division has reported improved profitability though the volumes and capacity utilisation suffered on account of turbulent market conditions. Overall business sentiment was not positive particularly from Indian domestic market, especially during the second half of the year, leading to sharp reduction in orders. The division keeps on working on new and value-added products on a continuous basis and could make deeper inroads with few of the existing customers by offering such products.

Garment Division: The division has reported subdued performance during the year. Sale volumes have been maintained however value addition per unit has significantly dropped, both in case of export business as well as for domestic business. In domestic markets, owing to the prevailing conditions of lower liquidity and drop in sales, the brands lowered their retail prices and were looking for cheaper alternatives. The Company has been able to develop alternative customers and that helped to maintain the volumes to some extent.

Brand business and others: Overall profitability of brand and other businesses has moved up. Though there were some improvement in branded volumes, profitability has improved primarily on account of other income resulting from government subsidy and interest income on loans.

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

Outlook:

The year under review already witnessed impact of global slowdown consequent upon international trade disputes and geopolitical tensions. The nationwide lockdown of about 10 weeks between March 2020 to May 2020 and substantial restrictions on movements have already disrupted manufacturing operations and adversely affected operational performance of the company, which would be more profoundly reflected in financials of next year.

Management has already taken measures to contain the adverse impact by way of optimizing plant operations, cashflow and liquidity management and effective cost management. The business situation is likely to remain very challenging in times to come.

6. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and form part of this Annual Report.

7. MATERIAL CHANGES AND COMMITMENTS, 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

The Company has one Associate Company as on March 31, 2020. On account of the Scheme of Amalgamation and merger, all investments made by Transferor Company have been vested into the Company and hence Shardul Garments Private Limited became Associate of the Company. Except this, no company has become or ceased to be Company's subsidiary, Joint Venture. Pursuant to the provisions of the Section 129(3) of the Companies Act, 2013 and rules made there under, a statement containing salient features of financial statements of Associate Company in Form AOC-1 is attached at **Annexure-1**.

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, 2020.

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

Pursuant to Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, information on conservation of energy, technology absorption and foreign exchange earnings and outgo forms part of this Report and annexed at **Annexure-2**.

11. RISK MANAGEMENT

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

12. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

In terms of requirements of Section 135(1), the Board of Directors at its meeting held on August 11, 2017 has constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee consists of 3 (Three) Directors viz., Mr. Chintan N. Parikh-Chairman, Dr. Bakul Dholakia- Independent Director and Mrs. Koushlya Melwani- Independent Director, as on March 31, 2020.

During the financial year, the said Committee met on November 9, 2019 for consideration, review and recommendation to the Board of Directors of the Company for CSR expenditure. The Committee has noted that no amount was required to be spent towards CSR expenditure for the FY 2019-20 in terms of Section 135(5) of the Companies Act, 2013. The CSR Policy is placed on the website of the Company at www.ashima.in.

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

During the year under review, the Company has granted loan and made investments. However, there are no guarantees given or security provided under Section 186 of the Companies Act, 2013. The details of loan granted and investments made as on March 31, 2020 are given in the Notes to the Financial Statements forming part of the Annual Report.

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) is available at the Company's website at www.ashima.in.

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

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

15. NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The same is posted on Company's website at www.ashima.in.

16. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Nomination and Remuneration Committee have laid down the manner in which formal evaluation of the performance of the Board, its Committees and individual Directors has to be made, which is broadly in compliance with the Guidance Note on Board Evaluation issued the by SEBI vide its Circular dated January 5, 2017. The Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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-3**. The Annual Return of the Company has been placed on the website of the Company at www.ashima.in.

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, 5 (five) 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 2019-20 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

Appointment/Re-appointment:

1. Mr. Shrikant Pareek: The Board of Directors on recommendation of Nomination & Remuneration Committee (NRC) appointed Mr. Shrikant Pareek as an Additional Director (Whole-Time Director), designated as ”Director (Operations)” w.e.f. August 1, 2020 for a period of 3 (three) years, with terms and conditions including remuneration, at the meeting of Board of Directors held on July 30, 2020. Your Board recommends the special resolution in relation to his appointment as Whole Time Director.

2. Mr. Chintan Parikh: The current tenure of Mr. Chintan Parikh as Managing Director expired on February 6, 2020 and the Board of Directors on recommendation of NRC, re-appointed him for a further period of 3 years w.e.f. February 07, 2020 as a Managing Director, subject to approval of members of the Company in the 37th Annual General Meeting. Your Board recommends the resolution in relation to his re-appointment as Managing Director.

3. Mr. Vipul Naik: The Board appointed him as an additional director w.e.f. May 25, 2020. The shareholders have appointed him as Director (Non-Executive Non-Independent) of the Company, at the 36th AGM held on August 10, 2019

4. Further, the shareholders at the 36th Annual General Meeting held on August 10, 2019 approved appointment of Directors as follows:

   (a) Mr. Sanjay Majmudar as Independent Director for first term 5 (five) consecutive years commencing from November 03, 2018 to November 02, 2023.

   (b) Re-appointment of Dr. Bakul H. Dholakia as an Independent Director for second term of 5 (five) consecutive years commencing from September 29, 2019 on recommendation of the Board. Since he shall be attaining age of 75 years on July 15, 2022 during his second term, specific approval has been obtained to this effect.

   (c) Re-designation of Mrs. Koushlya Melwani from Non-Independent Director to Independent Director and appointment as an Independent Director of the Company, for a first term of 5 (five) consecutive years commencing from May 25, 2019 to May 24, 2024.

5. Due to re-organisation in the position of Finance and Secretarial functions in the company, Mr. Hiren S. Mahadevia, Company Secretary and Mr. Jayesh C. Bhayani, Chief Financial Officer, who were looking after the secretarial and finance functions, have relinquished their positions w.e.f. July 30, 2020.

   Considering the same, Board of Directors on recommendation of NRC appointed Mr. Hiren S. Mahadevia as Chief Financial Officer, designated as “Group CFO” and Mr. Dipak S. Thaker (ACS:4141) as Company Secretary and Compliance officer of the Company w.e.f. July 30,2020.

The Company has received requisite Notices from Member(s) under Section 160 of the Companies Act, 2013 in respect of Directors stated at Sr. 1 & 2, proposing their candidature for the office of Director. The resolutions for appointment/re-appointment along with their brief profile form part of the Notice of the 37th AGM and the respective resolution is recommended for approval of members.

Retirement by Rotation:

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

Cessation:

1. Mr. Atulkumar Singh, Independent Director of the Company, resigned from the office of Director with effect from May 25, 2019.

2. Mr. Krishnachintan Parikh, Executive Director of the Company, resigned from the office of Director with effect from December 20, 2019.

3. Mr. Vipul Naik, Non- Executive Non Independent Director, resigned from the office of Director with effect from August 1, 2020.

Except as stated above, there was no change in the composition of the Board of Directors and Key Managerial Personnel.

21. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss 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 Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. They have further declared that they are not debarred or disqualified from being appointed or continuing as directors of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority. In the opinion of Board, all the Independent Directors are person of integrity and possess relevant expertise and experience including the proficiency.

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 same is posted 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) Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and is annexed as **Annexure-4** 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 for a term of five (5) consecutive financial years i.e. commencing from FY 2017-18 at the 34th Annual General Meeting held on August 11, 2017. The appointment was subject to ratification by the members at every subsequent AGM thereafter. Pursuant to The Companies Amendment Act, 2017 the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought

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

The Auditors' Report for FY 2019-20 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark or disclaimer.

(b) COST AUDITOR

On recommendation of the Audit Committee, the Board of Directors have appointed M/s. Ankit Sheth & Co., Cost Accountant (Membership No: M/ 34404) as Cost Auditor of the Company for the financial year 2020-21 under Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, on a remuneration as mentioned in the Notice convening the 37th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

M/s. Ankit Sheth & Co., Cost Accountants have confirmed that they are free from disqualification specified under section 141 and 148 of the Companies Act, 2013 and Rules framed thereunder.

The Company has filed the Cost Audit Report for the financial year 2018-19 within the stipulated timeline prescribed under the Companies (Cost Records and Audit) Rules, 2014.

(c) SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 as amended, the Company has appointed Mr. Tapan Shah, Practicing Company Secretary, Ahmedabad, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Audit Report is annexed herewith as **Annexure-5**.

The Secretarial Audit Report for the year ended on March 31, 2020 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. VIGIL MECHANISM

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

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 thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of composition of Audit Committee and other details relating to the same are given in the Report of Corporate Governance forming part of this Report. During the Financial Year 2019-20, 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 6 & 7** respectively.

34. SHARE CAPITAL

On account of the Scheme as stated above, the Authorised Share Capital of the Company has increased from ₹ 15000 Lacs to ₹ 20898 Lacs due to amalgamation of Ashima Dyecot Private Limited with the Company. The paid-up equity share capital of the Company has reduced from ₹ 12845.39 Lacs to ₹ 5317.19 Lacs upon cancellation of shares pursuant to the Scheme. In accordance with the exchange ratio as stated in the Scheme, the Company shall issue and allot 13,84,88,161 Equity Shares of ₹ 10/- each and for this purpose authorised capital shall be increase to the extend required.

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. COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the reporting year and accordingly such accounts and records are made and maintained.

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

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

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

37. APPRECIATION

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

38. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Ahmedabad
Date: July 30, 2020

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

ANNEXURE - 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of associate companies/joint ventures

Part “B”: Associates and Joint Ventures

(INR in Lacs)

1	Name of associates/Joint Ventures	Shardul Garments Private Limited
2	Latest audited Balance Sheet Date	31.03.2020
3	Date on which the Associate or Joint Venture was associated or acquired	01.04.2019
4	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	2452830 equity shares of ₹ 10/- each
	Amount of Investment in Associates/Joint Venture	352
	Extend of Holding %	49.58%
5	Description of how there is significant influence	Voting Power
6	Reason why the associate/joint venture is not consolidated	N.A.
7	Net worth attributable to shareholding as per latest audited Balance Sheet	219.36 (i.e. 49.58 % of ₹ 442.43)
8	Profit/Loss for the year	0.28
	i. Considered in Consolidation	0.14
	ii. Not Considered in Consolidation	0.14

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors

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

Date: July 30, 2020
Place : Ahmedabad

ANNEXURE-2

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, 2020 is given here below and forms part of the Board's Report.

A. Conservation of Energy

i. Energy Conservation measures taken:

- Replaced old conventional type 2 steam boilers with new state-of-the-art fully automatic PLC based steam boiler.
- Installed LED-type energy efficient fittings in place of conventional light fittings like tube lights, street lights as well as high bay fittings in the plant, resulting into savings in power and better illumination at work places.
- Increased condensate recovery by continuous monitoring and taking effective steps with regard to steam leakages and insulation of pipelines thereby increasing feed water temperature resulting into improved steam to fuel ratio
- Regular monitoring and maintaining of power factor to reduce overall power cost.

ii. Utilization of alternate source of energy

Using solar energy to dry sludge generated from Effluent Treatment Plant instead of electricity or fuel. The same sludge is also used in boiler as fuel thereby optimizing fuel cost.

iii. The capital investments on energy conservation equipments

The cost of investment for the energy conservation is ₹ 619.28 lacs.

B. Technology Absorption

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

- Old model HMI, servo motors, PLC, servo drives, electronic modules of sectional warping machine replaced by advanced up-graded version of software and hardware.
- Old length measuring system and connected electronic panel of winding machine replaced by latest length measuring system. By doing this, achieved more perfection in length measuring system and could save yarn loss.
- Old PLC and connected electronic modules of stenter machine replaced by upgraded version of PLC and software.

ii. The benefits derived:

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

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

- Technology imported : Continuous tumbler machine
  - Year of import : 2017-18
  - Whether technology has been fully absorbed? : Yes
- Technology imported : NIL
  - Year of import : 2018-19
  - Whether technology has been fully absorbed? : Not Applicable
- Technology imported : NIL

- Year of import : 2019-20
- Whether technology has been fully absorbed? : Not Applicable

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 ₹ 3803.18 lacs excluding deemed export and foreign exchange outgo was ₹ 173.70 lacs.

For and on behalf of the Board of Directors

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

Date: July 30, 2020
Place : Ahmedabad

ANNEXURE-3

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

(as on financial year ended on 31.03.2020)

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	17th June, 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

SN	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1.	Cotton Fabrics	13121	55.61%
2.	Finishing of Textiles	13131	27.05%
3.	Manufacture of Wearing Apparel	14101	11.25%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SN	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Shardul Garments Private Limited Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad-380021, Gujarat	U17100GJ1991PTC015416	Associate	49.58	2(6)

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

(i) Category wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	298345	0	298345	0.23	298345	0	298345	0.23	–
b) Central Govt. or State Govt.	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	75281559	0	75281559	58.61	75281959	0	75281959	58.61	0.00
d) Bank/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Trust	2671441	0	2671441	2.08	2671441	0	2671441	2.08	–
SUB TOTAL:(A) (1)	**78251345**	**0**	**78251345**	**60.92**	**78251745**	**0**	**78251745**	**60.92**	**0.00**
(2) Foreign									
a) NRI- Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
SUB TOTAL (A) (2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**78251345**	**0**	**78251345**	**60.92**	**78251745**	**0**	**78251745**	**60.92**	**0.00**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	3300	3300	0.00	0	3300	3300	0.00	0
b) Banks/ FI	141770	89	141859	0.11	19985	89	20074	0.02	-0.09
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)	**141770**	**3389**	**145159**	**0.11**	**19985**	**3389**	**23374**	**0.02**	**-0.09**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporate	12897883	14762	12912645	10.05	12188975	12946	12201921	9.50	-0.55
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	13511580	632647	14144227	11.01	13304350	618821	13923171	10.84	-0.17
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	18505587	0	18505587	14.41	19856279	0	19856279	15.46	1.05
c) Others (specify)	–	–	–	–	–	–	–	–	–
(I) OCBs	0	15000	15000	0.01	0	15000	15000	0.01	–
(II) Individuals (Non Resident Individuals-Non Repatriation)	69591	0	69591	0.05	74447	0	74447	0.05	0.00
(III) Individuals (Non Resident Individuals-Repatriation)	399683	44202	443885	0.35	439114	43602	482716	0.38	0.03
(IV) HUF	3244857	250	3245107	2.53	3401171	250	3401421	2.65	0.12
(V) Clearing Members	692130	0	692130	0.54	67572	0	67572	0.05	-0.49
(VI) Trust	25000	0	25000	0.02	152038	0	152038	0.12	0.10
(VII) NBFCs	4200	0	4200	0.00	200	0	200	0.00	0.00
(VIII) Unclaimed Shares	0	0	0	0	0	3992	3992	0.00	0.00
SUB TOTAL (B)(2):	**49350511**	**706861**	**50057372**	**38.97**	**49484146**	**694611**	**50178757**	**39.06**	**0.09**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**49492281**	**710250**	**50202531**	**39.08**	**49504131**	**698000**	**50202131**	**39.08**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**127743626**	**710250**	**128453876**	**100.00**	**127755876**	**698000**	**128453876**	**100.00**	**0.00**

(ii) SHARE HOLDING OF PROMOTERS

SN	Shareholders Name	No. of Shares held at the beginning of the year i.e. 01.04.2019			No. of Shares held at the end of the year i.e. 31.03.2020			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1.	Chintan Navnit Parikh	147900	0.12	–	147900	0.12	–	–
2.	Shefali C. Parikh	88720	0.07	–	88720	0.07	–	–
3.	Krishnachintan Chintan Parikh	31300	0.02	–	31300	0.02	–	–
4.	Chintan Navnitlal Parikh (HUF)	30425	0.02	–	30425	0.02	–	–
5	Albus Investments Private Limited*	16596808	12.92	–	–	–	–	-12.92
6	Apus Investments Private Limited *	58684751	45.68	–	–	–	–	-45.68
7	Chintan N. Parikh and Shefali Chintan Parikh Trustees of Navchintan Trust	2671441	2.08	–	2671441	2.08	–	–
8	Ashima Dyecot Private Limited**	–	–	–	75281959	58.61	–	58.61
	Total -----------	**78251345**	**60.92**	**–**	**78251745**	**60.92**	**–**	**–**

* The holding of Albus Investments Pvt. Ltd and Apus Investments Pvt. Ltd being promoter shareholder of the company had been merged during the year under Composite Scheme of Arrangement sanctioned vide National Company Law Board Tribunal Order (NCLT) order dated 06.08.2019 with Ashima Dyecot P. Ltd., (ADPL). Hence the name of promoter shareholder companies was replaced by Ashima Dyecot Pvt. Ltd., pursuant to the abovesaid scheme.

** Promoter shareholder company ADPL holding 75281959 shares shall stands cancelled in terms of Amalgamation of ADPL with Ashima Ltd in terms of Scheme of Amalgamation approved by National Company Law Board Tribunal (NCLT) vide Order dated 22.07.2020. Hence the said shares held by ADPL stands cancelled in terms of the Scheme.

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

SN.	Particulars	Shareholding at the beginning of the year 01.04.2019		Change in Shareholding , i.e. Increase/Decrease		Cumulative Shareholding as on 31.03.2020	
		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	16596808	12.92	-	-	16596808	12.92
	On account of merger	-	-	11 Oct 2019	(16596808)	-	-
	At the end of the year	-	-	-	-	-	-
2.	Apus Investments Private Limited	58684751	45.68	-	-	58684751	45.68
	On account of merger	-	-	11 Oct 2019	(58684751)	-	-
	At the end of the year	-	-	-	-	-	-
3.	Ashima Dyecot Private Limited	-	-	-	-	-	-
	On account of merger	-	-	11 Oct 2019	69049467	69049467	53.75
	On account of merger	-	-	18 Oct 2019	6232092	75281559	58.61
	On account of merger	-	-	22 Nov 2019	400	75281959	58.61
	At the end of the year	-	-	-	-	75281959	58.61

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on 01.04.2019		Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares)		Cumulative Share holding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company			No of shares	% of total shares of the company
1.	ASSET RECONSTRUCTION COMPANY (INDIA) LTD.	9201615	7.16	–	–	9201615	7.16
	At the end of the Year	–	–	–	–	9201615	7.16
2.	JAYESH PRATAPCHAND SHAH	710000	0.55	–	–	710000	0.55
	Transfer	–	–	21 Jun 2019	25000	735000	0.57
	Transfer	–	–	26 Jul 2019	10000	745000	0.58
	Transfer	–	–	02 Aug 2019	50000	795000	0.62
	Transfer	–	–	17 Jan 2020	52000	847000	0.66
	Transfer	–	–	31 Mar 2020	10000	857000	0.67
	At the end of the Year	–	–	-	-	857000	0.67

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on 01.04.2019		Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares)		Cumulative Share holding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company			No of shares	% of total shares of the company
3	ANKITA VISHAL SHAH	1750210	1.36	–	–	1750210	1.36
	Transfer	–	–	05 Apr 2019	(10000)	1740210	1.35
	Transfer	–	–	12 Apr 2019	4000	1744210	1.36
	Transfer	–	–	24 May 2019	19000	1763210	1.37
	Transfer	–	–	31 May 2019	(51929)	1711281	1.33
	Transfer	–	–	07 Jun 2019	(5281)	1706000	1.33
	Transfer	–	–	14 Jun 2019	(584)	1705416	1.33
	Transfer	–	–	21 Jun 2019	(171981)	1533435	1.19
	Transfer	–	–	29 Jun 2019	(129388)	1404047	1.09
	Transfer	–	–	05 Jul 2019	(26073)	1377974	1.07
	Transfer	–	–	19 Jul 2019	(12515)	1365459	1.06
	Transfer	–	–	26 Jul 2019	(3702)	1361757	1.06
	Transfer	–	–	02 Aug 2019	4475	1366232	1.06
	Transfer	–	–	09 Aug 2019	(6100)	1360132	1.06
	Transfer	–	–	30 Aug 2019	(11500)	1348632	1.05
	Transfer	–	–	13 Sep 2019	(42922)	1305710	1.02
	Transfer	–	–	27 Sep 2019	7545	1313255	1.02
	Transfer	–	–	25 Oct 2019	10555	1323810	1.03
	Transfer	–	–	22 Nov 2019	(65857)	1257953	0.98
	Transfer	–	–	29 Nov 2019	(73019)	1184934	0.92
	Transfer	–	–	06 Dec 2019	(65778)	1119156	0.87
	Transfer	–	–	13 Dec 2019	(22856)	1096300	0.85
	Transfer	–	–	20 Dec 2019	15305	1111605	0.87
	Transfer	–	–	27 Dec 2019	(5374)	1106231	0.86
	Transfer	–	–	10 Jan 2020	31511	1137742	0.89
	Transfer	–	–	17 Jan 2020	45554	1183296	0.92
	Transfer	–	–	24 Jan 2020	1979	1185275	0.92
	Transfer	–	–	14 Feb 2020	(30884)	1154391	0.90
	Transfer	–	–	21 Feb 2020	(8195)	1146196	0.89
	Transfer	–	–	28 Feb 2020	(72360)	1073836	0.84
	Transfer	–	–	06 Mar 2020	(1950)	1071886	0.83
	Transfer	–	–	13 Mar 2020	(165229)	906657	0.71
	Transfer	–	–	20 Mar 2020	(72832)	833825	0.65
	At the end of the Year	–	–	–	–	833825	0.65
4.	JUGAL KISHORE MAHESHWARI	506529	0.39	–	–	506529	0.39
	At the end of the Year	–	–	–	–	506529	0.39

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on 01.04.2019		Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares)		Cumulative Share holding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company			No of shares	% of total shares of the company
5.	CHAMPAKLAL BABALDAS VORA	463107	0.36	–	–	463107	0.36
	Transfer	–	–	23 Aug 2019	18000	481107	0.37
	Transfer	–	–	27 Sep 2019	2727	483834	0.38
	Transfer	–	–	18 Oct 2019	(16350)	467484	0.36
	Transfer	–	–	20 Dec 2019	21949	489433	0.38
	Transfer	–	–	28 Feb 2020	1849	491282	0.38
	Transfer	–	–	06 Mar 2020	10936	502218	0.39
	At the end of the Year	–	–	–	–	502218	0.39
6.	ROSY BLUE SECURITIES PVT LTD	500000	0.39	–	–	500000	0.39
	At the end of the Year	–	–	–	–	500000	0.39
7.	JANAK NIRANJAN SHAH	179100	0.14			179100	0.14
	Transfer	–	–	21 Jun 2019	50000	229100	0.18
	Transfer	–	–	29 Jun 2019	147500	376600	0.29
	Transfer	–	–	05 Jul 2019	56200	432800	0.34
	At the end of the Year	–	–	–	–	432800	0.34
8.	MARWADI SHARES AND FINANCE LTD.	345725	0.27			345725	0.27
	Transfer	–	–	05 Apr 2019	21348	367073	0.29
	Transfer	–	–	12 Apr 2019	(5714)	361359	0.28
	Transfer	–	–	19 Apr 2019	4250	365609	0.28
	Transfer	–	–	26 Apr 2019	(5050)	360559	0.28
	Transfer	–	–	10 May 2019	(268)	360291	0.28
	Transfer	–	–	17 May 2019	500	360791	0.28
	Transfer	–	–	24 May 2019	(2100)	358691	0.28
	Transfer	–	–	31 May 2019	8000	366691	0.29
	Transfer	–	–	07 Jun 2019	3597	370288	0.29
	Transfer	–	–	14 Jun 2019	(2847)	367441	0.29
	Transfer	–	–	21 Jun 2019	(6050)	361391	0.28
	Transfer	–	–	29 Jun 2019	17299	378690	0.29
	Transfer	–	–	05 Jul 2019	(22)	378668	0.29
	Transfer	–	–	12 Jul 2019	(900)	377768	0.29
	Transfer	–	–	19 Jul 2019	(100)	377668	0.29
	Transfer	–	–	26 Jul 2019	(500)	377168	0.29
	Transfer	–	–	02 Aug 2019	(1080)	376088	0.29
	Transfer	–	–	23 Aug 2019	(8331)	367757	0.29
	Transfer	–	–	30 Aug 2019	(2199)	365558	0.28
	Transfer	–	–	06 Sep 2019	(610)	364948	0.28
	Transfer	–	–	13 Sep 2019	(390)	364558	0.28
	Transfer	–	–	20 Sep 2019	500	365058	0.28
	Transfer	–	–	30 Sep 2019	(1588)	363470	0.28
	Transfer	–	–	04 Oct 2019	570	364040	0.28

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on 01.04.2019		Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares)		Cumulative Share holding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company			No of shares	% of total shares of the company
	Transfer	–	–	11 Oct 2019	1000	365040	0.28
	Transfer	–	–	18 Oct 2019	(984)	364056	0.28
	Transfer	–	–	25 Oct 2019	3984	368040	0.29
	Transfer	–	–	01 Nov 2019	1000	369040	0.29
	Transfer	–	–	08 Nov 2019	(1000)	368040	0.29
	Transfer	–	–	15 Nov 2019	2991	371031	0.29
	Transfer	–	–	22 Nov 2019	(12111)	358920	0.28
	Transfer	–	–	29 Nov 2019	(18902)	340018	0.26
	Transfer	–	–	06 Dec 2019	6224	346242	0.27
	Transfer	–	–	13 Dec 2019	(6224)	340018	0.26
	Transfer	–	–	27 Dec 2019	350	340368	0.27
	Transfer	–	–	31 Dec 2019	(350)	340018	0.26
	Transfer	–	–	03 Jan 2020	200	340218	0.26
	Transfer	–	–	10 Jan 2020	(4056)	336162	0.26
	Transfer	–	–	31 Jan 2020	50	336212	0.26
	Transfer	–	–	07 Feb 2020	700	336912	0.26
	Transfer	–	–	14 Feb 2020	(700)	336212	0.26
	Transfer	–	–	21 Feb 2020	(100)	336112	0.26
	Transfer	–	–	28 Feb 2020	2000	338112	0.26
	Transfer	–	–	13 Mar 2020	(8259)	329853	0.26
	Transfer	–	–	20 Mar 2020	(5010)	324843	0.25
	Transfer	–	–	27 Mar 2020	8822	333665	0.26
	Transfer	–	–	31 Mar 2020	(8948)	324717	0.25
	At the end of the Year	–	–	–	–	324717	0.25
9.	SHAH KALPESHKUMAR RAJENDRAKUMAR	0	0.00			0	0.00
	Transfer	–	–	26 Apr 2019	6116	6116	0.00
	Transfer	–	–	03 May 2019	2000	8116	0.01
	Transfer	–	–	10 May 2019	1029	9145	0.01
	Transfer	–	–	17 May 2019	1500	10645	0.01
	Transfer	–	–	24 May 2019	1000	11645	0.01
	Transfer	–	–	31 May 2019	317	11962	0.01
	Transfer	–	–	07 Jun 2019	9683	21645	0.02
	Transfer	–	–	14 Jun 2019	3000	24645	0.02
	Transfer	–	–	21 Jun 2019	3568	28213	0.02
	Transfer	–	–	29 Jun 2019	14002	42215	0.03
	Transfer	–	–	05 Jul 2019	10000	52215	0.04
	Transfer	–	–	19 Jul 2019	6999	59214	0.05
	Transfer	–	–	02 Aug 2019	23500	82714	0.06
	Transfer	–	–	23 Aug 2019	6985	89699	0.07
	Transfer	–	–	06 Sep 2019	2081	91780	0.07

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Financial Year as on 01.04.2019		Change * in Shareholding i.e. Increase/(Decrease) (Date & No. of Shares)		Cumulative Share holding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company			No of shares	% of total shares of the company
	Transfer	–	–	13 Sep 2019	(5000)	86780	0.07
	Transfer	–	–	11 Oct 2019	2700	89480	0.07
	Transfer	–	–	18 Oct 2019	(12)	89468	0.07
	Transfer	–	–	25 Oct 2019	35004	124472	0.10
	Transfer	–	–	01 Nov 2019	18957	143429	0.11
	Transfer	–	–	08 Nov 2019	315	143744	0.11
	Transfer	–	–	29 Nov 2019	21868	165612	0.13
	Transfer	–	–	06 Dec 2019	62482	228094	0.18
	Transfer	–	–	20 Dec 2019	5000	233094	0.18
	Transfer	–	–	27 Dec 2019	6668	239762	0.19
	Transfer	–	–	03 Jan 2020	(5063)	234699	0.18
	Transfer	–	–	10 Jan 2020	13722	248421	0.19
	Transfer	–	–	31 Jan 2020	10000	258421	0.20
	Transfer	–	–	14 Feb 2020	37549	295970	0.23
	Transfer	–	–	21 Feb 2020	10000	305970	0.24
	Transfer	–	–	28 Feb 2020	5229	311199	0.24
	Transfer	–	–	20 Mar 2020	12770	323969	0.25
	AT THE END OF THE YEAR	–	–	–	–	323969	0.25
10.	DINESH PRATAPCHAND SHAH	300000	0.23	–	–	300000	0.23
	Transfer	–	–	31 Mar 2020	10000	310000	0.24
	AT THE END OF THE YEAR	–	–	–	–	310000	0.24
11.	RAHUL BHARAT DEDHIA (HUF)	305000	0.24	305000	0.24	305000	0.24
	At the end of the Year	–	–	–	–	305000	0.24
12.	VISHAL PANKAJ DEDHIA (HUF)	305000	0.24			305000	0.24
	AT THE END OF THE YEAR					305000	0.24
13.	MENTOR CAPITAL LIMITED	302181	0.24	-	-	302181	0.24
	Transfer			10 Jan 2020	(302181)	0	0.00
	At the end of the Year	–	–	–	–	0	0.00

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

(v) Shareholding of Directors & KMP

SN	For each of the Directors & KMP	Shareholding at the beginning of the year April 01, 2019		Change * in Shareholding i.e. Increase/ (Decrease) (Date & No. of Shares)		Cumulative Share holding at the end of the year as on March 31, 2020	
		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
	Purchase	-	-	6.12.2019	10000	13400	0.00
	At the end of the Year	-	-	-	-	13400	0.00
3.	Mr. Krishnachintan Parikh	31300	0.02	–	–	31300	0.02
4.	Mr. Hiren S. Mahadevia	34680	0.03	–	–	34680	0.03

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

V. INDEBTEDNESS

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

(₹ in Lacs)

Particulars		Secured Loans excluding deposits	Unsecured Loans@	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	1499.42	1343.21	–	2842.63
ii)	Interest due but not paid	–	–	–	
iii)	Interest accrued but not paid	10.76	1.23	–	11.99
Total (i+ii+iii)		**1510.18**	**1344.44**	**–**	**2854.62**
Change in Indebtedness during the financial year					
Addition		22.58	1109.08	–	1131.66
Reduction		354.81	1096.70	–	1451.51
Indebtedness at the end of the financial year					
i)	Principal Amount	1167.19	1355.59	-	2552.78
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not paid	8.53	-	-	8.53
Total (i+ii+iii)		**1175.72**	**1355.59**		**2561.31**

@ 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	1,33,00,000	40,53,334	1,73,53,334
	(b) Value of perquisites u/s 17(2) of the IT Act, 1961	–	–	–
	(c) Profit in lieu of Salary u/s 17(3) of the IT Act, 1961	–	–	–
2.	Stock Options	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission;	–	–	–
	- As a % of Profit	–	–	–
	- Others, Specify	–	–	–
5.	Others, Specify	–	–	–
	Total	**1,33,00,000**	**40,53,334**	**1,73,53,334**
	*Ceiling as per the Act	₹ 120 Lacs p.a. & applicable perquisites	₹ 120 Lacs p.a. & applicable perquisites	₹ 120 Lacs p.a. & applicable perquisites

Includes Merged Entity

@ Resigned as Whole-time Director w.e.f. 20.12.2019

* 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.

B. Remuneration to Other Directors:

1) Independent Directors (Amt. in ₹)

Particulars of Remuneration	Name of Directors					Total Amount
	Dr. Bakul Dholakia	Mr. Neeraj Golas	Mr. Sanjay Majmudar	Mr. Koushlya Melwani	Mr. Atulkumar Singh	
Fees for attending Board/ Committee Meetings	57,000/-	62,000/-	78,000/-	87,000/-	10,000/-	2,94,000/-
Commission	–	–	–	–	–	–
Other, Please specify	–	–	–	–	–	–
Total	**57,000/-**	**62,000/-**	**78,000/-**	**87,000/-**	**10,000/-**	**2,94,000/-**
*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
	Mr. Vipul Naik	
Fees for attending Board/ Committee Meetings	50,000/-	**50,000/-**
Commission	–	–
Other, Please specify	–	–
Total	**50,000/-**	**50,000/-**
*Ceiling as per the Act	Not Applicable as except sitting fees, no other remuneration is paid	

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

(Amt. in ₹)

S.N.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
1.	Gross Salary			
	(a) Salary as per the section 17(1) of the IT Act, 1961	1,27,98,442	53,60,218	1,81,58,660
	(b) Value of perquisites u/s 17(2) of the IT Act, 1961	--	--	--
2.	Stock Options	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission;	--	--	--
	- As a % of Profit	--	--	--
	- Others, Specify	--	--	--
5.	Others, Specify	--	--	--
	Total	**1,27,98,442**	**53,60,218**	**1,81,58,660**

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, 2020.

For and on behalf of the Board

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

Date : July 30, 2020
Place : Ahmedabad

ANNEXURE-4

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 72.73 : 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 22.12%, that of Company Secretary is 15.80% and that of Chief Financial Officer is 5.60%.
3	The percentage increase in the median remuneration of employees is 1.52%
4	There were 670 permanent employees on the rolls of the company as on March 31, 2020.
5	Average increase in remuneration of Managerial Personnel is 16.58% while that of other employees is 3.58%
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 & Managing Director
(DIN:00155225)

Date : July 30, 2020
Place : Ahmedabad

ANNEXURE-5
SECRETARIAL AUDIT REPORT

For the financial year ended March 31 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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 through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 and made available to me, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

   c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS -1 and SS - 2)

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

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

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

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

i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;

v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018; and

vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

I further report that –

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

I further report that –

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

I further report that -

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

1. Alteration of Main Object Clause of Memorandum of Association of the company by inserting two new object clause, as approved by members in last annual general meeting held on August 10, 2019.
2. Resignation of Mr. Krishnachintan Parikh, Executive of the Company w.e.f December 20, 2019.
3. Re-appointment of Mr. Chintan Parikh, Managing Director of the Company, w.e.f. February 7, 2020 for further period of 3 years.

4. Board of Directors of the Company has approved Scheme of Arrangement in the nature of amalgamation of Ashima Dyecot Private Limited with Ashima Limited. Members (equity and preference shareholders) and creditors (secured and unsecured) of the Company have also approved the said scheme in the meeting held on March 11, 2020, as per the direction of National Company Law Tribunal (NCLT). NCLT has already approved Scheme vide Order dated 22.7.2020.

5. The Company's operation were affected in the last month of FY. 2019-20 and the unit was closed for 9 days due to lockdown effected by Government of India under Pandemic COVID-19.

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839
UDIN : F004476B000527515

Date : July 30, 2020
Place: Ahmedabad

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.

Due to restricted movement amid COVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

ANNEXURE A

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

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

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

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839
UDIN : F004476B000527515

Date : July 30, 2020
Place: Ahmedabad

ANNEXURE-6
CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance Report for the year ended on March 31, 2020:

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 level 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.

The Company has complied with all the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Regulations"), as applicable, with regard to Corporate Governance and listed below is the status with regard to same:

2. Board of Directors:

At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations.

a. Composition and category of directors

The current policy is to have an optimal blend of Executive and Independent Directors having in-depth knowledge of textile industry in addition to their own areas of specialization and expertise. The size and composition of the Board conforms to the requirements of the Corporate Governance code under Regulation 17(1) and Regulation 17(1A) of SEBI Regulations. The Board of Directors of the Company as at March 31, 2020 comprised of 6 Directors including one Woman Director with more than 50% of it as Non-Executive Independent Directors. Further none of the Directors is member of more than 10 (ten) board level committees and Chairperson of more than 5 (five) board level committees across all listed entities in which he/she is a Director. For this purpose, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered as per SEBI Regulations. None of the Directors is a Director in more than 8 (eight) listed companies. None of the Independent Directors of the Company serve as an Independent Director in more than 7 (seven) Listed Companies and none of the Independent Directors is serving as an Independent Director in more than 3 (three) listed entities if he / she is serving as a Whole Time Director in any listed entity. The board comprises of 6 (Six) Directors as on March 31, 2020, details of which are as follows:-

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

*Appointed as Non-Executive Non-Independent Director w.e.f. May 25, 2019.

Note : Mr. Atulkumar Singh resigned as Non-Executive Independent Director & Mr. Krishnachintan Parikh resigned as Executive director w.e.f. May 25, 2019 & December 20, 2019 respectively.

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

- At the ensuing Annual General Meeting, Mr. Chintan N. Parikh, Managing Director, whose term expired on February 6, 2020 and who was re-appointed w.e.f. February 7, 2020 as the Managing Director by the Board of Directors of the Company, is to be re-appointed as a Managing Director by the Shareholders and he also retires by rotation and being eligible for seeking re-appointment. His brief profile is as under:

  Mr. Chintan N. Parikh, Founder and Chairman of Group Ashima, started his career as a first-generation entrepreneur in 1981. He had a dream to make Ashima, a front runner in the world of cotton textiles. He was a doctoral student of Indian Institute of Management (IIM), Ahmedabad in the area of Finance & Accounting. He was the Chairman of Confederation of Indian Textile Industry (CITI) in the year 2003. He was also a Member of the Board of Governors of IIM, Ahmedabad during April 2007 to April 2016, for consecutive 3 terms, each term having tenure of 3 years. He was also specially appointed as President of Gujarat Chamber of Commerce and Industry (GCCI) for the year 2010-11, by the Empowered Committee of GCCI, entrusted with the task of transforming functioning and operations of GCCI including its constitution, which task he successfully accomplished. He has about 38 years of experience in the field of textiles. He was also President of Ahmedabad Textiles Mills Association (ATMA). He has been steering the Company with focus on innovation and operational efficiency and is responsible for day to day management and affairs of the Company, subject to overall superintendence, control and directions of the Board of Directors of the Company. Under his leadership, the company established itself strongly in the domestic and international markets as a supplier of quality fabrics.

- At the ensuing Annual General Meeting, Mr. Shrikant S. Pareek, Director who was appointed as an Additional Director (Whole Time Director) and designated as Director (Operations) w.e.f. August 1, 2020 by the Board of Directors of the Company, is to be appointed by the Shareholders. His brief profile is as under:

  Mr. Shrikant S. Pareek has done his B. Tech. (Textile Technology) from L.D.C.E. and MBA (Marketing) from BK School of Management, Ahmedabad. He has over 28 years of experience in field of textiles. After working in Arvind and ATIRA, he is working with the group since past 25 years. While working in various positions from head of the department to Group CEO, he has managed various assignments in all the divisions and functions of the company. While having responsibilities at corporate level and in strategic management he is responsible as the business head of Yarn Dyed Shirting Division. The Company has benefitted lot on account of his leadership, sharp insight and analytical ability during his tenure.

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	No
2.	Dr. Bakul H. Dholakia	3	No
3.	Mr. Neeraj Golas	5	Yes
4.	Mr. Sanjay Majmudar	5	Yes
5.	Mrs. Koushlya Melwani	5	Yes
6.	Mr. Vipul Naik*	5	Yes
7.	Mr. Atul Kumar Singh^	1	-
8.	Mr. Krishnachintan Parikh@	1	Yes

*Appointed as Non-Executive Non-Independent Director w.e.f. May 25, 2019

^ resigned as Non-Executive Independent Director w.e.f. May 25, 2019

@ resigned as Executive Director w.e.f. December 20, 2019

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

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

*Appointed as Non-Executive Non-Independent Director w.e.f. May 25, 2019

^ resigned as Non-Executive Independent Director w.e.f. May 25, 2019

@ resigned as Executive Director w.e.f. December 20, 2019

Note: 1. Includes Directorship of Private Limited Companies.

2. Includes only memberships of Audit Committee and Stakeholders Relationship Committee other than Ashima Limited.

d. Number of board meetings held during the year 2019-20:

During the year 2019-20, the Board of Directors of the Company met 5 (five) times on following dates:- May 25, 2019, August 10, 2019, October 19, 2019, November 9, 2019 and February 8, 2020.

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, who resigned w.e.f. December 20, 2019, there is no relationship between the Directors inter-se.

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

Sr. No.	Name of Directors	Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the Company
1.	Dr. Bakul H. Dholakia	13400	0.00
2.	Mr. Neeraj Golas	Nil	---
3.	Mr. Sanjay Majmudar	Nil	---
4.	Mrs. Koushlya Melwani	Nil	---
5.	Mr. Vipul Naik*	Nil	---
6.	Mr. Atul Kumar Singh^	Nil	---

*Appointed as Non-Executive Non-Independent Director w.e.f. May 25, 2019

^ resigned as Non-Executive Independent Director w.e.f. May 25, 2019

g. Details of familiarization programme imparted to Independent Directors:

Independent Directors when appointed are taken through an introductory familiarization program / presentation covering the history and background of the Company and its growth and various achievements. All Independent Directors are also familiarized with the Guidelines of professional conduct, Role, Function and Duties as an Independent Director under the Companies Act and applicable SEBI Regulations. As a part of familiarisation programme as required under SEBI Regulations, the Independent Directors are apprised during the Board /Committee Meetings on the Company operations, governance, internal control process and other relevant matters. They are also updated by way of presentations about the amendments to various enactments viz., Companies Act, 2013, applicable 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 is posted on website of the company at www.ashima.in.

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

Pursuant to the provisions of the Companies Act and SEBI Regulations the Board of Directors has carried annual evaluation of individual directors (independent and non independent), Board Committees and Board as a whole at its meeting held on February 8, 2020 based on the separate criteria /parameters laid down by the Nomination and Remuneration Committee. The criteria include Qualification, Experience and Knowledge & Competency, Availability & Attendance and Fulfillment of functions assigned by the Board / Law, Commitment, Contribution and Integrity, Independence, Independent views and judgment, Compliances with policies of the company, Code of Conduct & Ethics etc., for Independent and Non Independent Directors.

The Criteria for evaluation for Board include; Structure of Board (Competency, Experience, Qualification), Meeting of the Board (Regularity, Frequency, Agenda, Discussion, Recording of minutes, Dissemination of information), Function of the Board (Role and Responsibility, Governance & Compliance, Evaluation of Risk, Grievance redressal for investors, Review of Board Evaluation and Facilitation of Independent Directors and Board and Management (Evaluation of performance of the management, Secretarial Support and succession plan).

The Independent Directors also held their separate meeting on February 8, 2020 in accordance with the applicable provisions, for review of performance of non-independent directors, Chairperson and Board as a whole, based on the criteria laid down by the Nomination and Remuneration Committee and detailed hereinabove. The Criteria for evaluation of Chairperson includes Qualification, Experience and Knowledge & Competency, Leadership effectiveness and ability to steer the meetings, Impartiality and Commitment, Ability to keep shareholders' interest in mind and Initiative, Commitment & Contribution to Board process.

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

The following is the list of core skills / attributes identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

i) Knowledge of Company's business (i.e. Textile Industry), policies, major risks/threats and potential opportunities, technical /professional skills and specialized knowledge of Company's business

ii) Sales & Marketing skills (both domestic & International),

iii) Business strategy & Analytics, Critical & Innovative thinking

iv) Corporate Management and Corporate Governance

v) Financial and Management skills, administration

vi) Leadership and decision making

vii) Behavioural skills -Attributes and competencies to use knowledge and skills for effective contribution to Company's growth

viii) Risk identification- Legal and Regulatory compliance

Areas of skills/expertise	Name of Directors					
	Mr. Chintan N. Parikh	Dr. Bakul H. Dholakia	Mr. Neeraj Golas	Mr. Sanjay Majmudar	Mrs. Koushlya Melwani	Mr. Vipul Naik
Knowledge of Company's business	√	√	√	√	√	√
Sales & Marketing skills	√	-	-	-	-	√
Business strategy/ Analytics, Critical/ Innovative thinking	√	√	√	√	-	√
Corporate Management & Governance	√	√	√	√	√	-
Financial, management skills, Administration	√	√	√	√	√	-
Leadership and decision making	√	√	-	√	-	√
Behavioural Skills	√	√	√	√	√	√
Risk Identification	√	√	√	√	√	√

Note : Each Director may possess varied combinations of skills/experties within the described set of parameters and it is not necessary that all Directors possess all skills/experties listed therein.

j. Confirmation as regards independence of Independent Directors:

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

k. Reasons for the resignation of an Independent Director:

Mr. Atulkumar Singh, Non-Executive Independent Director of the Company has resigned from the Board of Directors of the Company before expiry of his tenure, w.e.f. May 25, 2019. He has resigned on account of his personal reasons and other commitments and also confirmed that there were no other material reasons for his resignation.

3. Audit Committee:

The Board of Directors of the Company has constituted an Audit Committee in the year 2001. The composition of Audit Committee has undergone changes from time to time and lastly it has been re-constituted by the Board of Directors in their meeting held on May 25, 2019. The Audit Committee acts as link between the Statutory and Internal Auditors and the Board of Directors. It assists the Board of Directors in fulfilling its oversight responsibilities of monitoring financial reporting processes; review the Company's established system and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. As on March 31, 2020, the Audit Committee comprised of 3 (Three) Directors viz. Mr. Sanjay Majmudar-Chairman, Dr. Bakul H. Dholakia and Mrs. Koushlya Melwani, the members of the committee. The constitution of audit committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Regulations.

- Brief description of terms of reference of Audit Committee:

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

- Audit Committee Meetings and attendance:

  During the year 2019-20, the Audit Committee met 5 (five) times on May 25, 2019, August 10, 2019, October 19, 2019, November 9, 2019 and February 8, 2020. 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 25, 2019 was to review annual financial statements for the year ended on March 31, 2019.

  Mr. Sanjay Majmudar, Independent Director and Member of the Audit Committee was appointed as Chairman of the Audit Committee with effect from May 25, 2019.

- 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.	Mr. Sanjay Majmudar#	Chairman	5	5
2.	Dr. Bakul H. Dholakia	Member	5	3
3.	Mrs. Koushlya Melwani	Member	5	5

#Appointed as Chairman of the Audit Committee w.e.f. May 25, 2019.

4. Nomination and Remuneration Committee (NRC):

The Board of Directors of the Company has constituted a Nomination and Remuneration committee in the year 2003. The composition of committee has been changed as and when required and lastly it has been re-constituted by the Board of Directors in their meeting held on November 9, 2019.

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

a. 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,

b. Formulation of criteria for evaluation of performance of Independent Directors and the Board,

c. Devising a policy on Board diversity,

d. 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,

e. to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors,

f. recommendation to the board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration policy is available on the website of the Company www.ashima.in.

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Regulations, at present Mrs. Koushlya Melwani– Independent Director is the Chairman of the Committee and Mr. Chintan N. Parikh, Dr. Bakul H. Dholakia and Mr. Neeraj Golas are the members of the committee. During the year 2019-20, the Nomination and Remuneration Committee met thrice on May 25, 2019, November 9, 2019 and February 8, 2020. 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	3	3
2.	Dr. Bakul H. Dholakia	Member	3	3
3.	Mr. Neeraj Golas	Member	3	3
4.	Mr. Chintan N. Parikh	Member	3	3

Appointed as Chairman of the Nomination and Remuneration Committee w.e.f. November 9, 2019.

5. Remuneration of Directors for the financial year 2019-20:

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee at their meeting held on November 9, 2019 approved re-appointment of Mr. Chintan N. Parikh as Managing Director for period of 3 (Three) years w.e.f. February 7, 2020 at a remuneration of ₹ 120 Lakhs per annum and perquisites pursuant to Section 196, 197 & 203 and Schedule V of the Companies Act, 2013, subject to approval of shareholders.

The remuneration (including perquisites not considered as part of Managerial Remuneration as per provisions of Schedule V of the Companies Act, 2013) paid for the financial year ended on March 31, 2020 to Mr. Chintan N. Parikh, Managing Director of the Company is ₹ 133 lakhs as approved by the Board of Directors and to be approved by the Shareholders for the 3 year tenure beginning from February 7, 2020 (also includes merged entity) and to Mr. Krishnachintan Parikh, Executive Director of the Company is ₹ 40.53 lakhs. The perquisites include contribution to provident 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 ₹ 10,000/- per meeting for Board Meeting, ₹ 5,000/- per meeting for the Audit Committee Meeting and ₹ 3,000/- per Meeting for other Board Level Committees. Sitting fees of ₹ 3,000/- was also paid to each Independent Director for their separate meeting. The total sitting fees paid for the year ended on March 31, 2020 to the directors is as follows:-

No.	Name of Directors	Amount (in ₹)
1.	Dr. Bakul H. Dholakia	57000
2.	Mr. Neeraj Golas	62000
3.	Mr. Sanjay Majmudar	78000
4.	Mrs. Koushlya Melwani	87000
5.	Mr. Vipul Naik*	50000
6.	Mr. Atul Kumar Singh **	10000

*Appointed as Non-Executive Non-Independent Director w.e.f. May 25, 2019.

** Resigned as Non-Executive Independent Director w.e.f. May 25, 2019.

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

The term of appointment of Managing Director is for a period of 3 years w.e.f. February 7, 2020 as approved by the Board, subject to approval of Shareholders. The notice period and severance fee, if any, are governed by the applicable rules of the Company at the relevant point in time. Presently, the Company does not have a scheme for grant of stock options to its employees.

6. Stakeholders Relationship Committee (SRC):

The Company constituted Shareholders'/Investors' Grievances Committee in the year 2002. As at March 31, 2020, the committee consists of Mrs. Koushlya Melwani, a Non-Executive Independent Director as Chairperson, Mr. Neeraj Golas and Mr. Sanjay Majmudar, Independent Directors as Members and Mr. Hiren S. Mahadevia, Company Secretary acts as the Secretary to the Committee and is also the "Compliance Officer" pursuant to the requirements of SEBI Regulations.

The role of the SRC committee as approved by the Board is in compliance with the SEBI Regulations (as amended and effective from 1.4.2019) and the same is as under:

a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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

During the year 2019-20, the Committee met 4 (Four) times in the year on May 25, 2019, August 10, 2019, November 9, 2019 and February 8, 2020 to take stock of redressal of investors complaints and the same was attended by all the members of the Committee. The Company had received 1 investor complaint during the financial year under review, which was resolved satisfactorily, and that there was no complaint pending as at March 31, 2020. 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. Neeraj Golas	Member	4	4
3.	Mr. Sanjay Majmudar	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 and 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. A declaration signed by the Managing Director to this effect is attached at the end of this report.

8. Code of Conduct for Prohibition of Insider Trading:

The Company has updated its "Code of Conduct to regulate, monitor and report trading by Insiders" (Code of Conduct) and a "Code of Practices and Procedures for fair disclosure of unpublished price sensitive information for adhering to the principles of fair disclosure" (Code of Procedures) in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015. The revised Codes are effective from April 1, 2019 and they are available on the Company's web site www.ashima.in. Mr. Hiren S. Mahadevia, Company Secretary is the Compliance Officer for the purpose of this Code.

9. Risk Management:

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

10. Meeting of Independent Directors:

Pursuant to the requirements of the Companies Act, 2013 and Regulation 25 of SEBI Regulations, the Independent Directors met on February 08, 2020 inter-alia to discuss:

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

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

Sr. No.	Name	Designation	No. of meeting held	No. of meeting attended
1.	Dr. Bakul H. Dholakia	Chairman	1	1
2.	Mr. Neeraj Golas	Member	1	1
3.	Mrs. Koushlya Melwani	Member	1	1
4.	Mr. Sanjay Majmudar	Member	1	1

11. General Body Meetings:

Location and time for the last three AGMs:

Year	Date	AGM	Venue	Time
2017	11/08/2017	AGM	Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021.	11.00 a.m.
2018	11/08/2018	AGM	As above	11.00 a.m.
2019	10/08/2019	AGM	As above	11.00 a.m.

Special resolutions passed in the previous three annual general meetings:

S. No.	Date	Details of Special Resolution passed
1	11/08/2017	1. Re-appointment of Mr. Chintan N. Parikh as Managing Director of the Company and approval of his remuneration. 2. Alteration of Articles of Association (AOA) of the Company as per the provision of the Companies Act, 2013
2	11/08/2018	No special resolution was passed by the Shareholders
3	10/08/2019	1. Re-Appointment of Dr. Bakul H. Dholakia (DIN: 00005754) as an Independent Director. 2. Alteration of Object clause of Memorandum of Association.

No special resolution is proposed to be conducted through postal ballot. However, resolution, if any, required to be passed through postal ballot during financial year 2020-21 shall be passed as per the prescribed procedure.

National Company Law Tribunal (NCLT) convened meetings:

Date	Class of meeting	Time	Time
11/03/2020	Equity Shareholders	Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021.	10.30 a.m.
11/03/2020	Preference Shareholders	As above	11.30 a.m.
11/03/2020	Secured Creditors	As above	12.00 noon
11/03/2020	Unsecured Creditors	As above	12.30 p.m.

12. Means of Communication:

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

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

13. General Shareholders' Information:

a. **AGM date, time and venue:** Tuesday, September 29, 2020 at 11:30 a.m. at through Video Conferencing / Other Audio Visual Means. The venue of the meeting shall be deemed to be the Registered Office of the Company at Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad-380021.

b. **Financial Year:**

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

c. **Dividend Payment date:** No dividend has been recommended for the financial year ended on March 31, 2020.

d. **Listing on stock exchanges:**

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

Listing fees has been paid for both the above stock exchanges for financial year 2019-20.

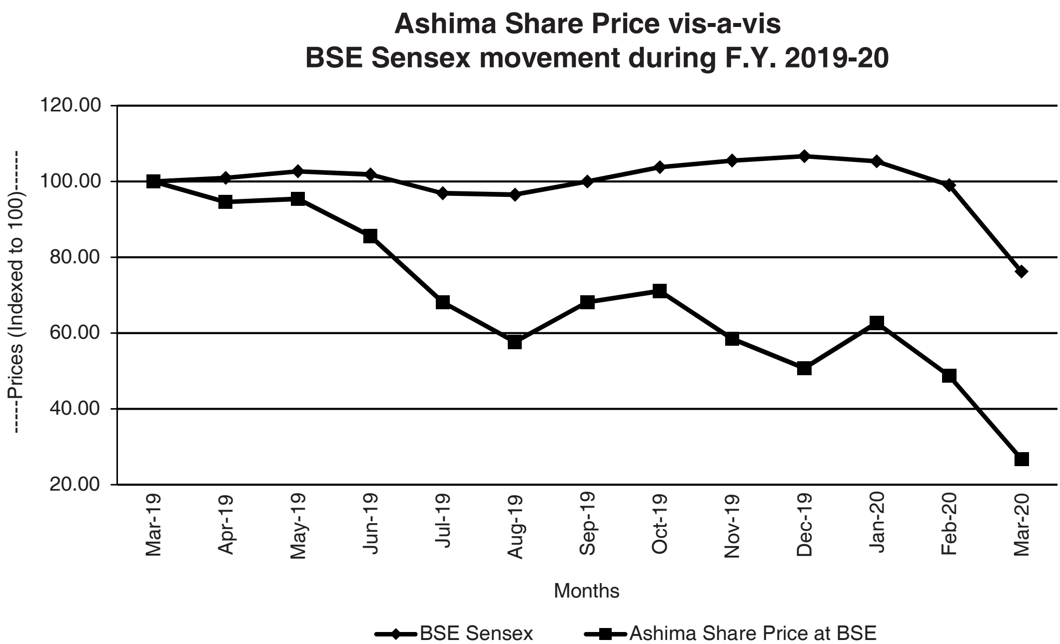
e. Stock Code:

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

f. Monthly high and low quotations along with the volume of shares traded at National Stock Exchange and BSE Limited during the financial year ended March 31, 2020:

MONTH	NSE			BSE		
	High ₹	Low ₹	Volume Nos	High ₹	Low ₹	Volume Nos
April 2019	13.00	11.10	6,62,789	13.16	11.00	2,43,716
May 2019	12.45	9.70	8,48,152	12.79	9.56	2,21,304
June 2019	11.80	8.50	11,60,492	12.00	8.50	2,71,428
July 2019	10.95	6.10	6,92,177	10.87	6.25	1,55,426
August 2019	8.90	6.20	4,96,018	8.60	6.26	1,60,097
September 2019	10.00	6.85	6,92,087	9.73	6.90	1,15,647
October 2019	9.05	6.65	9,04,671	9.00	6.85	2,37,108
November 2019	8.50	6.55	6,68,133	8.49	6.51	78,481
December 2019	7.25	5.45	8,76,767	7.30	5.65	1,59,726
January 2020	9.65	6.15	16,15,056	9.80	6.22	6,43,410
February 2020	8.15	5.50	6,34,437	7.79	5.51	91,747
March 2020	6.45	2.90	13,69,084	6.70	3.00	2,61,631

g. Performance of Company's closing share price during the FY 2019-20 in comparison of BSE Sensex:



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

i. Registrar and Share Transfer Agent:

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

j. Share Transfer System:

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

k. Distribution of shareholding:

As on March 31, 2020 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	16380	72.82	2708452	2.11
501-1000	2420	10.76	2162244	1.68
1001-2000	1317	5.85	2169579	1.69
2001-3000	636	2.83	1679444	1.31
3001-4000	286	1.27	1045098	0.81
4001-5000	338	1.50	1640062	1.28
5001-10000	532	2.37	4088334	3.18
10001 and above	585	2.60	112960663	87.94
Total	**22494**	**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	78251745	60.92
	Sub Total A	**78251745**	**60.92**
B.	**Non- Promoter holding (Public)**		
	a. Mutual Funds and UTI	3300	0.00
	b. Financial Institutions/ Banks /NBFC	20274	0.02
	c. NRIs / OCBs	572163	0.45
	d. Bodies Corporates	12201921	9.50
	e. Clearing Members	67572	0.05
	f. Individual / HUF /Trust	37332909	29.06
	g. Unclaimed Shares	3992	0.00
	Sub Total B	**50202131**	**39.08**
	Grand Total ----------------------------→	**128453876**	**100.00**

l. Dematerialisation Details and liquidity:

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The shares of the Company are compulsorily traded in demat form effective from March 24, 2000. The Company had entered into tripartite agreement with NSDL, CDSL and Link Intime India Private Ltd, for dematerialisation of the securities. Upto March 31, 2020, 16125 shareholders have sought dematerialisation of their 12,77,55,876 equity shares which constitutes 99.45% of total share capital of the Company.

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

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

n. Commodity Price Risks and Commodity Hedging Activities:

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

o. Plant location:

Texcellence Complex, Khokhara – Mehmedabad, Ahmedabad – 380021.

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

Link Intime India Pvt. Ltd
5th Floor, 506 to 508, Amarnath Business Centre (ABC-1),
Beside Gala Business Centre, Near St. Xavier's College Corner,
Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat
Phone-079-26465179, Fax-079-26465179 e-mail-ahmedabad@linkintime.co.in

All other investors related complaints be addressed to:

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

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

q. Credit Ratings:

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

r. Compliance with Code of Business Conduct and Ethics:

As provided under SEBI Regulations, the members of the Board of Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended on March 31, 2020 and the Managing Director has signed a declaration to this effect.

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

t. Disclosure with respect to unclaimed suspense account

i. No shares were lying in the suspense account at the beginning of the year. However, the Board of Directors of the company in its meeting held on May 25, 2019 has approved the transfer of unclaimed shares into "Ashima Limited-Securities Unclaimed Suspense Account" and accordingly unclaimed shares have been transferred to said account.

ii. No shareholder has approached to Company for transfer of shares from suspense account during the year and therefore no shares has been transferred.

iii. 3992 unclaimed shares held by 576 shareholders were lying in the suspense account at the end of the financial year

iv. All corporate benefits accruing on such shares viz. bonus shares, split etc. shall also be credited to such “Unclaimed Suspense Account” and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

14. Disclosures:

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

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

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

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

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

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

d) Policy for determination of material subsidiary.

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

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

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

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

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

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

Modified Opinion(s) in Audit Report: The financial statements presented for the year 2019-20 do not have any qualifications.

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

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

Financial Officer.

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

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

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

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

The Company has taken a certificate from Mr. Tapan Shah, a Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

The Board of Directors confirm that during the year there has been no instance of the Board not accepting any recommendation of any Committee of the Board which is mandatorily required.

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

₹ in Lacs

Payment to Statutory Auditors	FY 2019-20
Statutory Audit Fees	11.00
Other Services/Other matters	4.03
Total	**15.03***

*Includes merged entity

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

The Company has zero tolerance for Sexual Harassment at Workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"), and the rules framed thereunder. The Board of Directors has constituted an Internal Complaints Committee (ICC) in due compliance with the POSH Act.

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

The above report has been placed before the Board of Directors of the Company at their meeting held on July 30, 2020 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 : July 30, 2020

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, 2020, received from the members of the board and senior management personnel declaration of compliance with the code of conduct as applicable to them.

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

Place : Ahmedabad
Date : July 30, 2020

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, 2020 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

Hiren S. Mahadevia
Chief Financial Officer

Place : Ahmedabad
Date : July 30, 2020

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To
The members of **Ashima Limited**

1. This report contains details of compliance of conditions of Corporate Governance by Ashima Limited ("the Company") for the year ended on March, 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 [Listing Regulations] pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility

2. The Compliance with the terms and conditions of Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents.
3. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

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

Opinion

8. 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, 2020.
9. 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
UDIN : 20102651AAAABP3722

Place : Ahmedabad
Date : July 30, 2020

ANNEXURE-7
MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OUTLOOK

The Global economy suffered a major slowdown in the year 2019 and the growth remained subdued. It has been a challenging year and there were number of inter-related and inter-connected factors which influenced the state of economy. Global trade disputes and geopolitical tensions were the major factors to dampen the economic growth. Commodity market including crude oil remained volatile during the year having impact on inflation and purchasing power which adversely affect the household income and consumer spending. According to the IMF, if the trade war between US and China escalates then it has the potential to wipe-off approximately 0.5% of the global economy with its adverse effect on business confidence, asset prices, investments and global supply chain. The manufacturing sector will continue to be adversely affected by international trade tensions, the economic slowdown in China, and elevated policy uncertainty, including over the exit of the United Kingdom of Great Britain and Northern Ireland from the European Union. But as Central Banks responded by easing monetary policy, global liquidity conditions remained highly accommodative. Across the developed economies, the growth momentum has slowed considerably since mid-2018. In 2019, global GDP growth slowed down to 2.4%, from 3.0% a year earlier.

Any expectation of better growth in 2020 was squashed due to outbreak of the novel corona virus (COVID-19). The COVID-19 pandemic has caused havoc not only nationally but internationally as well. It has triggered unprecedented restrictions not only on the movement of people but also on a range of economic activities. The adverse effects of prolonged restrictions on economic activities in developed economies will soon spill over to developing countries via trade and investment channels. With this the world economy has come to a grinding halt and the economic fallout would be enormous in terms of loss in production, income, and employment. This pandemic has triggered the deepest global recession in decades. Before the outbreak of COVID-19, world output was expected to expand at a modest pace of 2.5 % in 2020, as per report of World Economic Situation and Prospects 2020. Now, as a result of the pandemic, the baseline forecast envisions a sharp 5.2% contraction in global GDP in 2020. At the same time, the IMF projects that, if COVID-19 is brought under control by the second half of 2020, global economic growth could jump to 5.8% in 2021, as movement restrictions ease and economic normalization starts to take place with the help of strong policy support.

INDIAN ECONOMIC OUTLOOK

India has also witnessed economic slowdown in 2019, with the country's manufacturing sectors and overall consumption demand facing a serious and constant decline. The main reasons attributed to the fall in the GDP growth rate were - contracted manufacturing activity, weakened investments, and lessened consumption demand. Key factors like credit crunch in the financial markets, subdued exports due to unhealthy world trading pattern, declined consumer consumption and unemployment also contributed to the slowdown to the economy. Private consumption expenditure and gross fixed capital formation have been impacted to a great extent in the continuing economic slowdown. The Government of India has started taking several initiatives across sectors to improve the overall economic condition in the country.

The economic impact of the 2020 corona virus pandemic in India has also been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The likely duration, intensity and spread of the coronavirus has brought in increased uncertainty to the global and domestic economic outlook. India's economic activity came to a standstill driven by the lockdown enforced to save nation's vast population from inevitable health risk. Complete lockdown of the country was unparalleled to any disruption experienced in the past several decades. It is feared that COVID-19 would leave a deep cut in economy and corporate financials. Like its counterparts across the globe, the Indian government has announced a slew of measures to prevent total collapse. India's economic growth has the potential to bounce back once the COVID-19 pandemic settles. In the short term, significant monetary and liquidity measures taken by the RBI and fiscal measures taken by the Government are expected to mitigate the adverse impact of COVID-19 on domestic demand and help spur economic activity once normalcy is restored. IMF projects sharp contraction of 4.5% in Indian economy in 2020 which is a historic low.

INDIAN TEXTILE INDUSTRY OUTLOOK

The textiles industry is one of the largest contributors to the Indian Economy in terms of income generation and employment provider. It also contributes almost 11% of the total exports of the country.

However, on account of Covid-19 impact, the industry is adversely affected by way of disruption in labour supply, raw material unavailability, working capital constraints and restricted demand due to limited movement of people and their purchasing ability. With the total disruption in workflow and production schedule, the industry is facing its worst-ever crisis. There is a real possibility that the crisis will result in bankruptcy for some manufacturers, as declining demand, production and revenues, along with debt obligations, take their cumulative toll.

COMPANY'S PERFORMANCE

The Company has reported improvement in its operational financial performance during the year under review. Economic slowdown has hit the company hard in terms of its business volumes and as a result its divisions have witnessed considerable reduction in production and sales volumes. At the same time, the company has continued its efforts on enhancing its product profile and customer segments which have helped it improve upon the margins. Over last few years, the company has invested into its operational capabilities targeted towards value-added products and has taken various initiatives to strengthen its manufacturing facilities and marketing setup. These steps have helped the company off-set the adverse impact of lower volumes to some extent. Moreover, the company's focus continues to remain on better controls over the operational costs as a continuing mission and its results are visible in terms of reduced costs across most expense heads.

The company has also tightened its controls over the working capital cycle and reduced the level of current assets considerably, thereby having a positive impact on the finance costs. The finance costs have also reduced on account of interest subsidy income for investments made under the government textile policy.

The results for the year also include financials of Ashima Dyecot Pvt Limited (ADPL), a group company that got merged with the Company. ADPL is engaged in the business of processing textile fabrics and manufacture of readymade garments and it also has a presence in the retail market through its chain of stores under the brand name Frank Jefferson. The appointed date of the merger is April 1, 2019 and the effective date of the merger is July 29, 2020. The previous year's figures have also been recast to make them comparable.

SEGMENT ANALYSIS AND REVIEW

Textiles is the sole segment in which the company operates. Within Textiles, the company has various divisions based on its product profile. Such division-wise performance during the year is discussed hereinbelow:

Denim Division: Reeling under the slowdown in the industry as well as owing to impact of lockdown during the fag end of the year, the volumes for the division have reduced during the year. The reduction is however limited to domestic brand and distributor segment. On the other hand, business with garment exporters as well as physical exports have gained volumes with innovative product developments with the help of new rope dyeing facility. Denim fabrics continue to remain in fashion world over however manufacturing capacities have surpassed the demands and therefore the markets have become highly price sensitive. Though pricing pressure continues across product varieties and markets, company's flexibility in offering product range upon upgraded manufacturing facilities have strengthened its pricing capabilities and the company has been able to provide cost effective product developments and improve upon the margins across almost all market segments. The economic slowdown also had an impact of softening the prices of inputs which also helped the company navigating the tough market conditions. The division also continues to keep a close vigil on all of its operational costs including fixed costs by way of optimizing products and processes. This has helped reduce the fixed costs across all the heads. Overall, the operational profitability for the division has improved during the year, though not significantly.

Spinfab Division: Cotton yarn dyed fabrics have been facing tough market situation with the shelf space being partly taken up by prints, linen and other fancy shirting products. Over the last few years, the company has been able to strengthen its position with brands and large format stores. As a result, though most of the brands suffered severe slowdown in their seasonal sales volumes across the country, the company could shield itself from its adverse impact to a great extent. However, the business with distributor and garment exporter segments took a hit and have reduced considerably during the year. Most of the exporters have been citing cuts in order quantities across majority of international brands resulting from lower demand and adopting a cautious approach. A lot of orders were lost to China fabric- Bangladesh garmenting route owing to cheaper prices as well as import duty advantages. Several Domestic brands as well as large format stores have also started diverting volumes of standard products to Bangladesh owing to duty free imports. This has pushed down the overall volumes for the division. The distribution segment which helps to make up the quantities in quarters of lower volumes has become unviable due to very low prices, long credit terms and lower minimums per design. Therefore, the division put more efforts in the large format stores segment which was the fastest growing segment in the domestic market and could achieve higher volumes in that segment. At the same time, ongoing pressure on prices limited its ability to improve upon the margins. Further, in spite of lower volumes, the division has been able to keep its operational costs under the check and has also maintained strict controls over its fixed costs which have reduced across major heads. The tighter controls over the costs have helped the division offset the impact of reduced volumes and keep the bottom-line almost unaffected.

Dyecot Division: The fabric processing division has reported improved profitability though the volumes and capacity utilisation suffered on account of turbulent market conditions. Overall business sentiment was not positive particularly from Indian Domestic market, especially during the second half of the year, leading to sharp reduction in orders. There was also a conscious decision to reduce stake with a few customers in line with corporate policy of observing prudent financial discipline. Though swift efforts were taken for introducing new customers and many new customers were added, a typical business cycle requires a longer lead time and initial volumes are smaller. The division keeps on working on new and value-added products on a continuous basis and could make deeper inroads with few of the existing customers by offering such products. This exercise also helped it improve margins with the existing set of customers. The variable and fixed costs remained well within the control and helped improve the bottom-line.

Garment Division: The division has reported subdued performance during the year. Sale volumes have been maintained however value addition per unit has significantly dropped, both in case of export business as well as for domestic business. Owing to the price as well as duty advantages some of the long-standing high value-addition customers shifted their large programs to places like Madagascar and Bangladesh. A few of other export customers lost their market position. As a result we lost significant business with some of the niche customers. We could however restore the volumes by focusing more on UK, Europe and Middle-East markets and grew our presence there. In domestic markets, owing to the prevailing conditions of lower liquidity and drop in sales, the brands lowered their retail prices and were looking for cheaper alternatives. Many of the brands shifted to Bangladesh market. Since it was not viable to offer such lower prices, we lost the volumes from a few of our reputed customers. At the same time, we have been able to develop alternative customers and that helped to maintain the volumes to some extent. Variable as well as fixed costs remained under control and helped arrest the loss in profitability.

Brand business and others: Overall profitability of brand and other businesses has moved up. Though there were some improvement in branded volumes, profitability has improved primarily on account of other income resulting from government subsidy and interest income on loans.

FINANCIAL RESULTS AND OUTLOOK

Financial performance:

The company has reported a loss of ₹ 339 lacs for the year at PBT level compared to profit of ₹ 3,278 lacs in the preceding year. However, the performance for the previous year includes ₹ 3,236 lacs being an exceptional and extraordinary item mainly related to gain on account of sale of surplus land, excluding which, the profit for previous year at PBT level works out to ₹ 42 lacs. Last year's financials also include a very high level of interest income in ADPL. Moreover, during the current year, the company has also made provisions towards impairment of current assets taking a conservative view of adverse impact that Covid-19 situation may have going forward. The operational performance for the year, excluding such non-recurring items, has improved considerably.

Raw material:

The raw material prices, especially for cotton and yarn, have tendency to move in synchronization with the global factors and hence they have softened during the year on account of economic slowdown. During the previous year, the prices for both coarser as well as finer counts had moved up considerably. Though the prices of finished products are directly linked to the prevailing raw material prices and hence changes therein are passed on to the customers, the reducing trend in the raw material prices during the current year helped the company improve upon its margins to some extent.

Dyes and Chemicals:

Prices of a few basic chemicals, which increased sharply during the previous year on account of closure of factories in China on environmental issues, have come down during the year. The prices of Indigo dyes, one of the major components for denim division, have also softened during the year. The company continues its efforts to keep on improving the processes and recipes as well as to develop alternatives in order to optimize the chemical costs.

Utilities:

Energy costs are very significant for the company and the company has very little control over their prices. The electricity rates have increased during the year, though moderately. In terms of the fuel costs, the company undertook a targeted approach to introduce more vendors and getting into some financial structuring, which has helped it reduce the cost of fuel. During the year, the company replaced 2 old boilers with a higher-capacity state-of-the-art new steam boiler which has also helped reduce the cost of overall steam generation. After a break of a few years, the pricing on power exchanges have turned little positive and hence the company has again started to source power through open access platform during the later part of the year. The savings are however very minimal and only for a part of the year.

Other expenses:

Other manufacturing expenses have reduced for all type of expense items, barring a few, on account of reduced volumes as well as effective controls. In spite of ageing plant and machinery, the stores/spares consumption as well as repairs expenses have also gone down. During the year, insurance premiums for all textile companies increased many-fold consequent to policy stance taken by the insurance companies to discontinue discounts across a number of manufacturing sectors including Textiles. The company was however able to mitigate its adverse impact to a great extent by reviewing and rationalizing insurance coverage across all asset class. Most of the fixed costs have also remained lower than last year on account of various policy measures and initiatives adopted by the company.

Interest:

Interest costs have reduced considerably during the year mainly on account of interest subsidy received by the company with regard to the investments made under Gujarat Textile Policy. Reduced volumes coupled with appropriate working capital management has also helped company to keep finance costs low.

Significant Changes in Financial Ratios:

Sr. No.	Financial ratio	Standalone		Consolidated	
		FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
1	Operating Profit Margin %	-0.80%	2.39%	-0.80%	2.34%
2	Net Profit Margin %	-1.51%	0.02%	-1.51%	-0.02%
3	Return on Net Worth	-1.94%	0.03%	-1.91%	-0.03%

Operating profit margin, net profit margin and return on net worth have marginally declined due to higher interest income in the previous year, as the entity had deployed surplus funds, which were subsequently deployed in working capital during the current year. In fact, business performance has improved over the previous year despite provisioning for inventory and trade receivable due to probable impact of Covid-19.

Outlook:

Outbreak of the Covid-19 pandemic during the later part of the year is likely to alter the business scenario significantly going forward. The year under review already witnessed impact of global slowdown consequent upon international trade disputes and geopolitical tensions. The pandemic is surely going to change the things for worse and its signs have already started becoming visible. The nationwide lockdown of about 10 weeks between March 2020 to May 2020 and substantial restrictions on movements have already disrupted manufacturing operations and adversely affected operational performance of the company, which would be more profoundly reflected in financials of next year.

The company is putting emphasis on niche products, innovative finishes and improving service levels to counter the impact of large number of organized and decentralized capacities that have come up over last few years. Moreover, the pandemic effect is likely to lower raw material prices which should help the company in pricing. With the merger of Ashima Dyecot Pvt Limited with the Company, we are also looking forward to developing markets for both denim and shirting divisions through the full package route of offering garments with quicker turnaround times and niche products at garment stage. This will help increase the volumes and would also give longer visibility of demands to the fabric divisions.

Management has already taken measures to contain the adverse impact by way of optimizing plant operations, cashflow and liquidity management and effective cost management. The business situation is likely to remain very challenging in times to come. The focus will also shift to ensure adequate risk management in light of volatile and uncertain economic scenario.

RESOURCES AND LIQUIDITY

Resource optimization is a focused area for the company and efforts are made to deploy the resources prudently. Company has already taken initiatives in terms of debt reduction, capital investments and working capital enhancements over last few years. Current scenario will require further attention in all these areas so as to ensure better financial health.

OPPORTUNITIES

Company is equipped with improved manufacturing and technological capabilities. The global trade disputes and the post-pandemic scenario is likely to bring about new business opportunities in domestic as well as international markets. Stable currency rates and favourable economic policies can help company get higher business volumes from newer segments.

THREATS, RISKS AND CONCERNS

Financial health of the textile sector will play a major role going forward. The current uncertain business environment can pose an enhanced risk in terms of timely liquidity and financial soundness of the business partners. Company will need to increase its level of transaction validations processes to ensure that risks are minimized.

INTERNAL CONTROL SYSTEMS

The internal control systems of the company have been commensurate with the size and nature of its business activities. The company keeps on strengthening the system based on its requirement in terms of changes in its financial and marketing policies. Company has in place proper control systems. Scope of the Audit committee is also reviewed periodically to ensure that adequate and effective systems remain in place.

RESEARCH AND DEVELOPMENT

The company keeps on focusing its efforts towards improvement in the products and processes on an on-going basis. This has a positive impact on operational efficiencies, product profile as well as on efficient cost management.

HEALTH, SAFETY AND ENVIRONMENT

The company considers its human resources as one of the most important assets and as a key variable in achieving its deliverables. Providing them with a safe and comfortable working environment remains a top priority for the Company. Company ensures that a motivating and conducive working condition is maintained to provide the essential platform for them to perform. The company regularly complies with all stipulated environmental and safety norms.

CAUTIONARY STATEMENT

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

For and on behalf of the Board

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

Place : Ahmedabad
Date : July 30, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of Ashima Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the Standalone financial statements of Ashima Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the Standalone financial statements , including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 46 to the accompanying Standalone financial statements, which describes management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations and other related matters. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there are no key audit matters to be communicated in our report.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

a) Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and 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 Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Standalone financial statements – Refer Item[B] of Note 27 to the Standalone 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 : July 30, 2020
UDIN : 20102651AAAABN9349

"Annexure A" referred to in the Independent Auditors' Report of even date to the members of ASHIMA LIMITED on the Standalone financial statements for the year ended March 31, 2020.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone 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) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving schemes of arrangements / amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are 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 the 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. As per the details given in the table below, the Company has granted an interest-free, unsecured loan to a company covered in the register maintained under Section 189 of the Act.

Sr. No.	Name of the Party	Relationship with the Company	Amount of loan granted during the year [₹ In Lacs]	Year-end Balance [₹ In Lacs]
1	Shardul Garment Pvt Ltd [Formerly - Freshtex India Ltd]	Associate	14.25	63.42

4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly paragraph 3 (iv) of the Order is not applicable to the Company.

5. The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax,

Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at March 31, 2020, there are no such undisputed dues payable for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at March 31, 2020 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	75.36	1997	Gujarat High Court
2	The Income Tax Act, 1961	Income tax	0.87	A.Y. 2001-02	Assessment Officer
3	The Income Tax Act, 1961	Income tax	5,672.03	A.Y. 2018-19	Commissioner of Income-tax (Appeals)-1, Ahmedabad
4	The Income Tax Act, 1961	Income tax	17.05	A.Y. 2017-18	Commissioner of Income-tax (Appeals)-1, Ahmedabad
5	The Income Tax Act, 1961	Income tax	43.86	A.Y. 2016-17	Assessment Officer
6	Gujarat Sales Tax Act, 1969	Sales Tax	1,906.01	F.Y. 1999-2000 and 2000-2001	Joint Commissioner (Appeals) of Commercial Tax
7	Gujarat Sales Tax Act, 1969	Sales Tax	26.87	A.Y. 2002-03	Joint Commissioner of Commercial Tax
8	Gujarat Value Added Tax Act, 2003	VAT	1.34	F.Y. 2011-12	Commissioner (Appeals) of Commercial Tax
9	Employees' State Insurance Act, 1948	ESI Contribution	91.56	FY 1994-95 to FY 1996-97	ESI Court
10	The Customs Act, 1962	Counter Vailing Duty	6.80	2012	Assistant/ Deputy Commissioner of Customs
11	The Customs Act, 1962	Counter Vailing Duty	3.50	2012	CESTAT
12	Central Excise and Salt Act, 1944	Excise duty and Penalty	265.77	FY 2002-03	Gujarat High Court
13	Central Excise and Salt Act, 1944	Excise duty and Penalty	35.66	FY 2010-11	Customs, Excise and Service Tax Appeallate Commissioner (A), Ahmedabad
14	Central Excise and Salt Act, 1944	Excise duty and Penalty	11.18	FY 2010-11	Joint Secretary, Revision Application under Ministry of Finance
15	Central Excise and Salt Act, 1944	Excise duty and Penalty	0.51	FY 2015-16	Customs, Excise and Service Tax Appeallate Commissioner (A), Ahmedabad

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ In lacs]	Period to which the amount relates	Forum where dispute is pending
16	Central Excise and Salt Act, 1944	Excise duty and Penalty	0.34	FY 2015-16	Customs, Excise and Service Tax Appeallate Commissioner (A), Ahmedabad
17	Textile Committee Act, 1963	Textile Cess	52.40	AY 1996-97 to 1999-00	Textile Cess Appellate Tribunal

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 19 of notes to Standalone financial statements.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

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 Standalone 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 them. 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 : July 30, 2020
UDIN : 20102651AAAABN9349

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 March 31, 2020 in conjunction with our audit of the Standalone 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 material misstatement of the Standalone 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 Standalone 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 Standalone 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 Standalone financial statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 : July 30, 2020
UDIN : 20102651AAAABN9349

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lacs

Particulars	Note No.	As at March 31, 2020	2019
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	4 (A)	**13,835**	13,624
Capital work-in-progress		**69**	32
Intangible Assets	4 (B)	**26**	31
Financial Assets:			
Investments	5	**352**	352
Other Financial Assets	6	**273**	283
Other Non-Current Assets	7	**83**	237
Assets for Current tax (Net)	8	**599**	633
		15,238	15,191
Current Assets:			
Inventories	9	**5,838**	7,333
Financial Assets:			
Investments	10	**1,276**	1,126
Trade Receivables	11	**1,648**	2,488
Cash and Cash Equivalents	12	**1,105**	1,333
Bank Balance other than Cash and Cash Equivalents	13	**622**	376
Loans	14	**2,004**	525
Other Current Financial Assets	15	**1,200**	3,005
Other Current Assets	16	**833**	674
Non-current Assets classified as held for sale		**-**	20
		14,525	16,879
Total		**29,763**	32,071
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	17	**19,166**	9,297
Other Equity	18	**3,057**	13,370
		22,223	22,667
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	19	**2,165**	2,457
Other Non-Current Financial Liabilities	20	**88**	39
Provisions	21	**-**	52
		2,252	2,547
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	**-**	34
Trade Payables	23		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**3,854**	5,401
Other Current Financial Liabilities	24	**1,225**	940
Other Current Liabilities	25	**61**	296
Provisions	26	**148**	186
		5,288	6,856
Total		**29,763**	32,071
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 47		

As per our report of even date

For and on behalf of the Board

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

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: July 30, 2020

Dipak Thaker
Company Secretary

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lacs

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME:			
Revenue from Operations	28	**28,544**	33,583
Other Income	29	**776**	1,821
Total Income		**29,320**	35,404
EXPENSES:			
Cost of Materials Consumed	30	**13,545**	17,066
Purchases of Stock-in-Trade	31	**672**	746
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	32	**1,174**	(189)
Employee Benefits Expense	33	**4,491**	5,225
Finance Costs	34	**203**	794
Depreciation, Amortisation and Impairment expense	4	**537**	555
Other Expenses	35	**9,036**	11,164
Total Expenses		**29,658**	35,362
Profit/(Loss) before Exceptional items and Tax		**(339)**	42
Exceptional Items		**-**	3,236
Profit/(Loss) before Tax		**(339)**	3,278
Less: Tax Expense:	36	**-**	-
Profit/(Loss) for the year		**(339)**	3,278
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		**(93)**	(35)
Income tax effect		**-**	-
Other Comprehensive Income for the year [Net of tax]		**(93)**	(35)
Total Comprehensive Income for the year [Net of Tax]		**(431)**	3,243
Basic & Diluted Earning per Equity Share [EPS] [in ₹]	37	**(0.18)**	1.71
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 47		

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: July 30, 2020

Dipak Thaker
Company Secretary

For and on behalf of the Board

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

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

		No. of Shares	₹ in Lacs
a	**Equity Share Capital:**		
	Equity Shares of ₹ 10/- each, Issued, Subscribed and Fully Paid-up:		
	As at March 31, 2018	128,453,876	12,845
	As at March 31, 2019	92,967,365	9,297
	As at March 31, 2020	53,171,917	5,317
	Equity Shares Suspense As at March 31, 2020	138,488,161	13,849

b	**Other Equity:**								₹ in Lacs
		Capital Reserve		**Retained Earnings**		**Other Comprehensive Income**		**Total**	
		2019-20	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19
	Balance at the beginning of the year	**38**	38	**(46,094)**	(49,372)	**(256)**	(221)	**(46,312)**	(49,555)
	Adjustment IND AS 116			**(12)**				**(12)**	-
	Add: Profit/(Loss) for the year			**(339)**	3,278			**(339)**	3,278
	Other Comprehensive Income for the year			**-**	-	**(93)**	(35)	**(93)**	(35)
		38	38	**(46,444)**	(46,094)	**(349)**	(256)	**(46,756)**	(46,312)
	Less:								
	General Reserve			**168**	168			**168**	168
	Capital Redemption Reserve - I			**105**	105			**105**	105
	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								
	Balance at the beginning of the year			**43,100**	43,016			**43,100**	43,016
	Adjustment on sales of Land			**(1)**	-			**(1)**	-
	Adjustment as per scheme of arrangement			**(9,869)**	84			**(9,869)**	84
	Balance at the end of the year			**33,230**	43,100			**33,230**	43,100
		-	-	**49,813**	59,683	**-**	-	**49,813**	59,683
	Balance at the end of the year	**38**	38	**3,368**	13,589	**(349)**	(256)	**3,057**	13,370

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: July 30, 2020

Dipak Thaker
Company Secretary

For and on behalf of the Board

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

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	₹ in Lacs			
		Year ended March 31,			
		2020		2019	
(A)	**Cash Flow from Operating Activities**				
	Profit/(Loss) before Exceptional items and Tax		**(339)**		43
	Adjustments for:				
	Depreciation and impairment	**537**		555	
	Interest and finance charges	**160**		744	
	Interest income	**(306)**		(1,415)	
	(Gain)/Loss on Property, Plant and Equipment sold/ discarded (net)	**(291)**		80	
	(Gain)/Loss on Investment	**(71)**		(87)	
	Liability no longer required written back	**-**	**30**	(144)	(266)
	Operating Profit before Working Capital Changes		**(308)**		(223)
	Adjustments for changes in working capital :				
	(Increase)/decrease in trade receivables	**840**		(1,051)	
	(Increase)/decrease in loans & advances and other assets	**37**		(53)	
	(Increase)/decrease in inventories	**1,495**		(506)	
	Increase/(decrease) in trade payables	**(1,547)**		(300)	
	Increase/(decrease) in other liabilities and provisions	**(160)**	**666**	(307)	(2,217)
	Cash Generated from/(used in) Operations		**357**		(2,440)
	Income taxes paid (Net of Refunds)		**34**		(111)
	Net Cashflow from Operating Activities		**391**		(2,551)
(B)	**Cash Flow from Investing Activities**				
	Purchase of Property, Plant and Equipments	**(808)**		(171)	
	Purchase of investment	**(117)**		(1,410)	
	Proceeds from sale of Property, Plant and Equipments	**2219**		5,771	
	Proceeds from sale of investment	**38**		39	
	Proceeds from/(investment in) bank deposits (with original maturity over 3 months)	**(246)**		(112)	
	Interest received	**246**	**1332**	1,419	5535
	Net Cashflow from Investing Activities		**1,332**		5,535

Particulars	₹ in Lacs			
	Year ended March 31,			
	2020		2019	
(C) Cash Flow from Financing Activities				
Proceeds from / (Repayment of) long term borrowings	**(337)**		(290)	
Proceeds from / (Repayment of) short term borrowings	**(34)**		(5,200)	
Short Term Loans Given / Received Back	**(1,479)**		5,053	
Effect on equity due to merger	**-**		(1,237)	
Interest and finance charges paid	**(101)**	**(1,951)**	(694)	(2,367)
Net Cashflow from Financing Activities		**(1,951)**		(2,367)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(228)**		617
Add: Cash and bank balances at the beginning of the year		**1,333**		716
Cash and bank balances at the end of the year		**1,105**		1,333

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

Details of Cash & Cash Equivalents	₹ in Lacs	
	As at March 31,	
	2020	2019
Balances with banks in current accounts	**1,095**	1,321
Cash on hand	**10**	12
Cash and cash equivalent as per note no. 12	**1,105**	1,333

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: July 30, 2020

Dipak Thaker
Company Secretary

For and on behalf of the Board

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

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

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”. Upon the merger of Ashima Dyecot Private Limited with the company, activities of processing textile fabrics including Interlining fabrics, garment washing activities (laundry) and manufacture of readymade garments have been added to its textile manufacturing portfolio and it also has a presence in the retail market through its chain of stores under the brand name “Frank Jefferson”.

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 120’s counts.

The company follows the motto of “Texcellence”, which means excellence in textiles, and consistently maintains high quality standards of its products. The Company also derives its competitive strengths from its compact size and versatility and adaptability in terms of product offering. It complies with strict environmental norms in its activities. The company enjoys a loyal customer base of leading brands and international customers.

A substantial part of the goods manufactured by the company are meant for exports, which includes direct exports as well as sale to garment manufacturers nominated by overseas buyers.

The company contributes significantly to the government exchequer in terms of foreign currency earnings and also in terms of payment of various taxes.

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

The financial statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the directors on July 30, 2020.

Note: 2-Significant Accounting Policies:

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

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

1 Basis of preparation:

A The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

i Derivative financial instruments

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii Defined benefit plans

iv Certain items of Property, Plant and Equipment

C The amounts mentioned in the financial statements are rounded off to the nearest Lac. Figures less than ₹ 50,000/- appear as zero ("0"). As the quarterly and yearly figures are taken from the sources and rounded to the nearest digits, the figures already reported for all the quarters during the year might not always add up to the year's 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.

e Insurance Claims

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

f Estimation uncertainties relating to the Covid-19 global pandemic:

The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended March 31, 2020. The Company has assessed the recoverability of trade receivables and inventories and has made necessary adjustments to the carrying amounts by recognising provisions/ impairment of assets where necessary. However, the actual impact may be different from that estimated, as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

3 Business Combinations:

The Company accounts for the common control transactions in accordance with the 'pooling of interest' method prescribed under Ind AS 103 – "Business Combinations" as follows:

A The assets and liabilities of the combining entities are reflected at their carrying amounts.

B No adjustments are made to reflect fair values or to recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies, if required.

C The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

D Wherever any business combination is governed by the Scheme approved by the NCLT, the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

4 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.

5 Revenue Recognition:

A Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, volume discounts and value added taxes.

B GST is not received by the Company on its own account, but is tax collected on value added to the Goods/ services by the Company on behalf of the government. Accordingly, it is excluded from revenue.

C For revenue to be recognised, the following specific recognition criteria for each types of revenue must be satisfied:

a Sale of Goods:

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

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

b Service Income:

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

c Interest Income:

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

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

e Other Income:

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

6 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 net 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.

7 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.

c Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 as per 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.

8 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 disposed off or held for disposal. On transition to Ind AS as on April 1, 2016, the Company has elected to measure its Property, Plant and Equipment at carrying value as per previous GAAP. As per the requirement of paragraph 11 of Ind AS 101, outstanding amount in the revaluation reserve was transferred to retained earning account upon transition to Ind AS, since the Company is no longer applying the revaluation model of Ind AS 16 upon transition and has elected to apply the cost model approach.

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

B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

C Depreciation on tangible assets is provided on “straight line method”. Useful life of tangible assets except buildings as per following details are different from that prescribed in Schedule II of the Act, which have been arrived at based on technical evaluation. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at reasonable intervals. Any revision to these is recognized prospectively in current and future periods.

Category of Asset	Useful life in years
Plant & Machinery (Other than Continuous Process Plants), on triple shift basis	22.50
Continuous Process Plants	45.00
Office Equipments	20.00
Computers & Printers	6.00
Vehicles	10.00
Furniture & Fixtures	20.00

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.

9 Leases

A The Company has adopted Ind AS 116 “Leases” using the modified retrospective approach, initially applying this standard from April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019, is not restated and reported as per Ind AS 17.

B The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company’s incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses (Refer note no. 12 for impairment).

C The Company as a lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right to use appears as part of fixed assets and the lease liability appears as non-current and current liability in the Balance Sheet.

10 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.

11 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.

12 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.

13 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 GST) comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition. Cost formulae used are "First In First Out", "weighted Average Cost", or "Specific Identification" as applicable.

C Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

14 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.

15 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.

16 Provision for Product Quality Claims:

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

17 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 gains or losses recognized in the other comprehensive income are not reclassified to profit or loss in subsequent periods.

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

i Service costs comprising current service costs and past service costs.

ii Net interest expense or income.

b Defined Contribution Plans - Provident Fund Contribution:

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

From this financial year, the Company has switched from Superannuation to National Pension Scheme ("NPS"), which is also a defined contribution plan and is managed by insurance company. The accumulated balance in the Superannuation accounts of employees would be transferred to their individual NPS accounts upon getting necessary statutory approvals.

C Employee Separation Costs:

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

18 Financial Instruments:

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

A Financial assets:

a Initial recognition and measurement:

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

b Subsequent measurement:

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

i Financial Assets at amortized cost:

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

ii Financial Assets at fair value through other comprehensive income (FVTOCI):

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

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

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

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

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

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

c Derecognition:

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

i The right to receive cash flows from the asset has expired, or

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

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

d Impairment of financial assets:

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

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

b Trade receivables or any contractual right to receive cash or another financial asset.

c Financial assets that are debt instruments and are measured as at FVTOCI.

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

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

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

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

b Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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

B Financial liabilities:

a Initial recognition and measurement:

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

b Subsequent measurement:

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

i Loans and borrowings:

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

19 Derivative Financial Instruments:

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

20 Earnings per Share:

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

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

There are no changes in Accounting Standards or other accounting pronouncements which are yet not effective as at March 31, 2020.

Note: 4-Property, Plant & Equipment:

₹ in Lacs

	Note:4(A) Tangible Assets									Note:4(B) Intangible Assets		
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right of use Assets	Total	Trade mark	Computer Software	Total
Gross Block:												
As at April 1, 2018	**98**	**4,172**	**5,899**	**22,608**	**282**	**67**	**349**	**-**	**33,475**		**188**	**188**
Additions	1	-	81	323	55	4	62	-	525	1	9	10
Disposals/Adjustment	-	(78)	(571)	(2,077)	(31)	(0)	(26)	-	(2,784)		(2)	(2)
As at March 31, 2019	**100**	**4,093**	**5,409**	**20,854**	**305**	**70**	**385**	**-**	**31,216**	**1**	**196**	**196**
Additions	-	-	98	613	3	25	9	-	748	-	1	1
Additions on account of adoption of Ind AS 116 (On 1st April, 2019)								89	89			-
Disposals/Adjustment	(2)	-	(5)	(235)	(8)	(23)	(25)	-	(299)	-	-	-
As at March 31, 2020	**97**	**4,093**	**5,501**	**21,231**	**300**	**72**	**370**	**89**	**31,755**	**1**	**197**	**197**
Depreciation, Amortisation and Impairment												
As at April 1, 2018	**-**	**-**	**2,308**	**16,280**	**232**	**29**	**252**	**-**	**19,100**	**0**	**162**	**162**
Depreciation provided/ Amortisation for the year	-	-	175	332	17	6	20	-	550	0	5	5
Disposals/Adjustment	-	-	(181)	(1,833)	(20)	(0)	(24)		(2,058)		(2)	(2)
As at March 31, 2019	**-**	**-**	**2,303**	**14,779**	**229**	**35**	**247**	**-**	**17,592**	**0**	**165**	**166**
Depreciation provided/ Amortisation for the year	-	-	167	301	15	6	20	22	532	0	5	5
Disposals/Adjustment	-	-	(3)	(153)	(7)	(19)	(22)	-	(205)	-	-	
As at March 31, 2020	**-**	**-**	**2,468**	**14,926**	**237**	**22**	**245**	**22**	**17,920**	**0**	**171**	**171**
Net Block:												
As at March 31, 2019	**100**	**4,093**	**3,106**	**6,075**	**77**	**35**	**138**	**-**	**13,624**	**0**	**30**	**31**
As at March 31, 2020	**97**	**4,093**	**3,034**	**6,305**	**63**	**50**	**125**	**67**	**13,835**	**0**	**26**	**26**

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Depreciation, Amortisation and Impairment expenses:		
Depreciation & Amortisation	**537**	555
Total	**537**	555

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

Note: 5 - Investments [Non Current] :

		₹ in Lacs	
		As at March 31,	
		2020	2019
Investment in Associate Companies	**Nos (*)**		
Unquoted			
A In fully paid-up equity shares of			
Shardul Garments Pvt. Ltd.	2,452,830 (2,452,830)	**352**	352
Total		**352**	352

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

Note: 6-Other Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good, unless otherwise stated]		
Security Deposits		
From Related Party	**8**	-
From Others	**266**	282
Loans and advances to parties other than related parties		
Considered good	**-**	0
Considered Doubtful	**178**	178
Less: Impairment allowance	**(178)**	(178)
	-	0
Total	**273**	283

Note: 7-Other Non-Current Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good]		
Capital Advance	**36**	181
Claims and other receivables	**2**	2
Prepaid Expenses	**45**	53
Total	**83**	237

Notes to the Financial Statements

Note: 8-Asset for Current Tax:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Advance payment of Tax	**599**	633
Total	**599**	633

Note: 9-Inventories:

	₹ in Lacs	
	As at March 31,	
	2020	2019
(The Inventories are valued at lower of cost or net realisable value)		
Classification of Inventories:		
Raw Materials	**848**	1,200
Work-in-progress	**1,288**	1,557
Finished Goods	**2,333**	3,271
Stock-in-Trade	**404**	371
Stores and Spares	**882**	841
Packing Materials	**82**	91
Others	**3**	3
Total	**5,838**	7,333
The above includes Goods in transit as under:		
Raw Materials	**74**	145
Stores and Spares	**-**	4

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

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Net of reversal of write-down	**124**	(63)

Note: 10 - Current Investments :

		₹ in Lacs	
		As at March 31,	
		2020	2019
Investment in Mutual Funds	**Nos (*)**		
Unquoted			
At Fair value through Profit or Loss			
Franklin India Ultra Short Term Fund Growth	0 (4207503.175)	**-**	1,105
Edelweiss Liquid Fund - Regular Plan Growth	0 (880.31)	**-**	21
Franklin India Savings Fund Retail Option	2865330.338 (0)	**1,060**	-
ICICI - Ultra Short Term Fund Growth	1057887.610 (0)	**215**	-
Total		**1,276**	1,126

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

Note: 11 - Trade Receivables:

	₹ in Lacs As at March 31, 2020	2019
[Unsecured, Considered Good, unless otherwise stated]		
From Others		
Considered good	**1,772**	2,488
Considered doubtful	**102**	77
Less: Impairment allowances	**(226)**	(77)
	1,648	2,488
Total	**1,648**	2,488

Note: 12 - Cash and Cash Equivalents:

	₹ in Lacs As at March 31, 2020	2019
Balances with banks in current accounts	**1,095**	1,321
Cash on Hand	**10**	12
Total	**1,105**	1,333

Note: 13 - Bank Balance other than Cash and Cash Equivalents

	₹ in Lacs As at March 31, 2020	2019
Bank deposits maturing between 3 to 12 months*	**622**	376
Total	**622**	376

(*) 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 ₹ 279 lacs, [₹ 267 lacs as at March 31, 2019] which are not available for free use as per the court order.

Note: 14 - Loans:

	₹ in Lacs As at March 31, 2020	2019
[Unsecured, Considered Good]		
Loans and advances to related parties	**63**	49
Loans and advances to Others	**1,941**	475
Total	**2,004**	525

Note: Loans and advances have been given for business purpose

Notes to the Financial Statements

Note: 15 - Other Current Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good, unless otherwise stated]		
Advances Receivable in cash		
Considered Good	**20**	1
Considered Doubtful	**2**	2
Less: Impairment allowance	**(2)**	(2)
	20	1
Claims and other receivables	**25**	92
Receivables on account of sale of Property, Plant & Equipment	**1,070**	2,885
Interest receivable	**86**	27
Total	**1,200**	3,005

Note: 16 - Other Current Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good]		
Balances with Statutory Authorities	**473**	369
Claims and other receivables	**109**	78
Prepaid Expenses	**88**	91
Export Incentive Receivables	**57**	54
Advances to Suppliers	**100**	79
Advances to Staff	**6**	3
Total	**833**	674

Note: 17 - Equity Share Capital:

		₹ in Lacs	
		As at March 31,	
		2020	2019
Authorised Capital:			
18,84,80,000	Equity shares of ₹10/- each (12,95,00,000 Equity Shares as at March 31, 2019)	**18,848**	12,950
20,50,000	Preference shares of ₹100/- each (20,50,000 Preference Shares as at March 31, 2019)	**2,050**	2,050
		20,898	15,000
Issued, Subscribed and Paid-up Capital:			
5,31,71,917	Equity shares of ₹10/- each, fully paid up (9,29,67,365 Equity Shares as at March 31, 2019]	**5,317**	9,297
13,84,88,161	Equity Shares Suspence Account (Equity shares to be issued upon merger - refer Note No.47)	**13,849**	-
Total		**19,166**	9,297
A	**The reconciliation in number of shares is as under:**		
	Number of shares at the beginning of the year	**92,967,365**	92,967,365
	Add: Shares issued during the year	**-**	-
	Paid-up shares of Ashima Dyecot Private Limited extinguished upon merger	**39,795,448**	-
	Number of shares at the end of the year	**53,171,917**	92,967,365
B	**Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 10/- each, fully paid (#) (*)**		
1	Chintan Navnitlal Parikh And Shefali Chintan Parikh - Trustees Of Navchintan Trust		
	Number of Shares	**140,535,678**	-
	% to total shareholding	**73.33%**	-
2	Apus Investments Pvt. Ltd.		
	Number of Shares	**-**	58,684,751
	% to total shareholding	**-**	45.69%
3	Albus Investments Pvt. Ltd.		
	Number of Shares	**-**	16,596,808
	% to total shareholding	**-**	12.92%
4	Assets Reconstruction Company (India) Ltd.		
	Number of Shares	**-**	9,201,615
	% to total shareholding	**-**	7.16%

Holding and % has been arrived at after considering shares yet to be allotted and cancellation of Ashima Dyecot Private Limited holding in Ashima Limited due to merger.

* Considering shareholding of Ashima Limited as a single entity as at March 31, 2019.

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 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 equity shares shall be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Note: 18 - Other Equity:

		₹ in Lacs	
		As at March 31,	
		2020	2019
Other Reserves:			
Capital Reserve	(A)	**38**	38
(Created on account of reissue of forfeited shares/debentures)			
Retained Earnings:			
Balance as per last Balance Sheet		**(46,094)**	(49,372)
Adjustment for IND AS 116 (Note No 45)		**(12)**	-
Add: Profit/(Loss) for the year		**(339)**	3,278
		(46,444)	(46,094)
Less:			
General Reserve		**168**	168
Capital Redemption Reserve - I		**105**	105
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			
Balance at the beginning of the year		**43,100**	43,016
Adjustment on sales of land		**(1)**	-
Adjustment as per scheme of arrangement		**(9,869)**	84
Balance at the end of the year		**33,230**	43,100
		49,813	59,683
	(B)	**3,368**	13,589
Less: Items of Other Comprehensive Income recognised directly in Retained Earnings:			
Balance as per last Balance Sheet		**(256)**	(221)
Re-measurement gains/ (losses) on defined benefit plans (net of tax) for the year		**(93)**	(35)
	(C)	**(349)**	(256)
Balance as at the end of the year	(D = B+C)	**3,019**	13,332
Total	(E = A+D)	**3,057**	13,370

Note: 19 - Non-Current Borrowings:

		₹ in Lacs			
		Non-current portion		Current Maturities	
		As at March 31,		As at March 31,	
		2020	2019	**2020**	2019
A	Preference Shares				
	20,50,000 1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid up	**606**	561	**-**	-
B	Term Loans from Banks - Secured	**809**	1,146	**358**	354
C	Others -Unsecured	**750**	750	**-**	-
Total		**2,165**	2,457	**358**	354
The above amount includes:					
Secured borrowings		**809**	1,146	**358**	354
Unsecured borrowings		**1,356**	1,311	**-**	-
Amount disclosed under the head "Other Current Financial Liabilities" (Note-24)		**-**	-	**(358)**	(354)
Net amount		**2,165**	2,457	**-**	-

Securities and Terms of Repayment for Secured Long Term Borrowings:

a Preference Shares

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

Rights of Preference Shareholders

(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 Nature of Security:

a. The Loan is primarily secured by exclusive charge on the Property, Plant and Equipment financed by the said term loan and secondarily secured by charge on the factory land admeasuring about 53117 square meters situated at Mithipur, Taluka Maninagar, District Ahmedabad of TP Scheme no. 7 (Khokhra – Mehmdabad) and Registration District Sub-District Ahmedabad – 7 (Odhav).

b The company has also taken term loan of ₹ 34 Lacs from banks by hypothecating cars.

ii Terms of repayment:

a. Term Loan from bank is ₹ 847 Lacs, bearing interest rate of 8.25% per annum (fixed), which is repayable in 20 equal instalments at quarterly rest, starting from August 2018.

b. Term Loan from bank is ₹ 286 Lacs, bearing interest rate of 8.60% per annum (fixed), which is repayable in 20 equal instalments at quarterly rest, starting from August 2018.

c. Car Loan from Axis bank is ₹ 13 Lacs, bearing interest rate of 8.76% per annum (fixed), which is repayable in 60 equated monthly instalments, starting from July 2017.

d. Car Loan from ICICI bank is ₹ 21 Lacs, bearing interest rate of 9.00% per annum (fixed), which is repayable in 60 equated monthly instalments, starting from December 2019.

c Unsecured Loan

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

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

Meanwhile, as part of recovery proceedings filed by HDFC Bank for a decretal amount of ₹ 2070.45 lacs, the Recovery Officer ("RO") passed orders dated March 29, 2019 and April 9, 2019 allowing the application of HDFC Bank for the said decretal amount and inter alia also directed attachment of certain immovable properties of the Company situated at Ahmedabad, Kadi and Mumbai. As against the said decretal amount of ₹ 2070.45 Lacs, the value of the properties attached was far in excess of the decretal amount. Therefore, the company filed an application before the RO for review /recall and/or modification of the attachment order. The application was heard long back, however, no order has been passed yet.

The Company had also filed a writ petition at Hon'ble High Court of Bombay challenging the aforesaid two orders dated March 29, 2019 dated April 9, 2019 of RO. The Hon'ble Bombay High Court vide an Order dated November 22, 2019 allowed the Company to pursue its said Appeal at DRAT without deposit of any amount, in view of the fact that decretal amount stood recovered from BBK due to aforesaid orders of RO and the decree was a joint and several one. The Hon'ble High Court also suspended the warrant of attachment against Company's immovable properties and RO's order dated March 29, 2019 till the Company's Appeal is decided by DRAT. The said Appeal is pending for hearing.

Note: 20 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Trade Deposits	**29**	31
Others	**-**	8
Liability of Leased Assets	**59**	-
Total	**88**	39

Note: 21 - Provisions:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Provision for Employee Benefits		
For Gratuity	**-**	52
Total	**-**	52

Note: 22 - Current Borrowings:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Loans repayable on Demand:		
Unsecured Loans from parties other than Banks (*)	**-**	34
Total	**-**	34

[*] Note:Unsecured borrowing was obtained from non-related party, without any specific terms of repayment.

Note: 23 - Trade Payables:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Micro and small enterprises (*)	**-**	-
Others	**3,854**	5,401
Total	**3,854**	5,401
(*) Based on the information available with the company regarding the status of its vendors under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), the disclosure pursuant to the MSMED Act is as follows:		
a. Principal amount and the interest due thereon remaining unpaid to any suppliers at the year end	-	-
b. the amount of Interest paid by the buyer in term of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d. the amount of Interest accrued and remaining unpaid at the end of each accounting year;	-	-
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of deductible expenditure under section 23 of the MSMED Act	-	-

Notes to the Financial Statements

Note: 24 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
Current Maturities of Long Term Debt (Refer Note- 19)	**358**	354
Interest accrued but not due on borrowings	**9**	11
Payable to Statutory Authorities	**76**	103
Bills Payables	**448**	-
Unpaid Expenses	**318**	473
Liability of Leased Assets	**16**	-
Total	**1,225**	940

Note: 25 - Other Current Liabilities:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Advances from customers	**57**	190
Other liabilities	**4**	105
Total	**61**	296

Note: 26 - Provisions:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Provision for Employee Benefits:		
For Gratuity	**4**	21
For Leave Encashment	**135**	156
Provision for product quality claims *	**9**	9
Total	**148**	186
(*) 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	**9**	5
ii Additional provision made during the year	**9**	9
iii Amount used	**(9)**	(5)
iv Carrying amount at the end of the year	**9**	9

Note: 27 - Contingent Liabilities and Commitments (to the extent not provided for):

	₹ in Lacs	
	As at March 31,	
	2020	2019
Contingent Liabilities:		
(A) Bills Discounted	**139**	139
(B) Claims against the company not acknowledged as debt		
(i) Income-tax	**5,914**	1
(ii) Central excise Duty	**324**	324
(iii) Sales-tax/VAT	**1,934**	1,934
(iv) Employees' State Insurance dues	**92**	89
(v) Custom-duty	**75**	72
(vi) Others	**1,576**	1,486
Total	**9,915**	3,906
(C) Other money for which the company is contingently liable:		
Employees who have yet not opted for VRS	**2**	7
Commitments:		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**243**	577

Note: 28 - Revenue from Operations:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Sale of Products	**27,886**	32,835
Sale of Services	**317**	390
Other Operating Revenues:		
Waste Sales	**94**	118
Export Incentives	**207**	204
Net gain on foreign currency transaction and translation	**40**	37
	341	359
Total	**28,544**	33,583

Notes to the Financial Statements

Note: 29 - Other Income:

	₹ in Lacs Year ended March 31, 2020	2019
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	**306**	1,415
Gain on sale/fair valuation of instruments measured at FVTPL	**71**	87
Gain on sale/retirement/damage of Property, Plant and Equipments	**291**	-
Provision for doubtful debts written back	**-**	144
Miscellaneous income	**109**	175
Total	**776**	1,821

Note: 30 - Cost of Materials Consumed:

	₹ in Lacs Year ended March 31, 2020	2019
Raw Materials		
Stock at commencement	**1,160**	1,308
Add: Purchases during the year	**12,845**	16,353
	14,005	17,661
Less: Stock at close	**807**	1,160
	13,198	16,501
Packing Materials consumed	**347**	565
Total	**13,545**	17,066

Note: 31 - Purchases of Stock-in-trade:

	₹ in Lacs Year ended March 31, 2020	2019
Purchases of Stock-in-trade	**672**	746
Total	**672**	746

Note: 32 - Changes in Inventories:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Stock at commencement:		
Work-in-progress	**1,557**	1,659
Finished Goods	**3,273**	3,024
Stock-in-trade	**371**	329
	5,201	5,012
Less: Stock at close:		
Work-in-progress	**1,288**	1,557
Finished Goods	**2,334**	3,273
Stock-in-trade	**405**	371
	4,027	5,201
Total	**1,174**	(189)

Note: 33 - Employee Benefits Expense:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Salaries and wages	**4,028**	4,659
Contribution to provident and other funds (*)	**349**	434
Staff welfare expenses	**114**	132
Total	**4,491**	5,225

* 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: 34 - Finance Cost:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Interest expense		
- On Term Loans	**(105)**	140
- On Working Capital	**43**	32
- Others	**222**	573
Bank commission and charges	**43**	50
Total	**203**	794

Notes to the Financial Statements

Note: 35 - Other Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Consumption of Stores and Spare parts	**2,250**	2,778
Power and fuel	**3,360**	4,208
Rent (*)	**13**	65
Repairs to Buildings	**32**	56
Repairs to Plant and Equipments	**254**	255
Repairs to Others	**30**	34
Insurance	**83**	68
Rates and Taxes (excluding taxes on income)	**97**	48
Jobwork Charges	**690**	1,105
Freight and forwarding expenses	**229**	308
Sales Commission	**164**	129
Other Sales promotion expenses	**96**	109
Traveling Expenses	**125**	159
Loss on sale/retirement/damage of Property, Plant and Equipments	**-**	80
Labour Charges	**778**	865
Legal and Professional Fees	**246**	190
Directors' fees	**5**	4
Corporate Social Responsibility Expenses	**-**	55
Miscellaneous Expenses (**)	**582**	647
Total	**9,036**	11,164
* The Company has taken certain properties under leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties.		
** Miscellaneous Expenses include:		
a Payment to the Statutory Auditors		
- As Auditor	**13**	13
- For Other Services	**2**	3
Total	**15**	16
b Cost Auditor's Remuneration including fees for other services	**1**	1

Note: 36-Tax Expenses:

		₹ in Lacs	
		Year ended March 31,	
		2020	2019
The major components of income tax expense are:			
A	Tax Expenses	-	-
B	Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
	Profit/(Loss) before tax	**(339)**	3,278
	Enacted Tax Rate in India	**29.12%**	29.12%
	Expected Tax Expenses	**(99)**	954
	Adjustments for:		
	Effect of additional deductions in taxable income	**(100)**	(61)
	Effect of non-deductible expenses	**72**	46
	Effect of deductible expenses	**(29)**	(81)
	Unused tax losses of the earlier year now utilised	**-**	(608)
	Capital Gain	**5**	(250)
	Unabsorbed depreciation or carried forward losses	**152**	-
	Total	**99**	(954)
	Tax Expenses as per Statement of Profit and Loss	**-**	-

Note: 37-Calculation of Earnings per Equity Share (EPS):

			Year ended March 31,	
			2020	2019
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
For EPS before exceptional item(s)				
A	Profit/(Loss) attributable to equity shareholders	₹ in Lacs	**(339)**	42
B	Average Number of equity shares outstanding during the year	Numbers	**191,660,078**	191,660,078
C	Nominal value of equity share	₹	**10**	10
D	Basic & Diluted EPS	₹	**(0.18)**	0.02
For EPS after exceptional item(s)				
A	Profit/(Loss) attributable to equity shareholders	₹ in Lacs	**(339)**	3,278
B	Average Number of equity shares outstanding during the year	Numbers	**191,660,078**	191,660,078
C	Nominal value of equity share	₹	**10**	10
D	Basic & Diluted EPS	₹	**(0.18)**	1.71

(The details given above are after giving effect of merger in terms of cancellation and pending issue of new shares)

Note: 38 - 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 2018	Charge for the year	As at March 31 2019	Charge for the year	**As at March 31 2020**
Deferred Tax Liabilities:					
Depreciation	(2,224)	421	(1,803)	(1,079)	**(2,882)**
	(2,224)	421	(1,803)	(1,079)	**(2,882)**
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	143	(49)	94	7	**101**
Receivables	95	(21)	74	44	**118**
Other	204	(92)	112	(30)	**82**
Unabsorbed depreciation/ Business Loss	8,617	(2,204)	6,413	208	**6,621**
Total	9,059	(2,366)	6,693	229	**6,922**
Net Deferred Tax Assets/ (Liabilities)	6,835	(1,945)	4,890	(850)	**4,041**

B Significant Estimates :

As regards deferred tax as per Ind AS-12 on “Income Taxes” there is a net deferred tax asset for the past years and for the period up to March 31, 2020. The Company has taken conservative view of future profitability. Accordingly, the Company has not recognized deferred tax asset.

Note: 39 - Disclosures as required by Ind AS 19 Employee Benefits:

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

Defined benefit plans

Gratuity

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

	As at March 31,	
	2020	2019
Discount rate (per annum)	**6.60%**	7.40%
Future salary increase	**2.00%**	3.00%
Expected rate of return on plan assets	**6.60%**	7.40%

	₹ in Lacs	
	As at March 31,	
	2020	2019
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	**955**	992
Interest Cost	**64**	68
Current Service Cost	**53**	60
Benefits Paid	**(180)**	(202)
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**(15)**	13
Actuarial (Gain)/Loss arising from Experience Adjustment	**60**	24
Present value of obligation as at the end of the year	**937**	955
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	**909**	887
Interest Income	**63**	62
Contributions by the employer	**190**	159
Benefits paid	**(180)**	(202)
Return on plan assets	**(49)**	2
Fair Value of plan assets at the end of the year	**933**	909
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	**937**	955
Net Asset/ (Liability)-Current	**(4)**	5
Net Asset/ (Liability)-Non-Current	**-**	(52)
Expenses recorded in the Statement of Profit and Loss during the year		
Interest Cost	**1**	6
Current Service Cost	**53**	60
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**-**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**-**	-
Total expenses included in employee benefit expenses	**55**	65

	₹ in Lacs	
	As at March 31,	
	2020	2019
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**(15)**	13
Actuarial (Gain)/Loss arising from Experience Adjustment	**60**	24
Return on plan assets	**49**	(2)
Recognized in Other Comprehensive Income	**93**	35
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	**142**	172
Between 2 and 5 years	**344**	277
Between 6 and 10 years	**451**	494
More than 10 years	**0**	12
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/(decrease) on present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	**923**	923
Half percentage point decrease in discount rate	**985**	989
Half percentage point increase in salary increase rate	**986**	990
Half percentage point decrease in salary increase rate	**921**	922

Composition of Plan Assets

Particulars	As at March 31,	
	2020	2019
Policy of Insurance	**99.43%**	99.56%
Bank Balance	**0.57%**	0.44%
Total	**100.00%**	100.00%

Long-Term Employment Benefits

Leave Encashment:

Liability for the Leave Encashments for ₹ 135 Lacs (as at March 31, 2019 - ₹ 156 Lacs) has been fully provided for by the company.

Note: 40 - Segment Information:

The company sells goods in domestic market and also exports them to various countries. Accordingly, secondary segment reporting has been confined to sales in India and exports outside India. Fixed assets used in the company's business and liability contracted in respect of its sole manufacturing facilities are not identifiable in line with following reportable segments as the fixed assets and liabilities contracted are used interchangeably between the segments. Accordingly, except for Trade Receivables, no disclosures relating to other segment assets and liabilities have been made.

Secondary Segment Reporting:

Particulars	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Segment Revenue		
a) In India	**24,312**	29,197
b) Outside India	**3,890**	4,027
Total	**28,202**	33,225
Trade Receivables		
a) In India	**1,590**	2,380
b) Outside India	**58**	108
Total	**1,648**	2,488

Note: 41-Related Party Transactions:

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

a) <u>Name of Related Parties and Nature of Relationship :</u>

Associates

1 Shardul Garments Private Limited

Key Management Personnel

1	Mr. Chintan N. Parikh	Chairman and Managing Director
2	Mr. Krishnachintan C. Parikh	Executive Director - Relative of Chairman & Managing Director - Resignation w.e.f. 20/12/2019
3	Mrs. Uttara C. Parikh	Relative of Chairman & Managing Director

Other related parties where control exists

1	Mrs. Uttara C. Parikh	Relative of Chairman & Managing Director
2	Small Three Coordinates Enterprises Private Limited	
3	Sushrut Enterprises Private Limited	
4	Mr. Krishnachintan C. Parikh	Relative of Chairman & Managing Director (transactions from 21.12.2019)

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

Nature of Transactions	Associates		Key Management Personnel		Others	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2020	2019	**2020**	2019	**2020**	2019
Sale of Property, Plant & Equipment						
1 Shardul Garments Private Limited	**13**	451	**-**	-		
Total	**13**	**451**	**-**	**-**	**-**	**-**
Remuneration						
1 Mr. Chintan N. Parikh			**144**	120	**-**	-
2 Mr. Krishnachintan C. Parikh			**42**	50		
Total	**-**	**-**	**186**	**170**	**-**	**-**
Interest Expenses/Bills Discounting charges						
1 Mr. Krishnachintan C. Parikh			**17**	5	**12**	
Total	**-**	**-**	**17**	**5**	**12**	**-**
Other Expenses						
1 Small Three Coordinates Enterprises Pvt. Ltd.	**-**	-	**-**	-	**4**	-
2 Sushrut Enterprises Pvt. Ltd.	**-**	-	**-**	-	**6**	-
3 Mrs. Uttara C. Parikh					**14**	24
Total	**-**	**-**	**-**	**-**	**24**	**24**
Loan Given						
1 Shardul Garments Private Limited	**14**	16	**-**	-		
Total	**14**	**16**	**-**	**-**	**-**	**-**
Investments						
1 Shardul Garments Private Limited	**-**	277	**-**	-		
Total	**-**	**277**	**-**	**-**	**-**	**-**
Loans Receivable-Closing Balance at year end						
1 Shardul Garments Private Limited	**63**	49	**-**	-		
Total	**63**	**49**	**-**	**-**	**-**	**-**
Other receivable-Closing balance at year end						
1 Small Three Coordinates Enterprises Pvt. Ltd.	**-**	-	**-**	-	**8**	
Total	**-**	**-**	**-**	**-**	**8**	**-**

Note: 42-Financial Instruments:

A Fair values hierarchy:

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

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

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

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

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

	₹ in Lacs			
	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Current Financial Assets:				
Investments	1,276	-	-	1,276
Trade receivables	-	-	1,648	1,648
Cash and Cash Equivalents	-	-	1,105	1,105
Bank Balance other than Cash and Cash Equivalents	-	-	622	622
Loans	-	-	2,004	2,004
Other Current Financial Assets	-	-	1,200	1,200
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	273	273
Financial Investments at FVOCI:				
Unquoted equity instruments		352		352
Total Financial Assets	**1,276**	**352**	**6,852**	**8,480**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	3,854	3,854
Other Current Financial Liabilities	-	-	858	858
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,531	2,531
Other Non Current Financial Liabilities	-	-	88	88
Total Financial Liabilities	**-**	**-**	**7,331**	**7,331**

	₹ in Lacs			
	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Current Financial Assets:				
Investments	1,126	-	-	1,126
Trade receivables	-	-	2,488	2,488
Cash and Cash Equivalents	-	-	1,333	1,333
Bank Balance other than Cash and Cash Equivalents	-	-	376	376
Loans			525	525
Other Current Financial Assets	-	-	3,005	3,005
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	283	283
Financial Investments at FVOCI:				
Unquoted equity instruments	-	352	-	352
Total Financial Assets	**1,126**	**352**	**8,008**	**9,487**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	5,401	5,401
Other Current Financial Liabilities	-	-	576	576
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,855	2,855
Other Non Current Financial Liabilities	-	-	39	39
Total Financial Liabilities	**-**	**-**	**8,871**	**8,871**

Notes to the Financial Statements

Note: 43-Financial Risk Management:

A Financial instruments by category:

	₹ in Lacs			
	As at March 31, 2020			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Current Financial Assets:				
Investments	1,276	-	-	1,276
Trade receivables	-	-	1,648	1,648
Cash and Cash Equivalents	-	-	1,105	1,105
Bank Balance other than Cash and Cash Equivalents	-	-	622	622
Loans	-	-	2,004	2,004
Other Current Financial Assets	-	-	1,200	1,200
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	273	273
Financial Investments at FVOCI:	-	-	-	-
Unquoted equity instruments		352		352
Total Financial Assets	**1,276**	**352**	**6,852**	**8,480**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	3,854	3,854
Other Current Financial Liabilities	-	-	858	858
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,531	2,531
Other Non Current Financial Liabilities	-	-	88	88
Total Financial Liabilities	**-**	**-**	**7,331**	**7,331**

	₹ in Lacs			
	As at March 31, 2019			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Current Financial Assets:				
Investments	1,126	-	-	1,126
Trade receivables	-	-	2,488	2,488
Cash and Cash Equivalents	-	-	1,333	1,333
Bank Balance other than Cash and Cash Equivalents	-	-	376	376
Loans			525	525
Other Current Financial Assets	-	-	3,005	3,005
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	283	283
Financial Investments at FVOCI:	-	-	-	-
Unquoted equity instruments	-	352	-	352
Total Financial Assets	**1,126**	**352**	**8,008**	**9,487**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	5,401	5,401
Other Current Financial Liabilities	-	-	576	576
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,855	2,855
Other Non Current Financial Liabilities	-	-	39	39
Total Financial Liabilities	**-**	**-**	**8,871**	**8,871**

B Risk Management:

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

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

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

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

a Credit risk:

Credit risk arises from the possibility that customer may not be able to settle its obligations as agreed. The company is exposed to credit risk from trade receivables, bank deposits and other financial assets.

The Company periodically assesses the financial reliability of the counterparty taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Party-wise credit is monitored and reviewed accordingly.

Bank deposits:

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

Trade Receivable:

The Company is exposed to credit risk in the event of non-payment by customers. Major part of sales is made on 'Delivery against payment' basis, hence the credit risk is insignificant. To eliminate credit risk further, the high value sales are made by adequate coverage through Letters of Credit, wherever possible. The Company trades with recognized and creditworthy customers. It is the Company's policy that all customers who wish to trade on credit terms are subjected to scrutiny and periodic review. There is no clean credit as such extended by the company, except against post-dated cheques. In addition, receivable balances are monitored on an on going basis with the result that the Company'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.

Against doubtful trade receivables of ₹ 102 Lacs (Previous year - ₹ 77 Lacs), allowance for doubtful receivables is ₹ 102 Lacs as at March 31, 2020 [Previous year - ₹ 77 Lacs]. During the year the Company has made allowance of ₹ 25 lacs (Previous year - Nil), for which the company has filed a legal case under section 138 of the Negotiable instruments Act, 1881. Further, the company has made an allowance of ₹ 124 lacs on account of market uncertainities that might arise due to the recent COVID pandemic affecting the future cash flows of the company.

Ageing of Trade Receivables	**₹ in Lacs**	
	As at March 31,	
	2020	2019
0 - 3 Months	**1,610**	2,257
3 - 6 Months	**97**	130
6 - 12 Months	**47**	9
Beyond 12 Months	**120**	169
Total	**1,874**	2,565
Allowance for doubtful receivables	**226**	77
Trade Receivables Carried in Balance Sheet	**1,648**	2,488

b Liquidity risk:

a Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet these obligations.

c Maturities of financial liabilities:

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

	₹ in Lacs				
	< 1 year	1-2 year	2-3 years	> 3 years	Total
	As at March 31, 2020				
Borrowings (including current maturities and interest)					
Term Loan from Bank	366	358	359	92	1,176
Other Borrowings	-	750	-	606	1,356
Other Non-Current Financial Liabilities	-	88	-	-	88
Trade Payables	3,854	-	-	-	3,854
Other Current Financial Liabilities	858	-	-	-	858
Total	**5,079**	**1,196**	**359**	**698**	**7,331**

	₹ in Lacs				
	< 1 year	1-2 year	2-3 years	> 3 years	Total
	As at March 31, 2019				
Borrowings (including current maturities and interest)					
Term Loan from Bank	364	349	349	448	1,510
Other Borrowings	34	750	-	561	1,344
Other Non-Current Financial Liabilities	-	39	-	-	39
Trade Payables	5,401	-	-	-	5,401
Other Current Financial Liabilities	576	-	-	-	576
Total	**6,375**	**1,138**	**349**	**1,009**	**8,871**

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 transactions 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 ₹ is as follows:

Exposure of USD	₹ in Lacs	
	As at March 31,	
	2020	2019
Financial assets:		
Trade Receivables	**18**	94
Total exposure to foreign currency risk (assets)	**18**	94
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**18**	94

Exposure of GBP	₹ in Lacs	
	As at March 31,	
	2020	2019
Financial assets:		
Trade Receivables	**40**	2
Total exposure to foreign currency risk (assets)	**40**	2
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**40**	2

Exposure of EURO	₹ in Lacs	
	As at March 31,	
	2020	2019
Financial assets:		
Trade Receivables	**-**	12
Total exposure to foreign currency risk (assets)	**-**	12
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**-**	12

Sensitivity Analysis:

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

	₹ in Lacs			
	As at March 31, 2020		As at March 31, 2019	
	Movement in Rate	**Impact on PAT**	Movement in Rate	Impact on PAT
USD	**2.00%**	**0.24**	2.00%	1.23
USD	**-2.00%**	**(0.24)**	-2.00%	(1.23)
GBP	**2.00%**	**0.52**	2.00%	0.03
GBP	**-2.00%**	**(0.52)**	-2.00%	(0.03)
EURO	**2.00%**	**-**	2.00%	0.16
EURO	**-2.00%**	**-**	-2.00%	(0.16)

* Holding all other variables constant

d Interest rate risk:

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

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2020, 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: 44-Capital Management:

The Company's capital management objectives are:

a to ensure the Company's ability to continue as a going concern.

b to provide an adequate return to shareholders.

c to 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,	
	2020	2019
Net debts	**2,523**	2,844
Total equity	**22,223**	22,667
Net debt to equity ratio	**0.11**	0.13

Note: 45- Leases

The Company has taken on lease certain Sales Outlets. Theses leases generally have lease terms between 11 months and 9 years.

The Company has adopted Ind-AS 116 “Leases”, effective April 1, 2019 using the modified retrospective method in respect of its leases. The Company has applied the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for its eligible lease contracts. This has resulted in recognising a right-of-use asset of ₹ 89 lacs and lease liability of ₹ 101 lacs as on April 1, 2019 and adjusting ₹ 12 lacs against opening balance of Retained Earnings. Details of amounts recognized in the financials for the year are as follows:

a) Set out below are the carrying amounts of right-of-use assets (RoU) recognised:

Particulars	Amount [₹ Lacs]
Created on adoption date (April 1, 2019)	89
Additions	-
Depreciation expense	22
As at March 31, 2020	67

b) Set out below are the carrying amounts of lease liabilities (included under other financial statements):

Particulars	Amount [₹ Lacs]
Created on adoption date (April 1, 2019)	101
Additions	-
Accretion of Interest	8
Payments [including interest]	34
As at March 31, 2020	75

The effective interest rate for lease liabilities is 9%, with maturity between financial years 2021-2027.

c) The following are the amounts recognised in statement of profit or loss:

Particulars	Amount [₹ Lacs]
Depreciation of right-of-use assets (note 4)	22
Interest expense on lease liabilities (note 34)	8
Expense relating to short-term leases and leases of low value assets (note 35)	13

Note: 46- Impact of Covid-19

In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from March 24, 2020, which has impacted normal business operations of the Company. The Company has since resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. Post-reopening, the Company partially commenced manufacturing activity after June 15, 2020, with the limited objective of fulfilling fabric delivery commitments for pending orders from customers, since there was no material activity in the textile market and the Company was facing liquidity crunch due to suspension of operations. The Company is waiting for the business conditions to improve and demand to pick up, so commencement of normal operations will take some more time.

This stoppage had an adverse impact on operational performance of the company and its financial position. The company has been facing liquidity crunch due to this and is striving to manage its cashflows within the limitations.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business, etc.

Having reviewed the underlying data and based on current estimates the Company has provided ₹ 197 lacs as diminution in value of finished goods and ₹ 124 lacs as allowance for expected credit loss on receivables balances. The actual impact on realization of these assets may vary, depending on future developments on Covid-19 front and its impact on the business of the company.

While the overall impact of disruption in operations would be significant, the impact for the year ended March 31, 2020 was for a few days and is not possible to be quantified in terms of effect on profitability of the company. However, the Company does not anticipate any challenges in its ability to continue as going concern. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is yet closely monitoring the situation as it evolves in the future.

Note: 47- Business Combination

a) During the year, a Scheme of Arrangement between Ashima Dyecot Private Limited, (“transferor company”) with the Company in terms of the provisions of sections 230 to 232 read with Sections 66 and other applicable provisions of the Companies Act, 2013 was approved by the Hon. National Company Law Tribunal, Ahmedabad bench on July 22, 2020 and was made effective on July 29, 2020 pursuant to filing of the scheme with the Registrar of Companies, Gujarat. The appointed date for the amalgamation is April 1, 2019.

b) As per the share exchange ratio specified in the scheme, the Company has to issue 348 fully paid up equity shares of ₹ 10 each of the Company to the shareholders of transferor company for every 100 equity shares of ₹ 10 each of transferor company held by them. Accordingly, a total of 13,84,88,161 equity shares of the company are required to be issued. Pending the issue of shares, the face value of equity shares to be issued is reflected as Equity Shares Suspense Account under the equity share capital. Total 7,52,81,959 equity shares of the company, held by the transferor company, are required to be cancelled upon merger.

c) The Accounting policy and method followed for merger accounting is as stated in note 2 (3) forming part of Accounting Policies. Accordingly, the difference arising between the value of net assets and reserves of the transferor company and the value of shares issued, amounting to ₹ 9785 lacs, has been adjusted in Business Reconstruction Reserve as provided for in the Scheme.

d) The financials for the previous year 2018-19 have been restated so as to include financials of the transferor company in accordance with Indian Accounting Standard (IND-AS) 103, Business Combinations.

Signatures to Significant Accounting Policies and Notes 1 to 47 to the Financial Statements

As per our report of even date		For and on behalf of the Board
For Mukesh M. Shah & Co. Chartered Accountants Firm Registration Number: 106625W		**Chintan N. Parikh** Chairman & Managing Director (DIN:00155225)
Suvrat S. Shah Partner Membership Number: 102651 Ahmedabad, Dated: July 30, 2020	**Dipak Thaker** Company Secretary	**Hiren S. Mahadevia** Group Chief Financial Officer Ahmedabad, Dated: July 30, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of Ashima Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Ashima Limited ("the Holding Company"), and M/s Shardul Garments Private Limited [its associate] (together referred to as "the Group") which comprise the Consolidated balance sheet as at March 31, 2020, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 46 to the accompanying Consolidated financial statements, which describes management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Group's operations and other related matters. Our opinion is not modified in respect of this matter.

Other Matters

We did not audit the financial statements of an associate; whose financial statements reflect total assets of Rs. 565.51 Lacs as at March 31, 2020, total revenues of Rs. 0.61 Lacs and net cash outflows amounting to Rs. 4.59 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid associate is based solely on the reports of the other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there are no key audit matters to be communicated in our report.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

a) Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Group 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 Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its Consolidated financial position in its Consolidated financial statements - Refer Item (B) of Note 27 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Suvrat S. Shah
Partner
Membership No.: 102651

Place : Ahmedabad
Date : July 30, 2020
UDIN : 20102651AAAABO3888

"ANNEXURE A" 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 Holding company") and its associate as of March 31, 2020 in conjunction with our audit of the Consolidated 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 material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 : July 30, 2020
UDIN : 20102651AAAABO3888

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lacs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	4 (A)	**13,835**	13,624
Capital work-in-progress		**69**	32
Intangible Assets	4 (B)	**26**	31
Financial Assets:			
Investments in Associate	5	**219**	219
Other Financial Assets	6	**273**	283
Other Non-Current Assets	7	**83**	237
Assets for Current tax (Net)	8	**599**	633
		15,105	15,058
Current Assets:			
Inventories	9	**5,838**	7,333
Financial Assets:			
Investments	10	**1,276**	1,126
Trade Receivables	11	**1,648**	2,488
Cash and Cash Equivalents	12	**1,105**	1,333
Bank Balance other than Cash and Cash Equivalents	13	**622**	376
Loans	14	**2,004**	525
Other Current Financial Assets	15	**1,200**	3,005
Other Current Assets	16	**833**	674
Non-current Assets classified as held for sale		**-**	20
		14,525	16,879
Total		**29,630**	31,937
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	17	**19,166**	9,297
Other Equity	18	**2,924**	13,237
		22,090	22,534
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	19	**2,165**	2,457
Other Non-Current Financial Liabilities	20	**88**	39
Provisions	21	**-**	52
		2,252	2,547
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	**-**	34
Trade Payables	23		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**3,854**	5,401
Other Current Financial Liabilities	24	**1,225**	940
Other Current Liabilities	25	**61**	296
Provisions	26	**148**	186
		5,288	6,856
Total		**29,630**	31,937
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 50		

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: July 30, 2020

Dipak Thaker
Company Secretary

For and on behalf of the Board

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

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lacs

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME:			
Revenue from Operations	28	**28,544**	33,583
Other Income	29	**776**	1,821
Total Income		**29,320**	35,404
EXPENSES:			
Cost of Materials Consumed	30	**13,545**	17,066
Purchases of Stock-in-Trade	31	**672**	746
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	32	**1,174**	(189)
Employee Benefits Expense	33	**4,491**	5,225
Finance Costs	34	**203**	794
Depreciation, Amortisation and Impairment expense	4	**537**	555
Other Expenses	35	**9,036**	11,164
Total Expenses		**29,658**	35,362
Profit/(Loss) before Share of Associate/Exceptional items and Tax		**(339)**	42
Share of Profit/(Loss) of Associate		0	(15)
Exceptional Items		**-**	3,236
Profit/(Loss) before Tax		**(338)**	3,263
Less: Tax Expense:	36	**-**	-
Profit/(Loss) for the year		**(338)**	3,263
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		**(93)**	(35)
Income tax effect		**-**	-
Other Comprehensive Income for the year [Net of tax]		**(93)**	(35)
Total Comprehensive Income for the year [Net of Tax]		**(431)**	3,228
Basic & Diluted Earning per Equity Share [EPS] [in ₹]	37	**(0.18)**	1.70
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 50		

As per our report of even date

For and on behalf of the Board

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

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: July 30, 2020

Dipak Thaker
Company Secretary

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

		No. of Shares	₹ in Lacs
a	**Equity Share Capital:**		
	Equity Shares of ₹ 10/- each, Issued, Subscribed and Fully Paid-up:		
	As at March 31, 2018	128,453,876	12,845
	As at March 31, 2019	92,967,365	9,297
	As at March 31, 2020	53,171,917	5,317
	Equity Shares Suspense As at March 31, 2020	**138,488,161**	**13,849**

b	**Other Equity:**								₹ in Lacs
		Capital Reserve		**Retained Earnings**		**Other Comprehensive Income**		**Total**	
		2019-20	2018-19	**2019-20**	2018-19	**2019-20**	2018-19	**2019-20**	2018-19
	Balance at the beginning of the year	**38**	38	**(46,227)**	(49,372)	**(256)**	(221)	**(46,445)**	(49,555)
	Adjustment IND AS 116			**(12)**				**(12)**	-
	Opening adjustment of accumulated Loss of Associate				(14)			**-**	(14)
	Adjustment due to consolidation				(104)			**-**	(104)
	Add: Profit/(Loss) for the year			**(339)**	3,263			**(339)**	3,263
	Other Comprehensive Income for the year			-	-	**(93)**	(35)	**(93)**	(35)
		38	38	(46,578)	(46,227)	**(349)**	(256)	**(46,889)**	(46,445)
	Less:								
	General Reserve			**168**	168			**168**	168
	Capital Redemption Reserve - I			**105**	105			**105**	105
	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								
	Balance at the beginning of the year			**43,100**	43,016			**43,100**	43,016
	Adjustment on sales of Land			**(1)**	-			**(1)**	-
	Adjustment as per scheme of arrangement			**(9,869)**	84			**(9,869)**	84
	Balance at the end of the year			**33,230**	43,100			**33,230**	43,100
		-	-	**49,813**	59,683	**-**	-	**49,813**	59,683
	Balance at the end of the year	**38**	38	**3,235**	13,455	**(349)**	(256)	**2,924**	13,237

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: July 30, 2020

Dipak Thaker
Company Secretary

For and on behalf of the Board

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

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	₹ in Lacs			
		Year ended March 31,			
		2020		2019	
(A)	**Cash Flow from Operating Activities**				
	Profit/(Loss) before Exceptional items and Tax		**(338)**		28
	Adjustments for:				
	Depreciation and impairment	**537**		555	
	Interest and finance charges	**160**		744	
	Interest income	**(306)**		(1,415)	
	(Gain)/Loss on Property, Plant and Equipment sold/ discarded (net)	**(291)**		80	
	Share of (Profit)/Loss of Associate (Refer Note No 46)	**(0)**		15	
	(Gain)/Loss on Investment	**(71)**		(87)	
	Liability no longer required written back	**-**	**30**	(144)	(251)
	Operating Profit before Working Capital Changes		**(308)**		(223)
	Adjustments for changes in working capital :				
	(Increase)/decrease in trade receivables	**840**		(1,051)	
	(Increase)/decrease in loans & advances and other assets	**37**		(53)	
	(Increase)/decrease in inventories	**1,495**		(506)	
	Increase/(decrease) in trade payables	**(1,547)**		(300)	
	Increase/(decrease) in other liabilities and provisions	**(160)**	**666**	(307)	(2,217)
	Cash Generated from/(used in) Operations		**357**		(2,440)
	Income taxes paid (Net of Refunds)		**34**		(111)
	Net Cashflow from Operating Activities		**391**		(2,551)
(B)	**Cash Flow from Investing Activities**				
	Purchase of Property, Plant and Equipments	**(808)**		(171)	
	Purchase of investment	**(117)**		(1,410)	
	Proceeds from sale of Property, Plant and Equipments	**2219**		5,771	
	Proceeds from sale of investment	**38**		39	
	Proceeds from/(investment in) bank deposits (with original maturity over 3 months)	**(246)**		(112)	
	Interest received	**246**	**1332**	1,419	5535
	Net Cashflow from Investing Activities		**1,332**		5,535

Particulars	₹ in Lacs			
	Year ended March 31,			
	2020		2019	
(C) Cash Flow from Financing Activities				
Proceeds from/(Repayment of) long term borrowings	**(337)**		(290)	
Proceeds from/(Repayment of) short term borrowings	**(34)**		(5,200)	
Short Term Loans Given/Received back	**(1,479)**		5,053	
Effect on equity due to merger	**-**		(1,237)	
Interest and finance charges paid	**(101)**	**(1,951)**	(694)	(2,367)
Net Cashflow from Financing Activities		**(1,951)**		(2,367)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(228)**		617
Add: Cash and bank balances at the beginning of the year		**1,333**		716
Cash and bank balances at the end of the year		**1,105**		1,333

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

Details of Cash & Cash Equivalents	₹ in Lacs	
	As at March 31,	
	2020	2019
Balances with banks in current accounts	**1,095**	1,321
Cash on hand	**10**	12
Cash and cash equivalent as per note no. 12	**1,105**	1,333

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: July 30, 2020

Dipak Thaker
Company Secretary

For and on behalf of the Board

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

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

Notes to the Consolidated 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". Upon the merger of Ashima Dyecot Private Limited with the company, activities of processing textile fabrics including Interlining fabrics, garment washing activities (laundry) and manufacture of readymade garments have been added to its textile manufacturing portfolio and it also has a presence in the retail market through its chain of stores under the brand name "Frank Jefferson".

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 120's counts.

The company follows the motto of "Texcellence", which means excellence in textiles, and consistently maintains high quality standards of its products. The Company also derives its competitive strengths from its compact size and versatility and adaptability in terms of product offering. It complies with strict environmental norms in its activities. The company enjoys a loyal customer base of leading brands and international customers.

A substantial part of the goods manufactured by the company are meant for exports, which includes direct exports as well as sale to garment manufacturers nominated by overseas buyers.

The company contributes significantly to the government exchequer in terms of foreign currency earnings and also in terms of payment of various taxes.

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

The financial statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the directors on July 30, 2020.

Note: 2-Significant Accounting Policies:

Accounting Policies of Consolidated Accounts

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether there is significant influence or joint control, are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its associate is accounted for using the equity method. Accordingly, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the Group, following the same accounting policies as that of the Company. Wherever necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit/ (Loss) of associate' in the consolidated statement of profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

The consolidated financial statements comprise the financial statements of the Parent Company ('the Company') and its Associate.

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

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

1 Basis of preparation:

A The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

i Derivative financial instruments

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii Defined benefit plans

iv Certain items of Property, Plant and Equipment

C The amounts mentioned in the financial statements are rounded off to the nearest Lac. Figures less than ₹ 50,000/- appear as zero ("0"). As the quarterly and yearly figures are taken from the sources and rounded to the nearest digits, the figures already reported for all the quarters during the year might not always add up to the year's 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.

e Insurance Claims

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

f Estimation uncertainties relating to the Covid-19 global pandemic:

The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended March 31, 2020. The Company has assessed the recoverability of trade receivables and inventories and has made necessary adjustments to the carrying amounts by recognising provisions/ impairment of assets where necessary. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

3 Business Combinations:

The Company accounts for the common control transactions in accordance with the 'pooling of interest' method prescribed under Ind AS 103 – "Business Combinations" as follows:

A The assets and liabilities of the combining entities are reflected at their carrying amounts.

B No adjustments are made to reflect fair values or to recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies, if required.

C The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

D Wherever any business combination is governed by the Scheme approved by the NCLT, the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

4 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.

5 Revenue Recognition:

A Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, volume discounts and value added taxes.

B GST is not received by the Company on its own account, but is tax collected on value added to the Goods/ services by the Company on behalf of the government. Accordingly, it is excluded from revenue.

C For revenue to be recognised, the following specific recognition criteria for each types of revenue must be satisfied:

a Sale of Goods:

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

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

b Service Income:

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

c Interest Income:

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

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

e Other Income:

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

6 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 net 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.

7 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.

c Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 as per 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.

8 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 disposed off or held for disposal. On transition to Ind AS as on April 1, 2016, the Company has elected to measure its Property, Plant and Equipment at carrying value as per previous GAAP. As per the requirement of paragraph 11 of Ind AS 101, outstanding amount in the revaluation reserve was transferred to retained earning account upon transition to Ind AS, since the Company is no longer applying the revaluation model of Ind AS 16 upon transition and has elected to apply the cost model approach.

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

B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

C Depreciation on tangible assets is provided on "straight line method". Useful life of tangible assets except buildings as per following details are different from that prescribed in Schedule II of the Act, which have been arrived at based on technical evaluation. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at reasonable intervals. Any revision to these is recognized prospectively in current and future periods.

Category of Asset	Useful life in years
Plant & Machinery (Other than Continuous Process Plants), on triple shift basis	22.50
Continuous Process Plants	45.00
Office Equipments	20.00
Computers & Printers	6.00
Vehicles	10.00
Furniture & Fixtures	20.00

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.

9 Leases

A The Company has adopted Ind AS 116 “Leases” using the modified retrospective approach, initially applying this standard from April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019, is not restated and reported as per Ind AS 17.

B The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company’s incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses (Refer note no. 12 for impairment).

C **The Company as a lessee:**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right to use appears as part of fixed assets and the lease liability appears as non-current and current liability in the Balance Sheet.

10 **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.

11 **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.

12 **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.

13 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 GST) comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition. Cost formulae used are "First In First Out", "weighted Average Cost", or "Specific Identification" as applicable.

C Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

14 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.

15 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.

16 Provision for Product Quality Claims:

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

17 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 gains or losses recognized in the other comprehensive income are not reclassified to profit or loss in subsequent periods.

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

i Service costs comprising current service costs and past service costs.

ii Net interest expense or income.

b Defined Contribution Plans - Provident Fund Contribution:

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

From this financial year, the Company has switched from Superannuation to National Pension Scheme ("NPS"), which is also a defined contribution plan and is managed by insurance company. The accumulated balance in the Superannuation accounts of employees would be transferred to their individual NPS accounts upon getting necessary statutory approvals.

C Employee Separation Costs:

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

18 Financial Instruments:

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

A Financial assets:

a Initial recognition and measurement:

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

b Subsequent measurement:

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

i Financial Assets at amortized cost:

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

ii Financial Assets at fair value through other comprehensive income (FVTOCI):

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

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

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

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

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

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

c Derecognition:

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

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

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

d Impairment of financial assets:

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

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

b Trade receivables or any contractual right to receive cash or another financial asset.

c Financial assets that are debt instruments and are measured as at FVTOCI.

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

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

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

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

b Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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

B Financial liabilities:

a Initial recognition and measurement:

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

b Subsequent measurement:

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

i Loans and borrowings:

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

19 Derivative Financial Instruments:

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

20 Earnings per Share:

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

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

There are no changes in Accounting Standards or other accounting pronouncements which are yet not effective as at March 31, 2020.

Note: 4-Property, Plant & Equipment:

₹ in Lacs

	Note:4(A) Tangible Assets									Note:4(B) Intangible Assets		
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right of use Assets	Total	Trade mark	Computer Software	Total
Gross Block:												
As at April 1, 2018	98	4,172	5,899	22,608	282	67	349	-	33,475		188	188
Additions	1	-	81	323	55	4	62	-	525	1	9	10
Disposals/Adjustment	-	(78)	(571)	(2,077)	(31)	(0)	(26)	-	(2,784)		(2)	(2)
As at March 31, 2019	**100**	**4,093**	**5,409**	**20,854**	**305**	**70**	**385**	**-**	**31,216**	**1**	**196**	**196**
Additions	-	-	98	613	3	25	9	-	748	-	1	1
Additions on account of adoption of Ind AS 116 (On 1st April, 2019)								89	89			-
Disposals/Adjustment	(2)	-	(5)	(235)	(8)	(23)	(25)	-	(299)	-	-	-
As at March 31, 2020	**97**	**4,093**	**5,501**	**21,231**	**300**	**72**	**370**	**89**	**31,755**	**1**	**197**	**197**
Depreciation, Amortisation and Impairment												
As at April 1, 2018	-	-	2,308	16,280	232	29	252	-	19,100	0	162	162
Depreciation provided/ Amortisation for the year	-	-	175	332	17	6	20	-	550	0	5	5
Disposals/Adjustment	-	-	(181)	(1,833)	(20)	(0)	(24)		(2,058)		(2)	(2)
As at March 31, 2019	**-**	**-**	**2,303**	**14,779**	**229**	**35**	**247**	**-**	**17,592**	**0**	**165**	**166**
Depreciation provided/ Amortisation for the year	-	-	167	301	15	6	20	22	532	0	5	5
Disposals/Adjustment	-	-	(3)	(153)	(7)	(19)	(22)	-	(205)	-	-	
As at March 31, 2020	**-**	**-**	**2,468**	**14,926**	**237**	**22**	**245**	**22**	**17,920**	**0**	**171**	**171**
Net Block:												
As at March 31, 2019	100	4,093	3,106	6,075	77	35	138	-	13,624	0	30	31
As at March 31, 2020	**97**	**4,093**	**3,034**	**6,305**	**63**	**50**	**125**	**67**	**13,835**	**0**	**26**	**26**

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Depreciation, Amortisation and Impairment expenses:		
Depreciation & Amortisation	**537**	555
Total	**537**	555

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

Note: 5 - Investments [Non Current] :

		₹ in Lacs	
		As at March 31,	
		2020	2019
Investment in Associate Companies	Nos (*)		
Unquoted			
A In fully paid-up equity shares of			
Shardul Garments Pvt. Ltd. (account as per equity method refer note no 46)	2,452,830 (2,452,830)	**219**	219
Total		**219**	219

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

Note: 6-Other Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good, unless otherwise stated]		
Security Deposits		
From Related Party	**8**	-
From Others	**266**	282
Loans and advances to parties other than related parties		
Considered good	**-**	0
Considered Doubtful	**178**	178
Less: Impairment allowance	**(178)**	(178)
	-	0
Total	**273**	283

Note: 7-Other Non-Current Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good]		
Capital Advance	**36**	181
Claims and other receivables	**2**	2
Prepaid Expenses	**45**	53
Total	**83**	237

Notes to the Consolidated Financial Statements

Note: 8-Asset for Current Tax:

	₹ in Lacs As at March 31, 2020	2019
Advance payment of Tax	**599**	633
Total	**599**	633

Note: 9-Inventories:

	₹ in Lacs As at March 31, 2020	2019
(The Inventories are valued at lower of cost or net realisable value)		
Classification of Inventories:		
Raw Materials	**848**	1,200
Work-in-progress	**1,288**	1,557
Finished Goods	**2,333**	3,271
Stock-in-Trade	**404**	371
Stores and Spares	**882**	841
Packing Materials	**82**	91
Others	**3**	3
Total	**5,838**	7,333
The above includes Goods in transit as under:		
Raw Materials	**74**	145
Stores and Spares	**-**	4

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

	₹ in Lacs Year ended March 31, 2020	2019
Net of reversal of write-down	**124**	(63)

Note: 10 - Current Investments :

		₹ in Lacs As at March 31, 2020	2019
Investment in Mutual Funds	**Nos (*)**		
Unquoted			
At Fair value through Profit or Loss			
Franklin India Ultra Short Term Fund Growth	0 (4207503.175)	**-**	1,105
Edelweiss Liquid Fund - Regular Plan Growth	0 (880.31)	**-**	21
Franklin India Savings Fund Retail Option	2865330.338 (0)	**1,060**	-
ICICI - Ultra Short Term Fund Growth	1057887.610 (0)	**215**	-
Total		**1,276**	1,126

(*) Figures of previous year are stated in ‘( )’.

Note: 11 - Trade Receivables:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good, unless otherwise stated]		
From Others		
Considered good	**1,772**	2,488
Considered doubtful	**102**	77
Less: Impairment allowances	**(226)**	(77)
	1,648	2,488
Total	**1,648**	2,488

Note: 12 - Cash and Cash Equivalents:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Balances with banks in current accounts	**1,095**	1,321
Cash on Hand	**10**	12
Total	**1,105**	1,333

Note: 13 - Bank Balance other than Cash and Cash Equivalents

	₹ in Lacs	
	As at March 31,	
	2020	2019
Bank deposits maturing between 3 to 12 months*	**622**	376
Total	**622**	376

(*) 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 ₹ 279 lacs, [₹ 267 lacs as at March 31, 2019] which are not available for free use as per the court order.

Note: 14 - Loans:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good]		
Loans and advances to related parties	**63**	49
Loans and advances to Others	**1,941**	475
Total	**2,004**	525

Note: Loans and advances have been given for business purpose

Notes to the Consolidated Financial Statements

Note: 15 - Other Current Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good, unless otherwise stated]		
Advances Receivable in cash		
Considered Good	**20**	1
Considered Doubtful	**2**	2
Less: Impairment allowance	**(2)**	(2)
	20	1
Claims and other receivables	**25**	92
Receivables on account of sale of Property, Plant & Equipment	**1,070**	2,885
Interest receivable	**86**	27
Total	**1,200**	3,005

Note: 16 - Other Current Assets:

	₹ in Lacs	
	As at March 31,	
	2020	2019
[Unsecured, Considered Good]		
Balances with Statutory Authorities	**473**	369
Claims and other receivables	**109**	78
Prepaid Expenses	**88**	91
Export Incentive Receivables	**57**	54
Advances to Suppliers	**100**	79
Advances to Staff	**6**	3
Total	**833**	674

Note: 17 - Equity Share Capital:

		₹ in Lacs	
		As at March 31,	
		2020	2019
Authorised Capital:			
18,84,80,000	Equity Shares of ₹10/- each (12,95,00,000 Equity Shares as at March 31,2019)	**18,848**	12,950
20,50,000	Preference shares of ₹100/- each (20,50,000 Preference Shares as at March 31,2019)	**2,050**	2,050
		20,898	15,000
Issued, Subscribed and Paid-up Capital:			
5,31,71,917	Equity Shares of ₹10/- each, fully paid up (9,29,67,365 Equity Shares as at March 31, 2019]	**5,317**	9,297
13,84,88,161	Equity Shares Suspence Account (Equity Shares to be issued upon merger - refer Note No.50)	**13,849**	-
Total		**19,166**	9,297
A	**The reconciliation in number of shares is as under:**		
	Number of shares at the beginning of the year	**92,967,365**	92,967,365
	Add: Shares issued during the year	**-**	-
	Paid-up shares of Ashima Dyecot Private Limited extinguished upon merger	**39,795,448**	-
	Number of shares at the end of the year	**53,171,917**	92,967,365
B	**Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 10/- each, fully paid (#) (*)**		
1	Chintan Navnitlal Parikh And Shefali Chintan Parikh - Trustees Of Navchintan Trust		
	Number of Shares	**140,535,678**	-
	% to total shareholding	**73.33%**	-
2	Apus Investments Pvt. Ltd.		
	Number of Shares	**-**	58,684,751
	% to total shareholding	**-**	45.69%
3	Albus Investments Pvt. Ltd.		
	Number of Shares	**-**	16,596,808
	% to total shareholding	**-**	12.92%
4	Assets Reconstruction Company (India) Ltd.		
	Number of Shares	**-**	9,201,615
	% to total shareholding	**-**	7.16%

Holding and % has been arrived at after considering shares yet to be allotted and cancellation of Ashima Dyecot Private Limited holding in Ashima Limited due to merger.

* Considering shareholding of Ashima Limited as a single entity as at March 31,2019.

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 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 equity shares shall be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Note: 18 - Other Equity:

		₹ in Lacs	
		As at March 31,	
		2020	2019
Other Reserves:			
Capital Reserve	(A)	**38**	38
(Created on account of reissue of forfeited shares/debentures)			
Retained Earnings:			
Balance as per last Balance Sheet		**(46,227)**	(49,372)
Adjustment for IND AS 116 (Note No 45)		**(12)**	-
Opening adjustment of accumulated Loss of Associate			(14)
Adjustment due to consolidation			(104)
Add: Profit/(Loss) for the year		**(338)**	3,263
		(46,577)	(46,227)
Less:			
General Reserve		**168**	168
Capital Redemption Reserve - I		**105**	105
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			
Balance at the beginning of the year		**43,100**	43,016
Adjustment on sales of land		**(1)**	-
Adjustment as per scheme of arrangement		**(9,869)**	84
Balance at the end of the year		**33,230**	43,100
		49,813	59,683
	(B)	**3,235**	13,455
Less: Items of Other Comprehensive Income recognised directly in Retained Earnings:			
Balance as per last Balance Sheet		**(256)**	(221)
Re-measurement gains/ (losses) on defined benefit plans (net of tax) for the year		**(93)**	(35)
	(C)	**(349)**	(256)
Balance as at the end of the year	(D = B+C)	**2,886**	13,199
Total	(E = A+D)	**2,924**	13,237

Note: 19 - Non-Current Borrowings:

	₹ in Lacs			
	Non-current portion		**Current Maturities**	
	As at March 31,		**As at March 31,**	
	2020	2019	**2020**	2019
A Preference Shares				
20,50,000 1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid up	**606**	561	**-**	-
B Term Loans from Banks - Secured	**809**	1,146	**358**	354
C Others -Unsecured	**750**	750	**-**	-
Total	**2,165**	2,457	**358**	354
The above amount includes:				
Secured borrowings	**809**	1,146	**358**	354
Unsecured borrowings	**1,356**	1,311	**-**	-
Amount disclosed under the head "Other Current Financial Liabilities" (Note-24)	**-**	-	**(358)**	(354)
Net amount	**2,165**	2,457	**-**	-

Securities and Terms of Repayment for Secured Long Term Borrowings:

a Preference Shares

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

Rights of Preference Shareholders

(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 Nature of Security:

a. The Loan is primarily secured by exclusive charge on the Property, Plant and Equipment financed by the said term loan and secondarily secured by charge on the factory land admeasuring about 53117 square meters situated at Mithipur, Taluka Maninagar, District Ahmedabad of TP Scheme no. 7 (Khokhra – Mehmdabad) and Registration District Sub-District Ahmedabad – 7 (Odhav).

b The company has also taken term loan of ₹ 34 Lacs from banks by hypothecating cars.

ii Terms of repayment:

a. Term Loan from bank is ₹ 847 Lacs, bearing interest rate of 8.25% per annum (fixed), which is repayable in 20 equal instalments at quarterly rest, starting from August 2018.

b. Term Loan from bank is ₹ 286 Lacs, bearing interest rate of 8.60% per annum (fixed), which is repayable in 20 equal instalments at quarterly rest, starting from August 2018.

c. Car Loan from Axis bank is ₹ 13 Lacs, bearing interest rate of 8.76% per annum (fixed), which is repayable in 60 equated monthly instalments, starting from July 2017.

d. Car Loan from ICICI bank is ₹ 21 Lacs, bearing interest rate of 9.00% per annum (fixed), which is repayable in 60 equated monthly instalments, starting from December 2019.

c Unsecured Loan

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

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

Meanwhile, as part of recovery proceedings filed by HDFC Bank for a decretal amount of ₹ 2070.45 lacs, the Recovery Officer (“RO”) passed orders dated March 29, 2019 and April 9, 2019 allowing the application of HDFC Bank for the said decretal amount and inter alia also directed attachment of certain immovable properties of the Company situated at Ahmedabad, Kadi and Mumbai. As against the said decretal amount of ₹ 2070.45 Lacs, the value of the properties attached was far in excess of the decretal amount. Therefore, the company filed an application before the RO for review /recall and/or modification of the attachment order. The application was heard long back, however, no order has been passed yet.

The Company had also filed a writ petition at Hon’ble High Court of Bombay challenging the aforesaid two orders dated March 29, 2019 dated April 9, 2019 of RO. The Hon’ble Bombay High Court vide an Order dated November 22, 2019 allowed the Company to pursue its said Appeal at DRAT without deposit of any amount, in view of the fact that decretal amount stood recovered from BBK due to aforesaid orders of RO and the decree was a joint and several one. The Hon’ble High Court also suspended the warrant of attachment against Company’s immovable properties and RO’s order dated March 29, 2019 till the Company’s Appeal is decided by DRAT. The said Appeal is pending for hearing.

Note: 20 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Trade Deposits	**29**	31
Others	**-**	8
Liability of Leased Assets	**59**	-
Total	**88**	39

Note: 21 - Provisions:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Provision for Employee Benefits		
For Gratuity	**-**	52
Total	**-**	52

Note: 22 - Current Borrowings:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Loans repayable on Demand:		
Unsecured Loans from parties other than Banks (*)	**-**	34
Total	**-**	34

[*] Note:Unsecured borrowing was obtained from non-related party, without any specific terms of repayment.

Note: 23 - Trade Payables:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Micro and small enterprises (*)	**-**	-
Others	**3,854**	5,401
Total	**3,854**	5,401
(*) Based on the information available with the company regarding the status of its vendors under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), the disclosure pursuant to the MSMED Act is as follows:		
a. Principal amount and the interest due thereon remaining unpaid to any suppliers at the year end	-	-
b. the amount of Interest paid by the buyer in term of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d. the amount of Interest accrued and remaining unpaid at the end of each accounting year;	-	-
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of deductible expenditure under section 23 of the MSMED Act	-	-

Notes to the Consolidated Financial Statements

Note: 24 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
Current Maturities of Long Term Debt (Refer Note- 19)	**358**	354
Interest accrued but not due on borrowings	**9**	11
Payable to Statutory Authorities	**76**	103
Bills Payables	**448**	-
Unpaid Expenses	**318**	473
Liability of Leased Assets	**16**	-
Total	**1,225**	940

Note: 25 - Other Current Liabilities:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Advances from customers	**57**	190
Other liabilities	**4**	105
Total	**61**	296

Note: 26 - Provisions:

	₹ in Lacs	
	As at March 31,	
	2020	2019
Provision for Employee Benefits:		
For Gratuity	**4**	21
For Leave Encashment	**135**	156
Provision for product quality claims *	**9**	9
Total	**148**	186
(*) 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	**9**	5
ii Additional provision made during the year	**9**	9
iii Amount used	**(9)**	(5)
iv Carrying amount at the end of the year	**9**	9

Note: 27 - Contingent Liabilities and Commitments (to the extent not provided for):

	₹ in Lacs	
	As at March 31,	
	2020	2019
Contingent Liabilities:		
(A) Bills Discounted	**139**	139
(B) Claims against the company not acknowledged as debt		
(i) Income-tax	**5,914**	1
(ii) Central excise Duty	**324**	324
(iii) Sales-tax/VAT	**1,934**	1,934
(iv) Employees' State Insurance dues	**92**	89
(v) Custom-duty	**75**	72
(vi) Others	**1,576**	1,486
Total	**9,915**	3,906
(C) Other money for which the company is contingently liable:		
Employees who have yet not opted for VRS	**2**	7
Commitments:		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**243**	577

Note: 28 - Revenue from Operations:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Sale of Products	**27,886**	32,835
Sale of Services	**317**	390
Other Operating Revenues:		
Waste Sales	**94**	118
Export Incentives	**207**	204
Net gain on foreign currency transaction and translation	**40**	37
	341	359
Total	**28,544**	33,583

Notes to the Consolidated Financial Statements

Note: 29 - Other Income:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	**306**	1,415
Gain on sale/fair valuation of instruments measured at FVTPL	**71**	87
Gain on sale/retirement/damage of Property, Plant and Equipments	**291**	-
Provision for doubtful debts written back	**-**	144
Miscellaneous income	**109**	175
Total	**776**	1,821

Note: 30 - Cost of Materials Consumed:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Raw Materials		
Stock at commencement	**1,160**	1,308
Add: Purchases during the year	**12,845**	16,353
	14,005	17,661
Less: Stock at close	**807**	1,160
	13,198	16,501
Packing Materials consumed	**347**	565
Total	**13,545**	17,066

Note: 31 - Purchases of Stock-in-trade:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Purchases of Stock-in-trade	**672**	746
Total	**672**	746

Note: 32 - Changes in Inventories:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Stock at commencement:		
Work-in-progress	**1,557**	1,659
Finished Goods	**3,273**	3,024
Stock-in-trade	**371**	329
	5,201	5,012
Less: Stock at close:		
Work-in-progress	**1,288**	1,557
Finished Goods	**2,334**	3,273
Stock-in-trade	**405**	371
	4,027	5,201
Total	**1,174**	(189)

Note: 33 - Employee Benefits Expense:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Salaries and wages	**4,028**	4,659
Contribution to provident and other funds (*)	**349**	434
Staff welfare expenses	**114**	132
Total	**4,491**	5,225

* 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: 34 - Finance Cost:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Interest expense		
- On Term Loans	**(105)**	140
- On Working Capital	**43**	32
- Others	**222**	573
Bank commission and charges	**43**	50
Total	**203**	794

Notes to the Consolidated Financial Statements

Note: 35 - Other Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Consumption of Stores and Spare parts	**2,250**	2,778
Power and fuel	**3,360**	4,208
Rent (*)	**13**	65
Repairs to Buildings	**32**	56
Repairs to Plant and Equipments	**254**	255
Repairs to Others	**30**	34
Insurance	**83**	68
Rates and Taxes (excluding taxes on income)	**97**	48
Jobwork Charges	**690**	1,105
Freight and forwarding expenses	**229**	308
Sales Commission	**164**	129
Other Sales promotion expenses	**96**	109
Traveling Expenses	**125**	159
Loss on sale/retirement/damage of Property, Plant and Equipments	**-**	80
Labour Charges	**778**	865
Legal and Professional Fees	**246**	190
Directors' fees	**5**	4
Corporate Social Responsibility Expenses	**-**	55
Miscellaneous Expenses (**)	**582**	647
Total	**9,036**	11,164
* The Company has taken certain properties under leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties.		
** Miscellaneous Expenses include:		
a Payment to the Statutory Auditors		
- As Auditor	**13**	13
- For Other Services	**2**	3
Total	**15**	16
b Cost Auditor’s Remuneration including fees for other services	**1**	1

Note: 36-Tax Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2020	2019
The major components of income tax expense are:		
A Tax Expenses	-	-
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax	**(339)**	3,278
Enacted Tax Rate in India	**29.12%**	29.12%
Expected Tax Expenses	**(99)**	954
Adjustments for:		
Effect of additional deductions in taxable income	**(100)**	(61)
Effect of non-deductible expenses	**72**	46
Effect of deductible expenses	**(29)**	(81)
Unused tax losses of the earlier year now utilised	**-**	(608)
Capital Gain	**5**	(250)
Unabsorbed depreciation or carried forward losses	**152**	-
Total	**99**	(954)
Tax Expenses as per Statement of Profit and Loss	**-**	-

Note: 37-Calculation of Earnings per Equity Share (EPS):

		Year ended March 31,	
		2020	2019
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
For EPS before exceptional item(s)			
A Profit/(Loss) attributable to equity shareholders	₹ in Lacs	**(338)**	27
B Average Number of equity shares outstanding during the year	Numbers	**191,660,078**	191,660,076
C Nominal value of equity share	₹	**10**	10
D Basic & Diluted EPS	₹	**(0.18)**	0.01
For EPS after exceptional item(s)			
A Profit/(Loss) attributable to equity shareholders	₹ in Lacs	**(338)**	3,263
B Average Number of equity shares outstanding during the year	Numbers	**191,660,078**	191,660,076
C Nominal value of equity share	₹	**10**	10
D Basic & Diluted EPS	₹	**(0.18)**	1.70

(The details given above are after giving effect of merger in terms of cancellation and pending issue of new shares)

Note: 38 - 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 2018	Charge for the year	As at March 31 2019	Charge for the year	**As at March 31 2020**
Deferred Tax Liabilities:					
Depreciation	(2,224)	421	(1,803)	(1,079)	**(2,882)**
	(2,224)	421	(1,803)	(1,079)	**(2,882)**
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	143	(49)	94	7	**101**
Receivables	95	(21)	74	44	**118**
Other	204	(92)	112	(30)	**82**
Unabsorbed depreciation/ Business Loss	8,617	(2,204)	6,413	208	**6,621**
Total	9,059	(2,366)	6,693	229	**6,922**
Net Deferred Tax Assets/ (Liabilities)	6,835	(1,945)	4,890	(850)	**4,041**

B Significant Estimates :

As regards deferred tax as per Ind AS-12 on “Income Taxes” there is a net deferred tax asset for the past years and for the period up to March 31, 2020. The Company has taken conservative view of future profitability. Accordingly, the Company has not recognized deferred tax asset.

Note: 39 - Disclosures as required by Ind AS 19 Employee Benefits:

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

Defined benefit plans

Gratuity

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

	As at March 31,	
	2020	2019
Discount rate (per annum)	**6.60%**	7.40%
Future salary increase	**2.00%**	3.00%
Expected rate of return on plan assets	**6.60%**	7.40%

	₹ in Lacs	
	As at March 31,	
	2020	2019
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	**955**	992
Interest Cost	**64**	68
Current Service Cost	**53**	60
Benefits Paid	**(180)**	(202)
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**(15)**	13
Actuarial (Gain)/Loss arising from Experience Adjustment	**60**	24
Present value of obligation as at the end of the year	**937**	955
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	**909**	887
Interest Income	**63**	62
Contributions by the employer	**190**	159
Benefits paid	**(180)**	(202)
Return on plan assets	**(49)**	2
Fair Value of plan assets at the end of the year	**933**	909
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	**937**	955
Net Asset/ (Liability)-Current	**(4)**	5
Net Asset/ (Liability)-Non-Current	**-**	(52)
Expenses recorded in the Statement of Profit and Loss during the year		
Interest Cost	**1**	6
Current Service Cost	**53**	60
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**-**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**-**	-
Total expenses included in employee benefit expenses	**55**	65

	₹ in Lacs	
	As at March 31,	
	2020	2019
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**(15)**	13
Actuarial (Gain)/Loss arising from Experience Adjustment	**60**	24
Return on plan assets	**49**	(2)
Recognized in Other Comprehensive Income	**93**	35
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	**142**	172
Between 2 and 5 years	**344**	277
Between 6 and 10 years	**451**	494
More than 10 years	**0**	12
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/(decrease) on present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	**923**	923
Half percentage point decrease in discount rate	**985**	989
Half percentage point increase in salary increase rate	**986**	990
Half percentage point decrease in salary increase rate	**921**	922

Composition of Plan Assets

Particulars	As at March 31,	
	2020	2019
Policy of Insurance	**99.43%**	99.56%
Bank Balance	**0.57%**	0.44%
Total	**100.00%**	100.00%

Long-Term Employment Benefits

Leave Encashment:

Liability for the Leave Encashments for ₹ 135 Lacs (as at March 31, 2019 - ₹ 156 Lacs) has been fully provided for by the company.

Note: 40 - Segment Information:

The company sells goods in domestic market and also exports them to various countries. Accordingly, secondary segment reporting has been confined to sales in India and exports outside India. Fixed assets used in the company's business and liability contracted in respect of its sole manufacturing facilities are not identifiable in line with following reportable segments as the fixed assets and liabilities contracted are used interchangeably between the segments. Accordingly, except for Trade Receivables, no disclosures relating to other segment assets and liabilities have been made.

Secondary Segment Reporting:

Particulars	₹ in Lacs	
	Year ended March 31,	
	2020	2019
Segment Revenue		
a) In India	**24,312**	29,197
b) Outside India	**3,890**	4,027
Total	**28,202**	33,225
Trade Receivables		
a) In India	**1,590**	2,380
b) Outside India	**58**	108
Total	**1,648**	2,488

Note: 41-Related Party Transactions:

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

a) <u>Name of Related Parties and Nature of Relationship :</u>

Associates

1 Shardul Garments Private Limited

Key Management Personnel

1	Mr. Chintan N. Parikh	Chairman and Managing Director
2	Mr. Krishnachintan C. Parikh	Executive Director - Relative of Chairman & Managing Director - Resignation w.e.f. 20/12/2019
3.	Mrs. Uttara C. Parikh	Relative of Chairman & Managing Director

Other related parties where control exists

1	Mrs. Uttara C. Parikh	Relative of Chairman & Managing Director
2	Small Three Coordinates Enterprises Private Limited	
3	Sushrut Enterprises Private Limited	
4	Mr. Krishnachintan C. Parikh	Relative of Chairman & Managing Director (transactions from 21.12.2019)

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

Nature of Transactions	Associates		Key Management Personnel		Others	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2020	2019	**2020**	2019	**2020**	2019
Sale of Property, Plant & Equipment						
1 Shardul Garments Private Limited	**13**	451	**-**	-		
Total	**13**	**451**	**-**	**-**	**-**	**-**
Remuneration						
1 Mr. Chintan N. Parikh			**144**	120	**-**	-
2 Mr. Krishnachintan C. Parikh			**42**	50		
Total	**-**	**-**	**186**	**170**	**-**	**-**
Interest Expenses/Bills Discounting charges						
1 Mr. Krishnachintan C. Parikh			**17**	5	**12**	
Total	**-**	**-**	**17**	**5**	**12**	**-**
Other Expenses						
1 Small Three Coordinates Enterprises Pvt. Ltd.	**-**	-	**-**	-	**4**	-
2 Sushrut Enterprises Pvt. Ltd.	**-**	-	**-**	-	**6**	-
3 Mrs. Uttara C. Parikh					**14**	24
Total	**-**	**-**	**-**	**-**	**24**	**24**
Loan Given						
1 Shardul Garments Private Limited	**14**	16	**-**	-		
Total	**14**	**16**	**-**	**-**	**-**	**-**
Investments						
1 Shardul Garments Private Limited	**-**	277	**-**	-		
Total	**-**	**277**	**-**	**-**	**-**	**-**
Loans Receivable-Closing Balance at year end						
1 Shardul Garments Private Limited	**63**	49	**-**	-		
Total	**63**	**49**	**-**	**-**	**-**	**-**
Other receivable-Closing balance at year end						
1 Small Three Coordinates Enterprises Pvt. Ltd.	**-**	-	**-**	-	**8**	
Total	**-**	**-**	**-**	**-**	**8**	**-**

Note: 42-Financial Instruments:

A Fair values hierarchy:

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

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

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

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

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

	₹ in Lacs			
	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Current Financial Assets:				
Investments	1,276	-	-	1,276
Trade receivables	-	-	1,648	1,648
Cash and Cash Equivalents	-	-	1,105	1,105
Bank Balance other than Cash and Cash Equivalents	-	-	622	622
Loans	-	-	2,004	2,004
Other Current Financial Assets	-	-	1,200	1,200
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	273	273
Financial Investments at FVOCI:				
Unquoted equity instruments		219		219
Total Financial Assets	**1,276**	**219**	**6,852**	**8,347**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	3,854	3,854
Other Current Financial Liabilities	-	-	858	858
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,531	2,531
Other Non Current Financial Liabilities	-	-	88	88
Total Financial Liabilities	**-**	**-**	**7,331**	**7,331**

	₹ in Lacs			
	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Current Financial Assets:				
Investments	1,126	-	-	1,126
Trade receivables	-	-	2,488	2,488
Cash and Cash Equivalents	-	-	1,333	1,333
Bank Balance other than Cash and Cash Equivalents	-	-	376	376
Loans			525	525
Other Current Financial Assets	-	-	3,005	3,005
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	283	283
Financial Investments at FVOCI:				
Unquoted equity instruments	-	219	-	219
Total Financial Assets	**1,126**	**219**	**8,008**	**9,354**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	5,401	5,401
Other Current Financial Liabilities	-	-	576	576
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,855	2,855
Other Non Current Financial Liabilities	-	-	39	39
Total Financial Liabilities	**-**	**-**	**8,871**	**8,871**

Note: 43-Financial Risk Management:

A Financial instruments by category:

	₹ in Lacs			
	As at March 31, 2020			
	FVTPL	**FVOCI**	**Amortised Cost**	**Total**
Financial assets:				
Current Financial Assets:				
Investments	1,276	-	-	1,276
Trade receivables	-	-	1,648	1,648
Cash and Cash Equivalents	-	-	1,105	1,105
Bank Balance other than Cash and Cash Equivalents	-	-	622	622
Loans	-	-	2,004	2,004
Other Current Financial Assets	-	-	1,200	1,200
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	273	273
Financial Investments at FVOCI:	-	-	-	-
Unquoted equity instruments		219		219
Total Financial Assets	**1,276**	**219**	**6,852**	**8,347**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	3,854	3,854
Other Current Financial Liabilities	-	-	858	858
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,531	2,531
Other Non Current Financial Liabilities	-	-	88	88
Total Financial Liabilities	**-**	**-**	**7,331**	**7,331**

	₹ in Lacs			
	As at March 31, 2019			
	FVTPL	**FVOCI**	**Amortised Cost**	**Total**
Financial assets:				
Current Financial Assets:				
Investments	1,126	-	-	1,126
Trade receivables	-	-	2,488	2,488
Cash and Cash Equivalents	-	-	1,333	1,333
Bank Balance other than Cash and Cash Equivalents	-	-	376	376
Loans			525	525
Other Current Financial Assets	-	-	3,005	3,005
Non Current Financial Assets:				
Other Non Current Financial Assets	-	-	283	283
Financial Investments at FVOCI:	-	-	-	-
Unquoted equity instruments	-	219	-	219
Total Financial Assets	**1,126**	**219**	**8,008**	**9,354**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	5,401	5,401
Other Current Financial Liabilities	-	-	576	576
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,855	2,855
Other Non Current Financial Liabilities	-	-	39	39
Total Financial Liabilities	**-**	**-**	**8,871**	**8,871**

B Risk Management:

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

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

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

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

a Credit risk:

Credit risk arises from the possibility that customer may not be able to settle its obligations as agreed. The company is exposed to credit risk from trade receivables, bank deposits and other financial assets.

The Company periodically assesses the financial reliability of the counterparty taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Party-wise credit is monitored and reviewed accordingly.

Bank deposits:

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

Trade Receivable:

The Company is exposed to credit risk in the event of non-payment by customers. Major part of sales is made on 'Delivery against payment' basis, hence the credit risk is insignificant. To eliminate credit risk further, the high value sales are made by adequate coverage through Letters of Credit, wherever possible. The Company trades with recognized and creditworthy customers. It is the Company's policy that all customers who wish to trade on credit terms are subjected to scrutiny and periodic review. There is no clean credit as such extended by the company, except against post-dated cheques. In addition, receivable balances are monitored on an on going basis with the result that the Company'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.

Against doubtful trade receivables of ₹ 102 Lacs (Previous year - ₹ 77 Lacs), allowance for doubtful receivables is ₹ 102 Lacs as at March 31, 2020 [Previous year - ₹ 77 Lacs]. During the year the Company has made allowance of ₹ 25 lacs (Previous year - Nil), for which the company has filed a legal case under section 138 of the Negotiable instruments Act, 1881. Further, the company has made an allowance of ₹ 124 lacs on account of market uncertainities that might arise due to the recent COVID pandemic affecting the future cash flows of the company.

Ageing of Trade Receivables	**₹ in Lacs**	
	As at March 31,	
	2020	2019
0 - 3 Months	**1,610**	2,257
3 - 6 Months	**97**	130
6 - 12 Months	**47**	9
Beyond 12 Months	**120**	169
Total	**1,874**	2,565
Allowance for doubtful receivables	**226**	77
Trade Receivables Carried in Balance Sheet	**1,648**	2,488

b Liquidity risk:

a Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet these obligations.

c Maturities of financial liabilities:

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

	₹ in Lacs				
	< 1 year	**1-2 year**	**2-3 years**	**> 3 years**	**Total**
	As at March 31, 2020				
Borrowings (including current maturities and interest)					
Term Loan from Bank	366	358	359	92	1,176
Other Borrowings	-	750	-	606	1,356
Other Non-Current Financial Liabilities	-	88	-	-	88
Trade Payables	3,854	-	-	-	3,854
Other Current Financial Liabilities	858	-	-	-	858
Total	**5,079**	**1,196**	**359**	**698**	**7,331**

	₹ in Lacs				
	< 1 year	**1-2 year**	**2-3 years**	**> 3 years**	**Total**
	As at March 31, 2019				
Borrowings (including current maturities and interest)					
Term Loan from Bank	364	349	349	448	1,510
Other Borrowings	34	750	-	561	1,344
Other Non-Current Financial Liabilities	-	39	-	-	39
Trade Payables	5,401	-	-	-	5,401
Other Current Financial Liabilities	576	-	-	-	576
Total	**6,375**	**1,138**	**349**	**1,009**	**8,871**

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 transactions 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 ₹ is as follows:

Exposure of USD	₹ in Lacs	
	As at March 31,	
	2020	2019
Financial assets:		
Trade Receivables	**18**	94
Total exposure to foreign currency risk (assets)	**18**	94
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**18**	94

Exposure of GBP	₹ in Lacs	
	As at March 31,	
	2020	2019
Financial assets:		
Trade Receivables	**40**	2
Total exposure to foreign currency risk (assets)	**40**	2
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**40**	2

Exposure of EURO	₹ in Lacs	
	As at March 31,	
	2020	2019
Financial assets:		
Trade Receivables	**-**	12
Total exposure to foreign currency risk (assets)	**-**	12
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**-**	12

Sensitivity Analysis:

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

	₹ in Lacs			
	As at March 31, 2020		As at March 31, 2019	
	Movement in Rate	**Impact on PAT**	Movement in Rate	Impact on PAT
USD	**2.00%**	**0.24**	2.00%	1.23
USD	**-2.00%**	**(0.24)**	-2.00%	(1.23)
GBP	**2.00%**	**0.52**	2.00%	0.03
GBP	**-2.00%**	**(0.52)**	-2.00%	(0.03)
EURO	**2.00%**	**-**	2.00%	0.16
EURO	**-2.00%**	**-**	-2.00%	(0.16)

* Holding all other variables constant

d Interest rate risk:

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

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2020, 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: 44-Capital Management:

The Company's capital management objectives are:

a to ensure the Company's ability to continue as a going concern.

b to provide an adequate return to shareholders.

c to 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,	
	2020	2019
Net debts	**2,523**	2,844
Total equity	**22,090**	22,534
Net debt to equity ratio	**0.11**	0.13

Note: 45- Leases

The Company has taken on lease certain Sales Outlets. These leases generally have lease terms between 11 months and 9 years.

The Company has adopted Ind-AS 116 "Leases", effective April 1,, 2019 using the modified retrospective method in respect of its leases. The Company has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for its eligible lease contracts. This has resulted in recognising a right-of-use asset of ₹ 89 lacs and lease liability of ₹ 101 lacs as on April 1,, 2019 and adjusting ₹ 12 lacs against opening balance of Retained Earnings. Details of amounts recognized in the financials for the year are as follows:

a) Set out below are the carrying amounts of right-of-use assets (RoU) recognised:

Particulars	Amount [₹ Lacs]
Created on adoption date (April 1, 2019)	89
Additions	-
Depreciation expense	22
As at March 31, 2020	67

b) Set out below are the carrying amounts of lease liabilities (included under other financial statements):

Particulars	Amount [₹ Lacs]
Created on adoption date (April 1, 2019)	101
Additions	-
Accretion of Interest	8
Payments [including interest]	34
As at March 31, 2020	75

The effective interest rate for lease liabilities is 9%, with maturity between financial years 2021-2027.

c) The following are the amounts recognised in statement of profit or loss:

Particulars	Amount [₹ Lacs]
Depreciation of right-of-use assets (note 4)	22
Interest expense on lease liabilities (note 34)	8
Expense relating to short-term leases and leases of low value assets (note 35)	13

Note: 46- Impact of Covid-19

In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from March 24, 2020, which has impacted normal business operations of the Company. The Company has since resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. Post-reopening, the Company partially commenced manufacturing activity after June 15, 2020, with the limited objective of fulfilling fabric delivery commitments for pending orders from customers, since there was no material activity in the textile market and the Company was facing liquidity crunch due to suspension of operations. The Company is waiting for the business conditions to improve and demand to pick up, so commencement of normal operations will take some more time.

This stoppage had an adverse impact on operational performance of the company and its financial position. The company has been facing liquidity crunch due to this and is striving to manage its cashflows within the limitations.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business, etc.

Having reviewed the underlying data and based on current estimates the Company has provided ₹ 197 lacs as diminution in value of finished goods and ₹ 124 lacs as allowance for expected credit loss on receivables balances. The actual impact on realization of these assets may vary, depending on future developments on Covid-19 front and its impact on the business of the company.

While the overall impact of disruption in operations would be significant, the impact for the year ended March 31, 2020 was for a few days and is not possible to be quantified in terms of effect on profitability of the company. However, the Company does not anticipate any challenges in its ability to continue as going concern. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is yet closely monitoring the situation as it evolves in the future.

Note: 47- Investment In An Associate

The Group has a 49.58% interest in Shardul Garments Private Limited, which is involved in the manufacture of Garments and garments related processes. Shardul Garments Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Shardul Garments Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Shardul Garments Private Limited.

	₹ in Lacs	
	As at March 31,	
	2020	2019
Current Assets	**1**	5
Non-current Assets	**565**	551
Current Liabilities	**(123)**	(114)
Non-current Liabilities	**(0)**	(0)
Equity	**442**	442
Proportion of the group's ownership interest	**49.58%**	49.58%
Carrying amount of the group's interest	**219**	219

	₹ in Lacs	
	As at March 31,	
	2020	2019
Revenue	**1**	-
Cost of raw material and components consumed	**-**	-
Depreciation & amortization	**-**	(1)
Finance cost	**(0)**	-
Employee benefit	**-**	-
Other expenses	**(0)**	(29)
Profit before tax	**0**	(30)
Income tax expense	**-**	-
Profit for the year	**0**	(30)
Group's share of profit for the year	**0**	(15)
Group's share of other comprehensive income for the year	**-**	-
Group's total comprehensive income for the year	**0**	(15)

The associate had no contingent liabilities and capital commitments.

Note: 48 - Disclosure of additional information to the Parent Company and Associate as per Schedule III of the Companies Act, 2013

(₹ in Lacs)

Name of the company	Net Assets (Total Assets less Total liabilities)		Share in Profit or Loss		OCI		TCI	
	2019-20		2019-20		2019-20		2019-20	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company:								
Proportion of the group's ownership interest	100.60%	22223	100.04%	-339	100.00%	-93	100.03%	-431
Associate:								
Shardul Garments Private Limited	-0.60%	-133	-0.04%	0	0.00%	-	-0.03%	0
Total:	**100.00%**	**22090**	**100.00%**	**-338**	**100.00%**	**-93**	**100.00%**	**-431**

Note: 49 - Details of Associate

Name of the Company	Country of Incorporation	% Holding as at March 31,2020	% Holding as at March 31,2019	Accounting Period
Shardul Garments Private Limited	India	49.58	49.58	April 1, 2019 to 31st March, 2020

Note: 50- Business Combination

a) During the year, a Scheme of Arrangement between Ashima Dyecot Private Limited, ("transferor company") with the Company in terms of the provisions of sections 230 to 232 read with Sections 66 and other applicable provisions of the Companies Act, 2013 was approved by the Hon. National Company Law Tribunal, Ahmedabad bench on July 22, 2020 and was made effective on July 29, 2020 pursuant to filing of the scheme with the Registrar of Companies, Gujarat. The appointed date for the amalgamation is April 1, 2019.

b) As per the share exchange ratio specified in the scheme, the Company has to issue 348 fully paid up equity shares of ₹ 10 each of the Company to the shareholders of transferor company for every 100 equity shares of ₹ 10 each of transferor company held by them. Accordingly, a total of 13,84,88,161 equity shares of the company are required to be issued. Pending the issue of shares, the face value of equity shares to be issued is reflected as Equity Shares Suspense Account under the equity share capital. Total 7,52,81,959 equity shares of the company, held by the transferor company, are required to be cancelled upon merger.

Notes to the Consolidated Financial Statements

c) The Accounting policy and method followed for merger accounting is as stated in note 2 (3) forming part of Accounting Policies. Accordingly, the difference arising between the value of net assets and reserves of the transferor company and the value of shares issued, amounting to ₹ 9785 lacs, has been adjusted in Business Reconstruction Reserve as provided for in the Scheme.

d) The financials for the previous year 2018-19 have been restated so as to include financials of the transferor company in accordance with Indian Accounting Standard (IND-AS) 103, Business Combinations.

Signatures to Significant Accounting Policies and Notes 1 to 50 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: July 30, 2020

Dipak Thaker
Company Secretary

For and on behalf of the Board

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

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: July 30, 2020

Notes

If undelivered, please return to :

ASHIMA LIMITED

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