ashima
LIMITED

39th Annual Report
2021-22

TEXCELLENCE

Corporate Information

BOARD OF DIRECTORS

Mr. Chintan N. Parikh - Chairman & Managing Director
Dr. Bakul H. Dholakia - Independent Director
Mrs. Koushlya Melwani - Independent Director
Mr. Neeraj Golas - Independent Director
Mr. Sanjay Majmudar - Independent Director
Mr. Shrikant Pareek - Director (Operations)
Mr. Krishnachintan Parikh - Executive Director

GROUP CHIEF FINANCIAL OFFICER

Mr. Hiren S. Mahadevia

COMPANY SECRETARY

Mr. Dipak S. Thaker (upto July 14, 2022)
Ms. Shweta Sultania (w.e.f. July 15, 2022)

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
Tel. No. : 079-67777000
Email : texcellence@ashima.in
Website : www.ashima.in
CIN: L99999GJ1982PLC005253

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

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NOTICE

Notice is hereby given that the **39th ANNUAL GENERAL MEETING (AGM) of ASHIMA LIMITED** will be held on **Thursday, August 25, 2022 at 11:30 a.m.** through Video Conferencing (VC) / Other Audio Visual Means (OAVM), 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, 2022 and the Reports of the Board of Directors and the Auditors thereon.

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

3. To re-appoint Statutory Auditors

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

"RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of Act and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Mukesh M. Shah & Co., Chartered Accountants (Firm Registration No. 106625W), be and are hereby appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years, commencing from the conclusion of 39th Annual General Meeting of the Company till the conclusion of 44th Annual General Meeting to be held in the year 2027, on such remuneration, excluding applicable taxes and other levies and reimbursement of out of pocket expenses, as shall be mutually agreed upon by the Board of Directors and the Auditors.

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

SPECIAL BUSINESS:-

4. Revision in Remuneration of Mr. Shrikant Pareek (DIN: 02139143), Director (Operations) of the Company.

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

"RESOLVED THAT pursuant to provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, permissions and sanctions, if any required, and as approved by the Board of Directors upon recommendation of Nomination and Remuneration Committee, the approval of members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Shrikant Pareek - Director (Operations) of the Company, for the period from April 1, 2021 to July 31, 2023 on terms and conditions including payment of remuneration as set out hereunder:

I. Salary:

The Director (Operations) shall be entitled to a salary of ₹4,63,930/- (Rupees Four Lac Sixty Three Thousand Nine Hundred Thirty only) per month.

II. House Rent Allowance:

House rent allowance of ₹ 2,89,956/- (Rupees Two Lac Eighty Nine Thousand Nine Hundred Fifty Six only) per month.

III. Special Allowance:

Special Allowance of ₹ 3,12,283/- (Rupees Three Lacs Twelve Thousand Two Hundred Eighty Three) per month.

IV. Other Allowances and perquisites:

a. City Compensatory Allowance: ₹ 28,996/- (Rupees Twenty Eight Thousand Nine Hundred Ninety Six only) per month.

b. Other Allowances and Reimbursements: Education, Transport and Medical Allowance, and other reimbursements and LTA all together put not exceeding ₹ 29,864/- (Rupees Twenty Nine Thousand Eight Hundred Sixty Four only) 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 ₹ 7,03,627 (₹ Seven Lacs Three Thousand Six Hundred Twenty Seven only) per annum

d. Company's contribution to Provident Fund amounting to ₹ 55,672/- (Rupees Fifty Five Thousand Six Hundred Seventy Two only) per month

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

Note: The aforesaid items (c) to (e) are not considered for the purpose of ceiling on remuneration as per provisions of Schedule V to The Companies Act, 2013.

RESOLVED FURTHER THAT other terms and conditions of appointment shall remain same as approved by the members of the Company at the 37th Annual General Meeting of the Company held on September 29, 2020;

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

5. Revision in Remuneration of Mr. Krishnachintan Parikh, Executive Director (DIN : 07208067).

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 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, permissions and sanctions, if any required, and as approved by the Board of Directors upon recommendation of Nomination and Remuneration Committee, the approval of members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Krishnachintan Parikh, Executive Director of the Company, for the period from April 1, 2022 to June 4, 2024 on terms and conditions as set out hereunder:

I. Salary: The Executive Director shall be entitled to a salary of ₹ 2,14,500/- (Rupees Two Lac Fourteen Thousand Five Hundred only) per month.

II. House Rent Allowance: House rent allowance of ₹ 85,500/- (Rupees Eighty Five Thousand Five Hundred only) per month.

III. Perquisites:

a. Contribution to provident fund to the extent of ₹ 25,740/- (Rupees Twenty Five Thousand Seven Hundred Forty only) per month and to National Pension Scheme (NPS) to the extent of ₹ 21,450/- (Rupees Twenty One Thousand Four Hundred Fifty only) per month.

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

c. Encashment of leave at the end of tenure not to exceed salary and house rent allowance for a period of 28 days in a year. The amount shall not exceed ₹ 2,80,000/- (Rupees Two Lac Eighty Thousand only) per annum at current salary.

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

Note: The aforesaid items (a), (c) and (d) are not considered for the purpose of ceiling on remuneration as per provisions of Schedule V to The Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Krishnachintan Parikh, Executive Director, be paid in addition to the aforesaid remuneration and perquisites, a performance based fees as may be decided by the Board of Directors upon the recommendation of Nomination and Remuneration Committee for managing portfolio investment of the Company, to be paid annually as at March 31 of every financial year, since commencement of investment activities during FY 2021-22 till his current tenure ending on 4.6.2024, such that the overall remuneration including such fees shall not exceed permissible limit applicable to the Company under para A, Section-II, Part-II of Schedule V to the Companies Act, 2013;

RESOLVED FURTHER THAT other terms and conditions of appointment shall remain same as approved by the members of the Company at the 38th Annual General Meeting of the Company held on August 17, 2021;

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

6. 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), the remuneration of ₹ 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 audit, payable to M/s. Ankit Sheth & Co., Cost Accountants (Firm Registration No. 102785), appointed by the Board of Directors of the Company as Cost Auditor, to conduct the audit of cost records maintained by the Company for the financial year 2022-23, be and is hereby ratified and confirmed;

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

7. Alteration of Object Clause of Memorandum of Association of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed thereunder and subject to the approval, consent or sanction as may be applicable and necessary, consent of the shareholders of the Company be and is hereby accorded to the alteration and amendment of Clause III of the Memorandum of Association (MOA) of the Company in the following order and manner:

A. to move sub clause nos. 16 to 19 and sub clause nos. 24 to 26 of Clause III (C) of the MOA to Clause III (A) and append those clauses as sub clause (5) to (11) after the existing sub clause (4) of Clause III (A) of the MOA of the Company.

B. to append following new clauses as sub clause (12) and (13) after the proposed sub clause (11) of Clause III (A) of the MOA of the Company:

"12. To carry on, acquire, run and establish the business as manufacturers, traders, processors, importers, exporters or dealers in all kinds and types of Technical Textile products including but not limited to Medical Textiles, Industrial Textiles, Home Textiles, Sports Textiles, Protective Textiles, Composites, Coated Fabrics, using either of polymers, carbons, fiberglass, fiber reinforced plastics or any of natural, manmade or artificial fibres and processes including injection moulding, compression moulding, thermoforming, vacuum forming, composite moulding, weaving, laminating, coating, impregnating, heating, winding, embossing, extrusion and co-extrusion, recycling of thermoplastics, blow and stretch blow moulding, all types of foamed plastics, rotational moulding, sintering, slush moulding, powder coating including fluidized bed coating, castings, fabrication, mineral filling in thermoplastics, alloying of thermoplastics, moulding of thermosets, either compressed or by any other process whatsoever."

"13. To carry on the business of software designing, development, customisation, implementation, maintenance, testing, benchmarking and dealing in computer software and solutions, to provide internet / web based applications, services and solutions, information technology related assignments on own or sub-contracting basis, IT enabled services, data mining and blockchain services, data warehousing and database management, services for networking and network management, offer services on-site/ offsite or through development centers using owned / hired or third party infrastructure and equipment, provide solutions/ packages/ services through applications services via internet or otherwise, and to import, export, sell, purchase, distribute, host (in data centers or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to carry on the business of manufacturing, buying, selling or otherwise dealing in and maintenance of computers, hardware, software and information technologies, computer systems and data processors, imparting education in computer technology, solutions and services for networking and network management, data center management and in providing consultancy services in all above areas."

C. To appropriately renumber the remaining sub clauses of Clause III (C) of the MOA after shifting of sub clause nos. 16 to 19 and sub clause nos. 24 to 26 of Clause III (C);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution any Director or Key Managerial Personnel of the Company be and are hereby authorised severally, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Gujarat."

Date: May 14, 2022
Place: Ahmedabad
Regd. Office:
Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

By order of the Board

Dipak S. 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 7 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 Tuesday, August 16, 2022 to Thursday, August 25, 2022 (both days inclusive).
3. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") has vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021 and General Circular No. 02/2022 dated May 05, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General

Meeting ("AGM" or "Meeting") through Video Conferencing facility/ Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. Accordingly, the 39th AGM of the Company is being held through VC/OAVM.

Securities and Exchange Board of India ("SEBI") vide its SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI circular no. SEBI/HO/CFD2/CIR/P/2022/62 dated May 13, 2022 provided relaxation from Regulation 36 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR Regulations") regarding sending hard copy of annual report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and also dispensed with the requirement of sending proxy forms under Regulation 44(4) of the LODR Regulations in case of general meetings held through electronic mode only.

4. In line with the aforesaid MCA Circulars and SEBI Circular, the Notice of AGM alongwith Annual Report for the financial year 2021-2022 shall be sent only through electronic mode to those members whose email IDs are registered with the company/depository participant(s). Members may note that Notice and Annual Report 2021-2022 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/ Authorisation Letter authorizing their representatives to attend and vote on their behalf in the Meeting. The said Resolution / Authorisation letter shall be sent to the Scrutinizer by email through its registered email address to scrutinizer@tapan.shah.in or investor_redressel@ashima.in with a copy marked to helpdesk.evoting@cdslindia.com.

7. Since the AGM is being held through VC /OAVM in accordance with the aforesaid Circulars, 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. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The aforesaid communication is available on the website of the Company. Attention of the Members holding shares of the Company in physical form is invited to the said important communication under the weblink at **https://ashima.in/wp-content/uploads/2022/03/Shareholders-holding-shares-in-physical-form.pdf**.

12. THE INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

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 aforesaid MCA Circulars and SEBI Circulars, 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. Thursday, August 18, 2022, 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 dispatch of the Notice of the AGM and prior to the Cut-off date i.e Thursday, August 18, 2022, 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 Monday, August 22, 2022 at 9.00 a.m. and will end on Wednesday, August 24, 2022 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, 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. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

vi. 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.

vii. The Company has appointed CS 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.

viii. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.

Type of shareholders	Login Method
	2) After successful login the Easi / Easiest user will be able to see the e- Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e- Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/Evotinglogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e- Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e- Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e- Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e- Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e- Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e- Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

13. **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in demat form & physical shareholders**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) 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.
6) If you are a first-time user follow the steps given below:

	For Physical Shareholders and other than Individual Shareholders holding shares in demat form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

(7) After entering these details appropriately, click on "SUBMIT" tab.

(8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(10) Click on the EVSN of Ashima Limited on which you choose to vote.

(11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(13) 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.

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

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

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

(17) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to Scrutiniser for verification.

(18) **Additional Facility for Non–Individual Shareholders and Custodians–For Remote Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 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) for which they wish to vote on.
- The list of accounts linked in the login 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 at the email address viz; scrutinizer@tapanshah.in and investor_redressel@ashima.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

14. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E- VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e- voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor_redressel@ashima.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor_redressel@ashima.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are 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 during the AGM.

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

15. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E- VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

    1. For Physical shareholders' please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

    2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

16. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e- Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

    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 on toll free no. 1800 22 55 33.

17. 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 not later than two working days of the conclusion of the 39th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

19. Contact Details:

Company	:	Ashima Limited Regd. Office: Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad-380 021, Gujarat Tel No. : +91 79 67777000 Email Id : investor_redressel@ashima.in Website : www.ashima.in
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:

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Mukesh M. Shah & Co., Chartered Accountants, the existing Statutory Auditors of the Company will complete their term as Statutory Auditors of the Company at the conclusion of the ensuing 39th Annual General Meeting (AGM). In view of the same, M/s. Mukesh M. Shah & Co., Chartered Accountants (Firm Registration No. 106625W) have been appointed by the Board as the Statutory Auditors of the Company for a second term of five (5) years to hold office from the conclusion of the 39th AGM till the conclusion of the 44th AGM based on the recommendation of the Audit Committee and subject to the approval of the Members of the Company on such remuneration plus applicable taxes and out-of-pocket expenses incurred in connection with the Audit as may be decided by the Board.

The Board recommends the Ordinary Resolution set out at Item no. 3 of the accompanying Notice for approval by the Members of the Company. None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested financially or otherwise in the said Resolution, except to the extent of their shareholding, if any, in the Company.

Item no. 4:

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has at its meeting held on February 5, 2022 approved revision in remuneration of Mr. Shrikant Pareek, Director (Operations) from ₹ 10,61,837/- per month to ₹ 11,25,029/- per month and other perquisites as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013, effective from April 1, 2021 till the remaining tenure of his term i.e. July 31, 2023. In case of Company having no profit or inadequate profit, Mr. Shrikant Pareek would be entitled for minimum remuneration as mentioned in the abovesaid resolution.

The material terms of remuneration of Mr. Shrikant Pareek effective from April 1, 2021 to July 31, 2023 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in their respective meetings held on February 5, 2022 have been set out in the resolution.

The remuneration as proposed in the resolution is appropriate in terms of the size of the Company, its financial position, trend in the industry and his qualification, experience, past performance, past remuneration and responsibilities shouldered by him.

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

I. General Information:

The Company was incorporated in the year 1982 and is already in commercial production since quite a long time. The Company is primarily engaged in the Textile Business and one of India's leading 100% cotton fabric manufacturers. It offers a range of cotton textile products encompassing Denims, garments and ready-to-stitch fabrics and is also engaged in garment processing. Recently, it has commenced activities in the Real Estate business and has also started investment activities. Based on audited standalone financial statements for the year ended on March 31, 2022, the Turnover & other income were ₹ 20,999 lacs. The Company has reported a profit of ₹ 1,792 lacs for the year as compared to a loss of ₹ 1,176 lacs in the preceding year. Profit for the year includes exceptional items of ₹ 3,579 lacs towards profit on sale of land and a loss of ₹ 316 lacs related to discontinued operations. The foreign holding including Non-Resident Indians (NRIs) holding is 0.79% of the equity capital of the Company.

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 about 29 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. The Company has benefitted lot on account of his leadership, sharp insight and analytical ability during his tenure.

III. Other Information:

a. Reasons for loss or inadequate profits:

The bottom line has been adversely affected due to a few major challenges beyond the control of the Company. The severe second wave of Covid pandemic during the first quarter of the year had a significant adverse financial impact due to abrupt disruption of business activities. During the later part of the year, the Company's wet processing operations remained suspended across various divisions from end-November, 2021 due to disconnection of effluent discharge facility by the Ahmedabad Municipal Corporation as per directions of Hon'ble Gujarat High Court, in a suo-moto public interest litigation writ petition, in spite of company being fully compliant and holding all requisite permissions.

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

In order to cope up with the situation in the aftermath of disconnection of effluent discharge facility, the company has resorted to outsourcing arrangement. However, extra costs are associated with such an arrangement and the same is not a long-term solution. The operations and the profitability are likely to remain under stress for some time. To overcome effluent discharge issues, the company has decided to go for Zero Liquid Discharge (ZLD) facility. The installation and commissioning of the ZLD facility is likely to take about 6 months, after which the wet processing production activities are expected to be normalized. The Company has already undertaken debottlenecking of its fabric processing activities and is hopeful of achieving decent volume growth during the later part of the year. The Real Estate activities of the company is also likely to pick up pace and add to the revenues and profitability of the company during the later part of the current year.

IV. Disclosures

The resolution sets out the entire terms and conditions of his remuneration. The Board of Directors recommends this resolution as set out at Item no. 4 of the Notice, for the approval of the members. Besides remuneration and perquisites proposed, Mr. Shrikant Pareek does not have any pecuniary relationship with the Company directly or indirectly. He holds 1199 equity shares in the share capital of the Company.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are anyway concerned or interested financially or otherwise in the said resolution except Mr. Shrikant Pareek and his relatives.

Item no. 5:

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has at its meeting held on May 14, 2022 approved revision in remuneration of Krishnachintan Parikh, Executive Director from ₹ 2,00,000/- per month to ₹ 3,00,000/- per month and other perquisites as per the provisions of section 197 read with Schedule V of the Companies Act, 2013, effective from April 1, 2022 till the remaining tenure of his term i.e. June 4, 2024. The Board also approved payment of performance linked fees to the Executive Director for managing portfolio investment of the Company as specified in the resolution.

The material terms of remuneration (including performance based fees) payable to Mr. Krishnachintan Parikh effective from April 1, 2022 to June 4, 2024 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in their respective meetings held on May 14, 2022 have been set out in the resolution.

The remuneration as proposed in the resolution is appropriate in terms of the size of the Company, its financial position, trend in the industry and his qualification, experience, past performance, past remuneration and responsibilities shouldered by him.

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

I. General Information:

For this information, please refer Item no. 4 above.

II. Information about the appointee

Mr. Krishnachintan Parikh is a Bachelor in Electronic Engineering from University of Sheffield, UK and an MBA from Columbia University, USA. Shri Krishnachintan Parikh was associated with the Company as Executive Director for a period from 1st June 2017 to 20th December, 2019. Mr. Krishnachintan Parikh is currently serving his tenure of 3 years as an Executive Director since 5.6.2021.

Mr. Parikh is overseeing textile business and also on day to day basis actively involved in managing surplus cash available with the Company and taken an initiative on diversification front by setting up a treasury /investment Division and is also heading the said division. He is also actively involved in monitoring and execution of real estate projects undertaken by the Company. His innovative ideas and strategies at initial level has given a new and fresh dimension to the operations of the Company.

III. Other Information:

a. Reasons for loss or inadequate profits

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

For this information, please refer Item no. 4 above.

IV. Disclosures

The resolution sets out the entire terms and conditions of his remuneration. The Board of Directors recommends this resolution as set out at Item no. 5 of the Notice, for the approval of the members. Besides remuneration and perquisites proposed, Mr. Krishnachintan Parikh does not have any pecuniary relationship with the Company directly or indirectly, except payment of interest charges to him for the bills discounting services availed by the Company.

He holds 31,300 equity shares in the share capital of the Company.

None of the Directors or Key Managerial Personnel and their relatives are anyway concerned or interested, financially or otherwise, in the said Resolution except Mr. Chintan N. Parikh, Chairman and Managing Director, Mr. Krishnachintan Parikh, Executive Director and their relatives.

Item no. 6:

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 2022-23 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 Section148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor is required to be ratified by members of the Company. Accordingly, the members are requested to pass an Ordinary Resolution as set out at Item no. 6 of the Notice for ratification of the payment of remuneration to the Cost Auditor for the Financial Year 2022-23.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 6 of this Notice for approval of the Members.

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

Item no. 7:

The Company is primarily engaged in the Textiles business i.e. manufacturing and processing textiles fabrics and manufacturing of Denims, readymade garments etc. Recently, the company has started activities in the real estate business and has also started investment activities with long- term focus. These activities were already covered under other objects clause of Memorandum of Association (MOA) of the Company and it is proposed to move those clauses from other objects to Main Objects clause.

The Company is exploring possibilities of entering into Technical Textiles business as a natural corollary to the current textile business. Technical Textiles is a high technology sunrise sector which is steadily gaining ground in India. Further the Company intends to explore avenues for diversified growth and for that purpose may venture into information technology business directly or indirectly. With a view to capitalize upon the business opportunities at an opportune time, it is proposed to insert relevant enabling clauses as specified in the Resolution in Main Objects by amending the Objects Clause of the MOA of the Company.

These proposed changes require alteration of MOA of the Company as specified in the proposed resolution. The Board of Directors of the Company at its meeting held on May 14, 2022 has, subject to the approval of shareholders, decided to amend Clause III (object Clause) of the MOA of the Company in the manner as set out in the Special Resolution at Item no. 7 of this Notice.

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

The Board of Directors recommends the Special Resolution set out at above Notice for approval of the Members.

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

Date: May 14, 2022 By order of the Board
Place: Ahmedabad
Regd. Office:
Texcellence Complex,
Khokhara-Mehmedabad Dipak S. Thaker
Ahmedabad – 380 021 Company Secretary

Annexure to Item 2 to the AGM Notice dated 14.05.2022

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 40 years of experience in the field of textiles. Vast experience in the fields of finance and accounts.
Relationship between Directors inter-se	Related to Mr. Krishnachintan Parikh, Executive Director of the Company.
No. of Board meeting attended during the year (2021-22)	4 (four)
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	Retiring at the ensuing Annual General Meeting and being eligible seeks re-appointment as Director
Directorship and the memberships of Committees of the Board held in Other Listed entities	Nil
Names of the Listed entities from which the Director has resigned in the past three years	Nil
Shareholding of Director	1,56,670 Equity Shares

BOARD'S REPORT

Your Directors take pleasure in presenting the Thirty Ninth Annual Report of your Company together with Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended on March 31, 2022.

1. FINANCIAL RESULTS

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

(₹ in lacs)

Particulars	Standalone		Consolidated	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Total Income	**20,999**	11,444	**20,999**	11,444
Profit / (Loss) before Finance Costs, Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	**(453)**	773	**(453)**	773
Less: Finance Costs	**229**	198	**229**	198
Profit/(Loss) before Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	**(682)**	575	**(682)**	575
Less: Depreciation and Amortization	**311**	335	**311**	335
Profit / (Loss) before Exceptional Items & Tax Expenses before share of profit in associate	**(994)**	240	**(994)**	240
Share of profit in associate	**-**	-	**-**	29
Profit/(loss) before Exceptional Items & Tax Expenses	**(994)**	240	**(994)**	269
Add: Exceptional Item (Income)	**3,579**	-	**3,579**	-
Profit Before Tax	**2,585**	240	**2,585**	269
Less: Tax Expenses	**0**	17	**0**	17
Profit After Tax	**2,585**	223	**2,585**	252
Profit/(Loss) from Discontinued operations				
Profit/(Loss) from Discontinued operations	**(477)**	(1399)	**(477)**	(1399)
Exceptional Items from Discontinued operations	**(316)**	-	**(316)**	-
Profit/(Loss) from Discontinued operations	**(793)**	(1399)	**(793)**	(1399)
Profit/(Loss) After Tax	**1,792**	(1176)	**1,792**	(1147)
Other Comprehensive Income	**(90)**	(25)	**(90)**	(25)
Total Comprehensive Income	**1,702**	(1201)	**1,702**	(1172)

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. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The company has reported a profit of ₹ 1,792 lacs for the year as compared to a loss of ₹ 1,176 lacs in the preceding year. Profit for the year includes exceptional items of ₹ 3,579 lacs towards profit on sale of land and a loss of ₹ 316 lacs related to discontinued operations.

The Company has almost doubled its operational revenue driven by volume growth across all its textile divisions and mainly from domestic segment. The textile operations have also been able to improve its contribution levels. However, certain factors such as severe second wave of Covid disrupting business activities during first quarter and stoppage of wet processing operations from end November 2021, on account of disconnection of effluent discharge facility by the Ahmedabad Municipal Corporation as per directions of the Hon'ble Gujarat High Court in a Suo moto public interest litigation, had adversely affected the bottom line.

Denim Division: The division achieved significant growth in production and sales volumes during the year despite taking a hit during the first quarter due to Covid wave. However, with the easing of Covid situation and the opening up of the economy, division was able to regain its markets. Larger part of the growth is from the domestic markets and export business has not been able to recover as yet. On the other hand, the input costs of all the materials including yarn, dyes, chemicals and fuel have seen unprecedented rise during the year, hampering all the gains realized by adding substantial volumes. The division also suffered on account of stoppage of its dyeing and finishing activities during the latter half of the year, resulting into additional outsourcing costs.

Spinfab Division: The division suffered heavily during the Covid-19 pandemic times. After careful consideration of various technical and commercial factors, the company decided to close down the Spinfab Division effective from the end of the financial year 2021-22. The Division was able to realise most of its inventory and trade receivables without any losses.

Dyecot Division: During the year under review, the volumes across various market segments have moved up considerably and improved demand from brands, large format stores upon opening up of the retail sector as well as higher demand from garment exporters have helped the division achieve higher volumes. However, the division suffered due to adverse impacts caused by Covid second wave during the first half and by the plant shutdown during the second half of the year. The division has further strengthened its product development capabilities and continues working on new and value-added products on a continuous basis.

Garment Division: The division has reported improved financials in terms of growth in volumes and profitability. The demand recovery during the year helped the division attain better volumes which went up by more than 50%. The division has been able to focus on a few key customers where volume and consistency have been quite favourable. The export markets still pose many challenges and efforts are underway to achieve improved performance.

Brand business and others: Profitability of brand and other businesses has improved as compared to previous year, on account of impressive volume growth.

Outlook:

The operations and the profitability of the company are likely to remain under stress due to the impact of the ongoing Russia-Ukraine war and the effluents discharge matter. The company has decided to go for Zero Liquid Discharge (ZLD) facility, which will take about six months to get operationalised. The Real Estate activities of the company is also likely to pick up pace and add to the revenues and profitability of the company during the latter part of the current year.

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

5. 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.

6. 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

The disconnection of effluent discharge connection as mentioned hereinbefore continues to involve additional costs and impact the profitability.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has one Associate Company namely Shardul Garments Private Limited as on March 31, 2022. 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**.

8. 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, 2022.

9. 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**.

10. 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 available on the website of the Company and weblink of the same is https://ashima.in/wp-content/uploads/2018/08/Risk-Management-Policy.pdf.

11. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

In terms of requirements of Section 135(1) of the Companies Act, 2013, 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 & Managing Director, Dr. Bakul Dholakia- Independent Director and Mrs. Koushlya Melwani- Independent Director, as on March 31, 2022.

During the financial year, the said Committee met on October 26, 2021 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 2021-22 in terms of Section 135(5) of the Companies Act, 2013. Necessary amendments were carried out in CSR Policy and the amended policy is placed on the website of the Company is available on the website of the Company and weblink of the same is https://ashima.in/wp-content/uploads/2021/10/CSR-Policy.pdf.

12. CHANGE IN NATURE OF BUSINESS

The Company operates in the textile industry since a long time. Recently, the company has started activities in the real estate business and has also started investment activities with long-term focus. The revenue or assets of both these activities have not yet exceeded the prescribed threshold and do not necessitate segment reporting.

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

During the year under review, the Company has made investments. However, there were no loans or advances granted or guarantees given or security provided under Section 186 of the Companies Act, 2013 during the year. The details of loans or advances granted and investments made as on March 31, 2022 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 on the website of the Company and weblink of the same is https://ashima.in/wp-content/uploads/2022/05/Related-Party-Transactions-Effective-from-April-1-2022.pdf.

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 available on the website of the Company and weblink of the same is https://ashima.in/wp-content/uploads/2019/02/Nomination-and-Remuneration-Policy-Effective-from-April-1-2019.pdf.

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

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2022 is available on the website of the Company and weblink of the same is https://ashima.in/wp-content/uploads/2022/07/Form-MGT-7-for-the-year-2021-22.pdf.

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 has been provided.

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

During the year, 4 (four) meetings of the Board of Directors were held, as required under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of Board meetings held during the financial year 2021-22 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 during the year:

The shareholders at the 38th Annual General Meeting held on August 17, 2021 approved appointment of Directors as follows:

i. Appointment of Mr. Shrikant Pareek (DIN: 02139143) as Director retiring by rotation.

ii. Appointment of Mr. Krishnachintan C. Parikh (DIN: 07208067) as Whole-Time Director and designated as Executive Director of the Company for a period of three (3) years effective from June 5, 2021.

iii. Re-Appointment of Mr. Neeraj Golas (DIN: 06566069) as an Independent Director of the Company for a second term of five (5) consecutive years effective from August 12, 2021.

Retirement by Rotation:

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

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 Companies Act, 2013, the Board of Directors confirms that to the best of its knowledge and belief:

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

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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 and weblink of the same is https://ashima.in/wp-content/uploads/2019/07/Terms-and-Conditions-of-Appointment-of-Independent-Directors.pdf.

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 available on the website of the Company and weblink of the same is https://ashima.in/wp-content/uploads/2022/05/Details-of-Familiarisation-Programmes-imparted-to-Independent-Directors-under-SEBI-_LODR_-Regulations-2015-2022.pdf.

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

a. 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-3** to this Report.

b. 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 period of five years at the 34th Annual General Meeting (AGM) held on August 11, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 39th AGM to be held in the year 2022. The term of office of the said Statutory Auditors will come to an end from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company at its meeting held on May 14, 2022 appointed M/s. Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 106625W) as the Statutory Auditor of the Company for a second term of five (5) consecutive years to hold office from the conclusion of the 39th AGM till the conclusion of the 44th AGM to be held in the year 2027, based on the recommendation of the Audit Committee and subject to the approval of the shareholders at the ensuing 39th AGM. The Statutory Auditors have confirmed their independent status and eligibility for the said appointment. 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 2021-22 forms part of this Annual Report and do 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 Accountants (Firm Registration No: 102785) as Cost Auditor of the Company for the financial year 2022-23 under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, on a remuneration as mentioned in the Notice convening the 39th 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 any 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 2020-21 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, 2022. The Secretarial Audit Report is annexed herewith as **Annexure-4**.

The Secretarial Audit Report for the year ended on March 31, 2022 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 is available on the website of the Company and weblink of the same is https://ashima.in/wp-content/uploads/2021/08/Ashima-Ltd.-Vigil-Mechanism_Whistle-Blower-Policy.pdf.

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, except the Gujarat High Court Order in effluent discharge matter as reported at Sr. 4 of this Report, which affected the Company's wet processing operations, but does not affect the going concern status.

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 2021-22, 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, Statutory Auditors and Management Discussion and Analysis Report forms part of this report as **Annexure 5 & 6** respectively.

34. SHARE CAPITAL

There has been no change in the Authorised Share Capital or Paid up Share Capital during the year under review.

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 nor any cases filed pursuant to the said Act.

37. GENERAL

a. There was no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

b. There has been no instance of valuation for settlement or for taking loan from the Banks or Financial Institutions

38. APPRECIATION

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

39. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

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

Place : Ahmedabad
Date : May 14, 2022

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

(Rs. in Lacs)

1	Name of Associates/~~Joint Ventures~~	Shardul Garments Private Limited
2	Latest audited Balance Sheet Date	31.03.2022
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 Rs. 10/- each
	Amount of Investment in Associates/Joint Venture*	352.49
	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	248.61 (i.e. 49.58 % of 501.42)
8	Profit/(Loss) for the year	(0.26)
	i. Considered in Consolidation	(0.13)
	ii. Not Considered in Consolidation	(0.13)

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

* The Company has decided to sell its investments in equity shares of Shardul Garments Pvt. Ltd., an associate of the company, based on commercial considerations. The proposed sale of shares has been approved by the Board of Directors. The company has received advance of ₹ 486.68 lacs from the buyer against the aggregate sale consideration of ₹ 661.68 lacs. The sale has been concluded subsequent to the Balance Sheet date. The said investment is therefor considered as assets held for sale and disclosed separately and part consideration received has been disclosed separately as such as current liability.

For and on behalf of the Board

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

Place : Ahmedabad
Date : May 14, 2022

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, 2022 is given here below and forms part of the Board's Report.

A. Conservation of Energy

i. Energy Conservation measures taken:

- Replaced higher capacity and inefficient compressor with a lower capacity efficient one, in one of the plant, without compromising on the air requirement, thereby reducing power consumption.
- Installed conveyor drying system and modified steam dryer by PNG dryer in one of the unit thus reduced power as well as steam consumption.
- Attained power savings by installing LED-type energy efficient fittings in place of conventional light fittings at various places in the plant, resulting into reduced power consumption and better lighting.
- Regular monitoring and maintaining of power factor to reduce overall power cost.
- Used dry sludge along with a proper blend of coal thereby reducing fuel consumption for the boiler.

ii. Utilization of alternate source of energy

Sludge generated from Effluent Treatment Plant is dried using solar energy thereby reducing requirement of electricity.

iii. The capital investments on energy conservation equipments

The cost of investment for the energy conservation is ₹ 0.52 lacs.

B. Technology Absorption

i. Efforts, in brief, made towards Technology Absorption

- Revamped of the curing machine PLC & HMI by latest PLC and HMI.
- Installed new PLC based fully automatic soft flow machines.

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 : NIL
- Year of import : 2019-20, 2020-21 and 2021-22
- 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 ₹ 1904.55 lacs excluding deemed export and foreign exchange outgo was ₹ 145.90 lacs.

For and on behalf of the Board

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

Place : Ahmedabad
Date : May 14, 2022

ANNEXURE-3

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

Sr. No.	Particulars
1	Ratio of Remuneration of Chairman & Managing Director to the median remuneration of employees of the company is 41.29 : 1, that of Executive Director is 6.77:1 and that of Director(Operations) is 44.06 : 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 14.93%,that of Director(Operations) is 32.85%, that of Company Secretary is 18.08%, and that of Chief Financial Officer is 33.36%. Change in remuneration of Executive Director is not applicable since appointed during the current year.
3	The percentage increase in the median remuneration of employees is 83.23%
4	There were 213 permanent employees on the rolls of the company as on 31st March 2022.
5	Average increase in remuneration of Managerial Personnel is 26.62% while that of other employees is 30.84%. Remuneration of Executive Director is not considered since appointed during the current year.
6	The remuneration is as per the Nomination and Remuneration Policy of the Company.

Note: Remuneration payable for the relevant year for comparable employees is taken into consideration for all above calculations. Effect of any arrears or deferred payments for earlier periods have been ignored for the calculations.

For and on behalf of the Board

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

Place : Ahmedabad
Date : May 14, 2022

ANNEXURE-4
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2022
[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, 2022 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, 2022 and made available to me, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder 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;

   d) SEBI (Investor Protection and Education Fund) Regulations, 2009;

(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, 2018;
v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
vi. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.

I further report that –

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

I further report that –

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

I further report that -

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

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

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

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

1. Appointment of Mr. Krishnachintan Parikh as Whole Time Director for period of 3 years w.e.f. June 5, 2021.
2. Re-appointment of Mr. Neeraj Golas as an Independent Director of the Company for the 2nd term of 5 years w.e.f. August 12, 2021.
3. The Ahmedabad Municipal Corporation (AMC) has disconnected the treated effluent discharge connection of the Company on November 30, 2021, as a part of an extensive drive to identify the industries dischargning the effluent into the sewerage network and intiate appropriate action, in terms of direction of Honourable Gujarat High Court. This has resulted into stoppage of the wet processing operations of the Company from the date onwards.

Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839
UDIN: F004476D000303931

Place: Ahmedabad
Date : May 14, 2022

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

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 provisions 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.

Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839
UDIN: F004476D000303931

Place: Ahmedabad
Date : May 14, 2022

ANNEXURE-5
CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2022:

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 Board remains the custodian of trust and acknowledges its responsibilities towards our growing stakeholder fraternity for sustainable long-term wealth creation. Integrity, transparency, fairness, accountability and adherence to prevailing laws are integral to our business practices. These principles have evolved, over the years, from the Company's culture of agility, continuous innovation and rich experiences gleaned from the past.

The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives and enhances value creation for all.

The Company has complied with all the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing 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 Listing Regulations. The Board of Directors of the Company as at March 31, 2022 comprised of 7 Directors including one Woman Director with more than 50% of it as Non-Executive Independent Directors. Further none of the Directors is member of more than 10 (ten) board level committees and Chairperson of more than 5 (five) board level committees across all listed entities in which he/she is a Director. For this purpose, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered as per SEBI Listing 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 5 (Five) Listed Companies and none of the Independent Directors is serving as an Independent Director in more than 3 (three) listed entities if he / she is serving as a Whole Time Director in any listed entity. The board comprises of 7 (Seven) Directors as on March 31, 2022, details of which are as follows:-

Sr. No.	Category	Name of Directors
1.	Promoter/Chairman and Managing Director	Mr. Chintan N. Parikh
2.	Non-Executive Independent Directors	Dr. Bakul H. Dholakia
		Mr. Neeraj Golas
		Mr. Sanjay Majmudar
		Mrs. Koushlya Melwani
3.	Executive Director / Whole- time Director	Mr. Shrikant Pareek
		Mr. Krishnachintan Parikh

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

Sr. No.	Name of the Directors	Number of Board Meetings attended	Last AGM attended (Yes/No)
1.	Mr. Chintan N. Parikh	4	Yes
2.	Dr. Bakul H. Dholakia	4	Yes
3.	Mr. Neeraj Golas	4	Yes
4.	Mr. Sanjay Majmudar	4	Yes
5.	Mrs. Koushlya Melwani	4	Yes
6.	Mr. Shrikant Pareek	2	Yes
7.	Mr. Krishnachintan Parikh	4	Yes

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 Directors	No. of Directorships in other Companies[1]	No. of memberships in Board Committees[2]	Name of the Listed Entities & Category of Directorship	Whether Chairman or Member	
					AC	SRC
1.	Mr. Chintan N. Parikh	1	-	-	-	-
2.	Dr. Bakul H. Dholakia	3	3	Arvind Ltd. – Independent Director	Member	Chairman
				Gujarat State Petronet Ltd. – Independent Director	Member	-
3.	Mr. Neeraj Golas	-	-	-	-	-
4.	Mr. Sanjay Majmudar	6	5	Aarvee Denim & Exports Ltd.- Independent Director	Chairman	-
				Welcast Steels Ltd. – Independent Director	Member	Member
				AIA Engineering Ltd.- Independent Director	Chairman	-
				Dishman Carbogen Amcis Ltd. – Independent Director	Chairman	Chairman
				M & B Engineering Limited	Member	-
5.	Mrs. Koushlya Melwani	10	-	-	-	-
6.	Mr. Shrikant Pareek	1	-	-	-	-
7.	Mr. Krishnachintan Parikh	1	-	-	-	-

Note:

1. Includes Directorship of Private Limited Companies and excluding Ashima Limited
2. Includes only memberships of Audit Committee (AC) and Stakeholders Relationship Committee (SRC) other than Ashima Limited.

d. Number of board meetings held during the year 2021-22:

During the year 2021-22, the Board of Directors of the Company met 4 (four) times on following dates: - June 05, 2021, August 07, 2021, October 26, 2021 and February 05, 2022.

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 Listing Regulations is being made available to the board at respective board meetings.

e. Disclosure of relationships between directors inter-se:

Except Mr. Chintan Parikh, Chairman & Managing Director and Mr. Krishnachintan Parikh who are related to each other, there is no relationship between the Directors inter-se.

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

Mr. Bakul H. Dholakia, Non-Executive Independent Director of the Company is holding 12000 equity shares of ₹ 10/- each.

During the year under review, none of the Non-Executive Directors hold any shares or convertible instruments of the Company.

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 Listing Regulations. As a part of familiarisation programme as required under SEBI Listing 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 Listing 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 are 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 Listing 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 5, 2022 based on the separate criteria /parameters laid down by the Nomination and Remuneration Committee. The common criteria for Independent Directors (IDs) and Non Independent Directors (Non IDs) include Qualification, Experience and Knowledge & Competency, Availability & Attendance and Fulfillment of functions assigned by the Board / Law, Commitment, Contribution and Integrity and Compliances with policies of the Company, Code of Conduct & ethics and specific criteria of Independence, Independent views and judgment for IDs and Initiative and Team work for Non IDs.

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 March 11, 2022 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						
	Chintan N. Parikh	Krishna-chintan Parikh	Shrikant S. Pareek	Bakul H. Dholakia	Neeraj Golas	Sanjay Majmudar	Koushlya Melwani
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/expertise within the described set of parameters and it is not necessary that all Directors possess all skills/expertise 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 Listing 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:**

No Independent Director has resigned during the year under review.

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, 2022, 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 Listing 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 2021-22, the Audit Committee met 4 (four) times on June 05, 2021, August 07, 2021, October 26, 2021 and February 05, 2022. 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 June 05, 2021 was to review annual financial statements for the year ended on March 31, 2021.

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

Sr. No.	Name of Director	Designation	No. of meetings held	No. of meetings attended
1.	Mr. Sanjay Majmudar	Chairman	4	4
2.	Dr. Bakul Dholakia	Member	4	4
3.	Mrs. Koushlya Melwani	Member	4	4

4. **Nomination and Remuneration Committee (NRC):**

The Board of Directors of the Company has constituted a Nomination 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 and Remuneration Committee covers the area as contemplated under Regulation 19 of SEBI Listing 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 include:

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. To evaluate the balance of skills, knowledge and experience on the Board for every appointment of an independent director, the Nomination and Remuneration Committee shall on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director

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

d. Devising a policy on Board diversity,

e. 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.

f. 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.

g. 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 Listing 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 2021-2022, the Nomination and Remuneration Committee met on June 05, 2021 and February 05, 2022. The details of members participation at the meetings are as under:

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

5. Remuneration of Directors for the financial year 2021-22:

The managerial 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, 2022 to Mr. Chintan N. Parikh, Managing Director of the Company is ₹139.45 Lacs and to Mr. Shrikant Pareek, Director (Operations) of the Company is ₹145.78 Lacs. At the 38th Annual General Meeting held on August 17, 2021, Shareholders of the Company have appointed Mr. Krishnachintan Parikh as Executive Director of the Company for period 3 (three) years w.e.f. June 5, 2021 at a remuneration of ₹ 24 Lacs per annum and perquisites pursuant to Section 196, 197 & 203 and Schedule V of the Companies Act, 2013. Mr. Krishnachintan Parikh, Executive Director of the Company was paid ₹22.84 Lacs for the financial year ended on March 31, 2022. The perquisites include contribution to provident fund, National Pension Scheme and Encashment of leave at the end of the tenure, as per 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, 2022 to the directors is as follows:-

Sr. No.	Name of Director	Amount (in ₹)
1.	Dr. Bakul H. Dholakia	69000
2.	Mr. Neeraj Golas	49000
3.	Mr. Sanjay Majmudar	63000
4.	Mrs. Koushlya Melwani	69000

In terms of Board's approval dated June 5, 2021 and Shareholders' approval at the 38th Annual General Meeting held on August 17, 2021, the Company has paid a remuneration of ₹2,50,000/- to each of the Independent Directors for the financial year 2021-22.

Except sitting fees for attending Board Meetings and Board Committee Meetings and remuneration payment as stated above, none of the Non-Executive Directors has any material pecuniary relationship or transactions with Company.

The notice period and severance fee, if any, are governed by the applicable rules of the Company at the relevant point in time. Presently, the Company does not have a scheme for grant of stock options to its employees.

6. Stakeholders Relationship Committee (SRC):

The Company constituted Shareholders'/Investors' Grievances Committee in the year 2002. As at March 31, 2022, 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. Dipak S. Thaker, Company Secretary acts as the Secretary to the Committee and is also the "Compliance Officer" pursuant to the requirements of SEBI Listing Regulations.

The role of the SRC committee as approved by the Board is in compliance with the SEBI Listing 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, Company Secretary to attend and redress day to day investor complaints and report the same to Committee at its meetings.

During the year 2021-22, the Committee met 1 (One) time on February 05, 2022 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. The details of members participation at the meetings are as under:

Sr. No.	Name of Director	Designation	No. of meetings held	No. of meetings attended
1.	Mrs. Koushlya Melwani	Chairperson	1	1
2.	Mr. Neeraj Golas	Member	1	1
3.	Mr. Sanjay Majmudar	Member	1	1

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 Listing Regulations, the Company has suitably revised the Code of Conduct and Business Ethics for the board members and senior management. 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 Codes are available on the Company's web site www.ashima.in. Mr. Dipak S. Thaker, 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 Audit Committee evaluates the risk management system and the Board takes responsibility for the total process of risk management in the organization which includes framing, implementing and monitoring the risk management plan.

10. Meeting of Independent Directors:

Pursuant to the requirements of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations, the Independent Directors met on March 11, 2022 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 of Director	Designation	No. of meetings held	No. of meetings attended
1.	Dr. Bakul H. Dholakia	Chairperson	1	1
2.	Mrs. Koushlya Melwani	Member	1	1
3.	Mr. Neeraj Golas	Member	1	1
4.	Mr. Sanjay Majmudar	Member	1	1

11. General Body Meetings:

Location and time for the last three AGMs:

Year	Date	Venue	Time
2019	10/08/2019	Texcellence Complex, Khokhara- Mehmedabad, Ahmedabad – 380021.	11.00 a.m.
2020	29/09/2020	Through Video Conferencing/ Other Audio Visual Means	11.30 a.m.
2021	17/08/2021	Through Video Conferencing/ Other Audio Visual Means	11.30 a.m.

Special resolutions passed in the previous three annual general meetings:

Sr. No.	Date	Details of Special Resolution passed
1	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.
2	29/09/2020	1. Appointment of Mr. Shrikant S. Pareek (DIN: 02139143) as Director and also as a Whole-Time Director, designated as “Director (Operations)”.
3	17/08/2021	1. Re-Appointment of Mr. Neeraj Golas (DIN: 06566069) as an Independent Director of the Company for a second term of five consecutive years. 2. Revision in remuneration payable to Mr. Shrikant Pareek (DIN: 02139143)

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 2022-23 shall be passed as per the prescribed procedure.

12. Means of Communication:

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

*	Half yearly reports sent to Shareholders	:	No
*	Quarterly Financial Results are normally published in which newspaper	:	English Daily newspaper and Gujarati Daily newspaper i.e. Western Times
*	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:

Thursday, August 25, 2022 at 11:30 a.m. 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, 2022.

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 2021-22.

e. Stock Code:

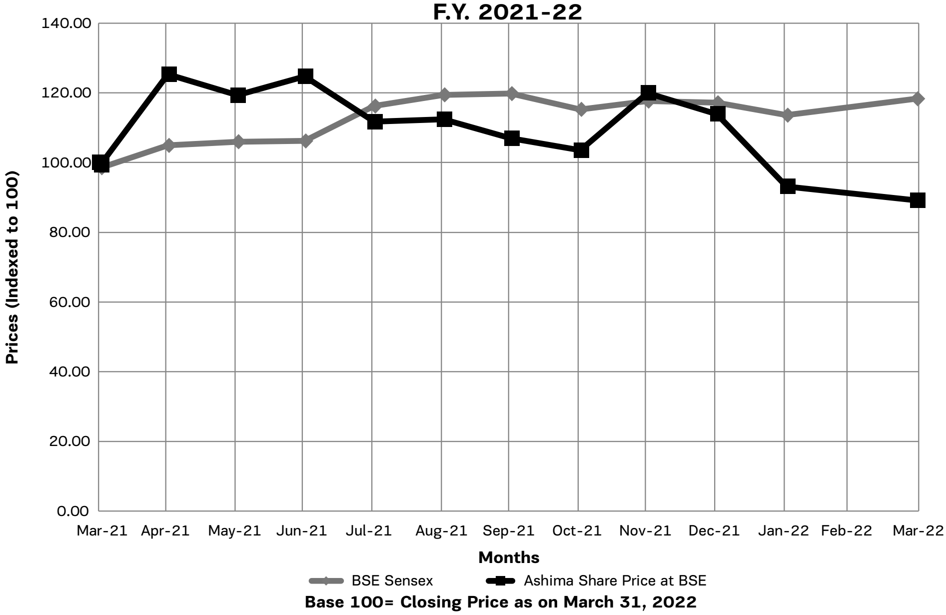
- BSE Limited : 514286
- The National Stock Exchange of India Ltd : ASHIMASYN
- Demat ISIN numbers in NSDL and CDSL for equity share : ISIN No : INE440A01010

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, 2022.

MONTH	NSE			BSE		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
April 2021	16.80	14.75	17,34,932	16.85	14.80	3,40,288
May 2021	20.60	15.30	31,78,518	20.90	15.25	7,75,811
June 2021	21.40	18.80	26,22,822	21.50	18.50	6,96,370
July 2021	20.50	18.50	13,86,098	20.65	18.50	4,75,438
August 2021	20.25	16.10	13,88,676	20.05	15.80	6,59,141
September 2021	19.90	16.50	15,54,842	19.90	16.30	3,90,648
October 2021	21.40	15.15	41,29,693	21.65	15.25	9,82,089
November 2021	19.30	16.05	8,14,652	19.00	16.00	2,78,957
December 2021	20.70	16.20	64,25,831	20.65	15.95	9,73,593
January 2022	23.40	17.10	1,43,87,874	23.30	16.60	24,61,121
February 2022	21.30	13.20	53,54,915	21.20	12.55	11,03,122
March 2022	17.95	13.70	31,22,331	18.10	13.60	8,29,568

g. Performance of Company's closing share price during the FY 2021-22 in comparison of BSE Sensex:

Ashima Share Price vis-a-vis BSE Sensex movement during F.Y. 2021-22



Base 100= Closing Price as on March 31, 2022

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

i. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/

transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Share Transfer Committee is authorized by the Board to approve transfers /transmissions etc. , which are noted by the Board subsequently.

j. **Distribution of shareholding:**

As on March 31, 2022 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	18625	74.01	2830032	1.48
501-1000	2639	10.49	2338792	1.22
1001-2000	1455	5.78	2380859	1.24
2001-3000	658	2.61	1722592	0.89
3001-4000	296	1.18	1084306	0.57
4001-5000	407	1.62	1971460	1.03
5001-10000	532	2.11	4119126	2.15
10001 and above	554	2.20	175212911	91.42
Total	**25166**	**100.00**	**191660078**	**100.00**

Shareholding Pattern of the Company:

No.	Category	No. of Shares held	Percentage (%) of share holding
A.	**Promoters' holding**		
	Indian Promoters & Promoter Group	140842835	73.49
	Sub Total A	**140842835**	**73.49**
B.	**Non- Promoter holding (Public)**		
	a. Mutual Funds and UTI	3300	00.00
	b. Financial Institutions/ Banks /NBFC	639	00.00
	c. Foreign Portfolio Investor	609000	00.32
	d. NRIs / OCBs	905952	00.47
	e. Bodies Corporate / LLP	2760626	01.44
	f. Clearing Members	309528	00.16
	g. Individual / HUF /Trust	46224206	24.12
	h. Unclaimed Shares	3992	00.00
	Sub Total B	**50817243**	**26.51**
	Grand Total (A+B)	**191660078**	**100.00**

k. **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. Up to March 31, 2022, 18828 shareholders have sought dematerialisation of their 190362381 equity shares which constitutes 99.32% 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.

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

m. 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.

n. Plant location:

Texcellence Complex, Khokhara – Mehmedabad, Ahmedabad – 380021.

o. 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
5^{th} Floor, 506 to 508, Amarnath Business Centre (ABC 1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat
Phone-079-26465179, Fax-079-26465179, E-mail: ahmedabad@linkintime.co.in

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.

p. 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.

q. Compliance with Code of Business Conduct and Ethics:

As provided under SEBI Listing 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, 2022 and the Managing Director has signed a declaration to this effect.

r. 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.

s. Disclosure with respect to unclaimed suspense account

i. 3992 unclaimed shares held by 1 shareholder were lying in the "Ashima Limited-Unclaimed Securities Suspense Account" at the beginning of the financial year.

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 1 shareholder were lying in the "Ashima Limited-Unclaimed Securities 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 Securities 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) **Vigil Mechanism /Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has adopted Vigil Mechanism / 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 Listing 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 requirement of maintaining chairman office is not applicable.

Shareholder's Rights: The Company's financial results are published in the newspapers 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 2021-22 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 Regulation 46 of SEBI Listing Regulations 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 Listing 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 has 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 2021-22
Statutory Audit Fees	11.00
Other Services/Other matters	1.70
Total	**12.70**

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 May 14, 2022 and the same was approved thereat.

For and on behalf of the Board

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

Place: Ahmedabad
Date: May 14, 2022

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, 2022, 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 : May 14,2022

CEO AND CFO CERITIFICATION

(Regulation 17(8) and Part B of Schedule II of SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR).

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, 2022 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.

Place : Ahmedabad	Chintan N. Parikh	Hiren S. Mahadevia
Date : May 14, 2022	Chairman and Managing Director	Chief Financial Officer

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, 2022 as stipulated in Regulations 17 to 27, clauses (b) to (i) sub-regulation (2) of regulation 46 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, 2022.
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:22102651AIYXG7750

Place : Ahmedabad
Date : May 14, 2022

ANNEXURE-6
MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW & OUTLOOK

Global Economy

During the year gone by, the resurgence of COVID-19 infections continued across the countries and kept on posing challenges to worldwide economies. Countries however followed a path of easing of COVID-19 related restrictions and various economies witnessed a rebound in growth. Factors including vaccination drives, stimulus effects and pent-up demand across geographies became the driving factors during the year.

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. On the other hand, the continuation of Russia-Ukraine conflict is posing a significant challenge to the global economy. Rising energy prices, especially crude oil and coal, coupled with supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 per cent in 2021 to 4.4 percent in 2022- half a percentage point lower for 2022 than in the October World Economic Outlook (WEO). According to the IMF, elevated inflation is expected to persist for longer than envisioned, with ongoing supply chain disruptions and high energy prices continuing in 2022.

Indian Economy

India has faced severe health crisis since the beginning of the Covid-19 pandemic. While risks on account of Covid-19 pandemic very much remain on fore, the escalation of geo-political stress with the ongoing Russia Ukraine conflict has significantly added to the uncertainty levels. The second wave of the pandemic during the earlier part of the year caused a huge spike in cases and hampered economic activities at large.

Inflation has remained close to the upper band of the Reserve Bank of India (RBI). The appearance of the new virus variant, especially if combined with a relaxation of attitudes, is the major downside risk, together with a less supportive global economic and financial environment. To support the recovery in the economy, the Reserve Bank of India has maintained an accommodative stance throughout the year.

Indian Textile Industry

The Textile Industry is one of India's oldest industries and has a formidable presence in the national economy. The second wave of the COVID-19 pandemic in the country impacted the textile sector's demand and supply in the first quarter of the current financial year. The supply chain was impacted by the local lockdowns at key textile hubs such as Tirupur, Ludhiana, Surat and Bhilwara. Moreover, increasing prices across all materials and commodities led to margin contraction during the year. The finished product pricing is only now beginning to catch-up across upstream, mid-stream and downstream segments and will help improve the margins going forward.

Company's Performance

Company has been able to achieve a remarkable growth in its operational revenue which has almost doubled, driven by volume growth across all its textile divisions. Majority of the revenue growth has come from the domestic segment. The textile operations have also been able to improve its contribution levels. The bottom line has however been adversely affected due to a few major challenges beyond the control of the company. First challenge was related to the severe second wave of Covid pandemic during the first quarter of the year that had significant adverse financial impact due to abrupt disruption of business activities. Secondly, the company had to stop production across various divisions from end-November, 2021 due to disconnection of effluent discharge facility by the Ahmedabad Municipal Corporation at the behest of Hon'ble Gujarat High Court order upon its suo-moto writ petition, in spite of company being fully compliant and holding all requisite permissions. Though the company took effective steps to contain the adverse impact of the situation, it was difficult to avoid the losses emanating from the challenges of such a magnitude. Few other factors responsible for the downward performance include steep inflationary pressure on all input costs which cannot be passed on to the customers immediately and the impact due to restoration of employee emoluments upon receding covid situation. Substantial increase in the volumes across all operating divisions also necessitated further deployment of funds for the expanded working capital cycle.

SEGMENT ANALYSIS AND REVIEW

The Company is primarily engaged in the Textiles business segment. Recently, the company has started activities in the real estate business and has also started investment activities with long-term focus. The revenue or assets of both these activities have not yet exceeded the prescribed threshold and do not necessitate segment reporting. Hence segment-wise reporting of financials is limited to Textiles. The company has various divisions based on its product profile. Such division-wise performance during the year is discussed hereinbelow:

Denim Division: Production and sales volumes of the division have seen significant growth during the year despite taking a hit during the first quarter due to covid wave. With easing of covid situation and the opening up of the economy, division has been able to regain its markets. Majority of the growth is however in the domestic markets whereas the export business has not been able to recover yet. Business revival in the domestic brand and the garment exporter category has been impressive. On the other hand, the input costs of all the materials including yarn, dyes, chemicals and fuel have seen unprecedented rise during the year, hampering all the gains realized by adding substantial volumes. Though the company continues to make appropriate adjustments to its selling price, which have increased by almost 20% over previous year, there is a lag between the impact and its recovery by way of increased selling price, especially due to such sharp inflationary pressures, that has hit the margins of the products. The performance was also affected due to stoppage of its dyeing and finishing activities during the latter half of the year, resulting into additional outsourcing costs.

Spinfab Division: Spinfab division represented yarn-dyed shirting fabric activities of the company. Due to its nature of activities where fabrics are custom-made as per pre-approved design and developments, the division suffered during the Covid-19 pandemic times. After careful consideration of various technical and commercial factors, the company decided to close down the Spinfab Division. The Division was able to realise most of its inventory and trade receivables without any losses. The fixed assets have been transferred to “assets held for sale” at the values they are likely to realise and would be disposed of at the earliest.

Dyecot Division: This division represents fabric processing activities and has piece-dyed shirting, khakis and interlining fabrics as its product range. During the year under review, the volumes across various market segments have moved up considerably. Improved demand from brands, large format stores upon opening up of the retail sector as well as higher demand from garment exporters have helped the division achieve higher volumes. The division has further strengthened its product development capabilities and continues working on new and value-added products on a continuous basis. The division was however affected by the covid second wave during the first half and by the plant shutdown during the second half of the year. The Company responded to the constraints by going for outsourcing of certain processes to ensure continuity of business and fulfilment of its delivery obligations, though this affected profitability due to higher costs involved in outsourcing compared to inhouse production. Also, outsourcing has issues of quality, availability of capacity, timely delivery, etc. which had impact on operations.

Garment Division: The division has reported improved financials in terms of growth in volumes and profitability. The demand recovery during the year helped the division attain better volumes which went up by more than 50%. The division has been able to focus on a few key customers where volume and consistency have been quite favourable. There is also a conscious approach towards improving the production efficiency thereby allowing the division to produce higher volumes and keep the effect of inflationary pressure under control. The export markets still pose many challenges and efforts are underway to garner few key accounts for improved performance.

Brand business and Other matters: Profitability of brand and other businesses has improved in comparison to earlier year, driven mainly by the impressive volume growth. On the other income front, the previous year witnessed higher income in form of interest and government subsidies which have reduced considerably during the current year.

FINANCIAL RESULTS AND OUTLOOK:

Financial performance:

During the year under review, there is a profit of ₹ 1,792 lacs compared to a loss of ₹ 1,176 lacs during the preceding year. Profit for the year includes exceptional items of ₹ 3,579 lacs towards profit on sale of land and a loss of ₹ 316 lacs related to discontinued operations. The Spinfab division has been closed down, hence the operations of the division are considered as discontinued operations and the financials are presented for continued operations, with profitability of the discontinued operations disclosed as a separate line item. The business of the company has suffered primarily due to second wave of Covid during the first half of the year and due to closing down of a part of manufacturing activities during the second half of the year.

Raw material:

The raw material prices have experienced unprecedented rise during the year on the back of steep increase in cotton prices. The yarn prices have gone up by more than 30% compared to last year levels. The company follows a pricing model that takes into account changes in prices of the raw materials on a regular basis, such a continuous increase meets with sharp resistance from the customers and impacts the margins of the business. Each successive increase in the input costs makes the process of passing on the increase through higher selling prices more difficult and thereby adversely impacting the gross margin.

Dyes and Chemicals:

After remaining low during most part of the previous year, the prices of majority of dyes and chemicals have moved up steeply during the year. Though prices of dyes and specialty chemicals went up moderately, the prices of the basic and general chemicals have moved up sharply, even more than 50% in many cases. The company continues to optimize the costs by change of recipe and using alternative chemicals and/or processes to the extent possible in order to keep the impact under control.

Utilities:

The energy costs are one of the significant components of the overall variable costs of the company as most of the processes consume significant power and fuel at various stages of the manufacturing activity. The increase in power tariff was modest during the year. However, the fuel costs have increased considerably on account of coal prices going through the roof. Energy generation in the company is mainly driven by coal-fired boilers and hence increasing coal prices have a direct impact on the variable costs. Earlier, the company used to source a part of power requirement through the open access platform, however the prices on these platforms have remained quite high and not viable during the year.

Other expenses:

The year under review has witnessed very high inflationary pressures across almost all the segments. This has constrained the company's efforts to control various overheads. Company continues to take various measures including effective cost management and focus on efficient, well-monitored operational planning and control to contain the adverse impact of increasing costs to some extent. There was additional expense of legal and professional fees on account of litigation relating to the effluent discharge case. Moreover, with the covid wave subsiding during the year, company decided to restore the employee emoluments which were restricted and deferred during the previous year. Company continued its process of labour rationalization during the current year as well. However, the overall inflationary trend had an adverse impact of overall expense levels.

Interest and others:

The company had been carrying surplus cash resources for future deployment purposes and was able to earn higher interest income during earlier year. The increase in volumes and prices during the year have increased the working capital requirement of the company, hence the funds are now deployed in the business and hence income in form of interest on such surplus funds have reduced. Secondly, majority of interest subsidy amount with regard to the investments made under Gujarat Textile Policy was received during the previous year and the amounts received during the year have reduced compared to the earlier year.

Significant Changes in Financial Ratios and explanations thereon are appearing at note no. 53 to the Standalone Financial Statements.

Outlook:

While the possible post-Covid recovery offers a positive sign for continued economic activity, the overall outlook for the near future remains cautious due to two factors: the challenges posed by the ongoing Russia-Ukraine war and the time taken by the Company to fully operationalise its inhouse production activities by switching to Zero Liquid Discharge (ZLD). The Company has undertaken debottlenecking of its fabric processing activities, which will help in achieving decent volume growth during the later part of the year. The Real Estate activities of the company is likely to pick up pace and add to the revenues and profitability of the company during the later part of the coming year.

RESOURCES AND LIQUIDITY

Company has a proper system in place to monitor the working capital requirements on an ongoing basis. Proper controls are exercised to ensure efficient utilisation of liquidity and to keep inventories and receivables under close watch. Various measures like marginal capital investments, tighter controls on operating cycle are actively performed on an on-going basis.

OPPORTUNITIES:

Company keeps on improving its manufacturing and technical capabilities as part of a systematic approach and hence it is better equipped to take advantage of business opportunities. The economic and business scenario has been quite volatile during the recent period and is likely to offer more such opportunities.

THREATS, RISKS AND CONCERNS:

Current global and domestic headwinds need to be closely monitored for its impact on the business operations. Liquidity management and financial soundness of business partners will also be of high importance. Company continues to keep constant vigil for better risk management.

INTERNAL CONTROL SYSTEMS

The internal control systems of the company have been commensurate with the size and nature of its business activities. There is also in place proper systems to safeguard the interests of the company by review of audit controls and by making changes in scope of audit committee when necessary. The systems are regularly updated and enhanced to face changing business requirements.

RESEARCH AND DEVELOPMENT:

The company has sound technical knowledge and competent resources in the various areas of business it operates in. Continuous product improvement and process optimization is being followed on a routine basis which helps it achieve operational efficiency and improved product profile.

HEALTH, SAFETY AND ENVIRONMENT:

Company considers its Human Resources as a very important asset and a key in achieving operational performance. Company continues to provide them with a safe and comfortable working environment. During the difficult pandemic times, the company has taken numerous precautions to protect its staff and workers. The company regularly complies with all stipulated environmental and safety norms.

CAUTIONARY STATEMENT:

Statements in the Boards' 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.

* * *

INDEPENDENT AUDITORS' REPORT

To the Members of Ashima Limited

Report on the Audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Ashima Limited ('the Company'), which comprise the balance sheet as at 31st March 2022, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 ('ICAI') 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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.

Information other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Corporate Governance Report and Directors' Report, but does not include the consolidated financial statements, the standalone financial statements and our audit reports thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. 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 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.

The Board of Directors is 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, 2020 ("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, so far as it appears from our examination of those book.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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" attached to this report.

g) As required by 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, we report that the remuneration paid by the Company to its directors during the year is in accordance with the provisions of and limit laid down by 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 31st March, 2022 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material misstatement.

v. No dividend is declared or paid during the year by the company, so reporting under clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, is not applicable.

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

Suvrat S. Shah
Partner
Membership No.: 102651
UDIN : 22102651AIYXBM6813

Place : Ahmedabad
Date : May 14, 2022

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022.

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) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.

   B. The Company has maintained proper records showing full particulars of intangible assets.

   (b) Some of the property, plant and equipment were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. 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 property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.

   (c) 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 provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except for the following case, where the title deeds are not in name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed under property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement except for the following case, where the lease agreement is not registered in the name of the Company.

Category	Gross Value [₹ In Lacs]	Remarks
Lease Hold land - admeasuring 8893.20 sq. meters	319.59	The title deeds/lease agreement are registered in the name of M/s. Ashima Dyecot Private Limited, which was amalgamated with the Company pursuant to a scheme of amalgamation. The company is in the process of transferring the title in its name.

   (d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

   (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the company and the nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

   (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

3. (a) 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 Garments Private Limited	Associate	-	38.42

(b) According to the information and explanations given to us, the terms and conditions of the grant of the above-mentioned loan are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us, the above-mentioned loan is granted without any stipulation as to the repayment of loan instalment or interest thereon.

(d) According to the information and explanations given to us and on the basis of our examination of books of accounts, there is no overdue loans for more than 90 days at the balance sheet date.

(e) According to the information and explanations given to us, none of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to the information and explanations given to us, the Company has granted the loan repayable on demand as per following table:

Sr. No.	Name of the Party	Relationship with the Company	Year-end Balance [₹ In Lacs]	% of total loan granted
1	Shardul Garments Private Limited	Associate	38.42	100%

4. 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 Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at 31st March, 2022, there are no such undisputed dues payable for a period of more than six months from the date they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2022 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ In lacs]	Period to which the amount relates	Forum where dispute is pending
1	The Income Tax Act, 1961	Income tax	0.87	A.Y. 2001-02	Assessment Officer
2	The Income Tax Act, 1961	Income tax	13.43	A.Y. 2018-19	Commissioner of Income-tax (Appeals)-1, Ahmedabad
3	The Income Tax Act, 1961	Income tax	17.05	A.Y. 2017-18	Commissioner of Income-tax (Appeals)-1, Ahmedabad
4	Gujarat Sales Tax Act, 1969	Sales Tax	1,906.01	F.Y. 1999-2000 and 2000-2001	Joint Commissioner (Appeals) of Commercial Tax
5	Gujarat Sales Tax Act, 1969	Sales Tax	26.87	A.Y. 2002-03	Joint Commissioner of Commercial Tax
6	Gujarat Value Added Tax Act, 2003	VAT	1.34	F.Y. 2011-12	Commissioner (Appeals) of Commercial Tax
7	Employees' State Insurance Act, 1948	ESI Contribution	96.73	FY 1994-95 to FY 1996-97	ESI Court
8	The Customs Act, 1962	Counter Vailing Duty	6.80	2012	Assistant/ Deputy Commissioner of Customs
9	The Customs Act, 1962	Counter Vailing Duty	3.50	2012	CESTAT
10	Central Excise and Salt Act, 1944	Excise duty and Penalty	265.77	FY 2002-03	Gujarat High Court
11	Central Excise and Salt Act, 1944	Excise duty and Penalty	35.66	FY 2010-11	Customs, Excise and Service Tax Appellate Commissioner (A), Ahmedabad
12	Central Excise and Salt Act, 1944	Excise duty and Penalty	11.18	FY 2010-11	Joint Secretary, Revision Application under Ministry of Finance
13	Central Excise and Salt Act, 1944	Excise duty and Penalty	0.51	FY 2015-16	Customs, Excise and Service Tax Appellate Commissioner (A), Ahmedabad
14	Central Excise and Salt Act, 1944	Excise duty and Penalty	0.34	FY 2015-16	Customs, Excise and Service Tax Appellate Commissioner (A), Ahmedabad
15	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, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9. (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 not defaulted in repayment of loans or borrowings or interest thereon 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 20 of notes to standalone financial statements.

(b) According to the information and explanations given to us and on the basis of our audit procedure, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us, we are of the opinion that the term loans are applied for the purpose for which they were obtained;

(d) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that the funds raised on short term basis have not been utilized for the long-term purpose.

(e) 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 taken any funds from any entity or person on account of or to meet the obligations of its associate.

(f) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that the Company has not raised any loans during the year on the pledge of securities held in its associate company.

10. (a) 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 this clause of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year;

11. (a) To the best of our knowledge and 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 year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) According to the information and explanations given to us, there were is no whistle blower complaints received by the Company during the year.

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. (a) According to the information and explanations give to us and based on our examination of the records of the Company, we are of the opinion that the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports issued to the Company 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. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order is not applicable.

17. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in the current financial year, however, the company had incurred cash loss of ₹ 841 lacs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year, hence this clause is not applicable.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Suvrat S. Shah
Partner
Membership No.: 102651
UDIN : 22102651AIYXBM6813

Place : Ahmedabad
Date : May 14, 2022

"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, 2022 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, 2022, 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
UDIN : 22102651AIYXBM6813

Place : Ahmedabad
Date : May 14, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

₹ in Lacs

Particulars	Note No.	As at March 31, 2022	2021
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	4 (A)	**11,685**	13,391
Intangible Assets	4 (B)	**9**	21
Capital work-in-progress	4 (C)	**807**	71
Financial Assets:			
Investments	5	**948**	-
Other Financial Assets	6	**-**	-
Other Non-Current Assets	7	**402**	558
Assets for Current tax (Net)	8	**440**	458
		14,290	14,499
Current Assets:			
Inventories	9	**7,684**	3,680
Financial Assets:			
Investments	10	**312**	300
Trade Receivables	11	**2,215**	1,417
Cash and Cash Equivalents	12	**1,467**	917
Bank Balance other than Cash and Cash Equivalents	13	**1,245**	4,363
Loans	14	**38**	63
Other Current Financial Assets	15	**2,506**	236
Other Current Assets	16	**1,265**	1,187
Non-current Assets classified as held for sale	17	**843**	358
		17,575	12,521
Total		**31,865**	27,020
EQUITY AND LIABILITIES:			
Equity:			
Share Capital	18	**19,166**	19,166
Other Equity	19	**3,558**	1,856
		22,724	21,022
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	20	**1,487**	1,854
Lease Liabilities		**-**	37
Other Non-Current Financial Liabilities	21	**12**	20
		1,499	1,912
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	**328**	359
Trade Payables	23		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**4,237**	2,086
Other Current Financial Liabilities	24	**838**	825
Lease Liabilities		**-**	22
Other Current Liabilities	25	**2,132**	726
Provisions	26	**108**	69
		7,642	4,086
Total		**31,865**	27,020
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 53		

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lacs

Particulars	Note No.	Year ended March 31, 2022	2021 (Refer Note No 50)
CONTINUING OPERATIONS:			
INCOME:			
Revenue from Operations	28	**20,737**	10,378
Other Income	29	**263**	1,066
Total Income		**20,999**	11,444
EXPENSES:			
Cost of Materials Consumed	30	**13,580**	4,890
Purchases of Stock-in-Trade	31	**1,496**	587
Land Development & Construction Cost	32	**1,005**	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	33	**(3,176)**	166
Employee Benefits Expense	34	**2,902**	2,033
Finance Costs	35	**229**	198
Depreciation, Amortisation and Impairment expense	4	**311**	335
Other Expenses	36	**5,644**	2,995
Total Expenses		**21,993**	11,204
Profit/(Loss) before Exceptional items and Tax from Continuing operations		**(994)**	240
Exceptional Items	42	**3,579**	-
Profit/(Loss) before Tax from Continuing Operations		**2,585**	240
Tax adjustment for earlier years	37	**0**	17
		0	17
Profit/(Loss) for the year from Continuing Operations		**2,585**	223
Profit/(Loss) before Exceptional items and Tax from Discontinued operations			
Profit/(Loss) from Discontinued Operations	50	(477)	(1,399)
Exceptional Items from Discontinued Operations	50	(316)	-
Profit/(Loss) from Discontinued Operations		**(793)**	(1,399)
Profit/(Loss) for the year		**1,792**	(1,176)
Other Comprehensive Income [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment Defined benefit plans		**(90)**	(25)
Other Comprehensive Income for the year [Net of tax]		**(90)**	(25)
Total Comprehensive Income for the year [Net of Tax]		**1,702**	(1,201)
Basic & Diluted Earning before Exceptional items per Equity Share [EPS] [in ₹] - Continuing Operations	38	**(0.52)**	0.12
Basic & Diluted Earning before Exceptional items per Equity Share [EPS] [in ₹] - Discontinued Operation		**(0.25)**	(0.73)
Basic & Diluted Earning after Exceptional items per Equity Share [EPS] [in ₹]		**0.93**	(0.61)
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 53		

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

		No. of Shares	₹ in Lacs
a	**Equity Share Capital:**		
	Equity Shares of ₹ 10/- each, Issued, Subscribed and Fully Paid-up:		
	As at March 31, 2020	5,31,71,917	5,317
	As at March 31, 2021	19,16,60,078	19,166
	As at March 31, 2022	**19,16,60,078**	**19,166**
	Equity Shares Suspense Accounts As at March 31, 2020	13,84,88,161	13,849

b	**Other Equity:**								₹ in Lacs
		Capital Reserve		**Retained Earnings**		**Other Comprehensive Income**		**Total**	
		2021-22	2020-21	**2021-22**	2020-21	**2021-22**	2020-21	**2021-22**	2020-21
	Balance at the beginning of the year	38	38	2,192	3,368	(374)	(349)	1,856	3,057
	Add: Profit/(Loss) for the year			1,792	(1,176)			1,792	(1,176)
	Other Comprehensive Income for the year			-	-	(90)	(25)	(90)	(25)
	Balance at the end of the year	**38**	**38**	**3,984**	**2,192**	**(464)**	**(374)**	**3,558**	**1,856**

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

Particulars	₹ in Lacs			
	Year ended March 31,			
	2022		2021	
(A) Cash flow from Operating Activities				
Profit/(Loss) before Exceptional items and Tax		**(1,471)**		(1,159)
Adjustments for:				
Depreciation and impairment	**437**		463	
Interest Expenses	**181**		290	
Interest income	**(137)**		(696)	
(Gain)/Loss on Property, Plant and Equipment sold/ discarded (net)	**(159)**		33	
Net gain on sale/fair valuation of instruments measured at FVTPL	**(59)**		(7)	
Rent Exp	**(6)**		-	
Reversal of Impairment allowance on Trade Receivables	**-**	**258**	(124)	(41)
Operating Profit before Working Capital Changes		**(1,213)**		(1,200)
Adjustments for changes in working capital :				
(Increase)/decrease in trade receivables	**(798)**		354	
(Increase)/decrease in loans & advances and other assets	**(321)**		(634)	
(Increase)/decrease in inventories	**(4,068)**		2,158	
Increase/(decrease) in trade payables	**2,151**		(1,769)	
Increase/(decrease) in other liabilities and provisions	**1,591**	**(1,445)**	162	271
Cash Generated from/(used in) Operations		**(2,658)**		(929)
Income taxes (Paid)/Refund received		**17**		125
Net Cash flow from Operating Activities		**(2,640)**		(804)
(B) Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipments	**(1,038)**		(83)	
Purchase of investment	**(901)**		-	
Proceeds from sale of Property, Plant and Equipments	**2419**		1,098	
Proceeds from sale of investment	**0**		1,333	
Proceeds from/(investment in) bank deposits (with original maturity over 3 months)	**3,118**		(3,742)	
Interest received	**147**	**3,745**	669	(724)
Net Cash flow from Investing Activities		**3,745**		(724)

Particulars	₹ in Lacs			
	Year ended March 31,			
	2022		2021	
(C) Cash Flow from Financing Activities				
Proceeds from (Repayment of) long term borrowings	**(420)**		(359)	
Proceeds from (Repayment of) short term borrowings	**(31)**		-	
Short Term Loans (Given)/repayment by party	**25**		1,941	
Interest paid	**(128)**	**(554)**	(242)	1,340
Net Cash flow from Financing Activities		**(554)**		1,340
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**551**		(188)
Add: Cash at the beginning of the year		**917**		1,105
Cash at the end of the year		**1,467**		917

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,	
	2022	2021
Balances with banks in current accounts	**1,461**	907
Cash on hand	**6**	9
Cash and cash equivalent as per note no. 12	**1,467**	917

NOTES:

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

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

Notes to the Financial Statements

Note: 1 Corporate Information

Ashima Limited is engaged in manufacture of Denim fabrics and readymade garments as well as processing of textile fabrics including Interlining fabrics and garment washing activities (laundry). Its fabrics portfolio offers a wide range of products including basic denims, ring/slub denims, pigment/discharged print, polyester denim. The piece-dyed product range includes basic twills, plain weave, canvas, satin and various types of dobby structures with value-added properties like chemical, mechanical and functional finishes. The garmenting facility is equipped to manufacture shirts and trousers, both casual as well as formal and can offer over-dyed garments also. the Company also operates into ready-to-stitch product under the brand name “ICON”.

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

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, 2022 were authorised for issue in accordance with a resolution of the directors on May 14, 2022.

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 yearly might not always add up to the yearly 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 affect 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 of uncertainties relating to the Covid-19 global pandemic:

The Covid-19 pandemic appears to have abated significantly during the recent past and except for the first quarter of the year, it had no adverse impact on the business of the Company. The Company does not see any uncertainty in the recoverability of its trade receivables, estimated realisation of inventories or other assets. The company will continue to review the situation from time to time as the pandemic situation may change in future.

Notes to the Financial Statements

3 Non-Current assets (or disposal groups) held for sale

Non-Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-Current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

4 Discontinued operation:

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale and that represents a separate line of business or geographical area of operations, is part of single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

5 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.

6 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.

7 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 over the expected useful life of the related asset.

8 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.

Notes to the Financial Statements

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 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.

9 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 discarded or held for disposal. On transition to Ind AS as on 1st April, 2016, the Company has elected to measure its Property, Plant and Equipment at carrying value as per previous GAAP. 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 Equipment	20.00
Computers & Printers	6.00
Vehicles	10.00
Furniture & Fixture	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.

10 Leases

A The Company has adopted Ind AS 116 "Leases" using the modified retrospective approach, initially applying this standard from 1st April 2019. Accordingly, the information presented for previous year ended 31st March 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 the Statement of Profit & 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-to-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-to-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 the Statement of Profit & Loss if the carrying amount of the right-to-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

Rent concessions are accounted for as per provisions of the revised Ind-AS 116 "Leases".

11 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.

12 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.

13 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.

14 Inventories:

A Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

B Costs (net of input credit of VAT/GST) comprises all cost of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition. Cost formulae used are "First In First Out", "Weighted Average Cost", or "Specific Identification" as applicable.

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

15 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.

16 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 Liabilities 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.

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.

Notes to the Financial Statements

17 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.

18 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

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 the previous 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.

19 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 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, borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

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

i Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c Derecognition:

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

C Reclassification of financial assets:

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

D Offsetting of financial instruments:

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

20 Derivative Financial Instruments:

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

Notes to the Financial Statements

21 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-Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Financial Statements

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, 2020	**99**	**4,091**	**5,501**	**21,231**	**300**	**72**	**370**	89	**31,755**	**1**	**197**	**197**
Additions	-	-	13	57	1	0	8	-	79	-	2	2
Disposals/Adjustment	-	-	(7)	(376)	-	-	-	-	(383)	-	-	-
As at March 31, 2021	**99**	**4,091**	**5,507**	**20,912**	**301**	**72**	**378**	**89**	**31,451**	**1**	**199**	**199**
Additions	-	30	-	255	1	-	12	-	299	-	3	3
Disposals/Adjustment	-	(364)	(94)	(7,161)	(74)	(32)	(131)	(89)	(7,947)	(1)	(117)	(118)
As at March 31, 2022	**99**	**3,757**	**5,413**	**14,006**	**228**	**40**	**259**	**-**	**23,802**	**-**	**85**	**84**
Depreciation, Amortisation and Impairment												
As at April 1, 2020	-	-	**2,468**	**14,926**	**237**	**22**	**245**	22	**17,920**	**0**	**171**	**171**
Depreciation provided/ Amortisation for the year	-	-	168	224	14	7	21	22	457	0	7	7
Disposals/Adjustment	-	-	(2)	(314)	-	-	-	-	(316)	-	-	-
As at March 31, 2021	-	-	**2,634**	**14,836**	**251**	**29**	**266**	**44**	**18,060**	**0**	**178**	**178**
Depreciation provided/ Amortisation for the year	-	-	165	221	11	4	15	6	423	0	15	15
Disposals/Adjustment	-	-	(6)	(6,136)	(57)	(13)	(102)	(50)	(6,364)	(0)	(116)	(117)
As at March 31, 2022	-	-	**2,793**	**8,921**	**205**	**20**	**179**	**-**	**12,119**	**-**	**76**	**76**
Net Block:												
As at March 31, 2021	99	4,091	2,873	6,076	50	44	112	45	13,391	0	21	21
As at March 31, 2022	**99**	**3,757**	**2,620**	**5,085**	**24**	**20**	**80**	**-**	**11,685**	**-**	**9**	**9**

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Depreciation, Amortisation and Impairment expenses:		
Depreciation & Amortisation	**311**	335
Total	**311**	335

Note:

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

4.2 The above depreciation expenses for the financial year includes depreciation amounting to ₹ 126 lacs (₹128 lacs) on the assets which are in relation to discontinued business operations hence the same been classified accordingly.

Notes to the Financial Statements

Note: 4 C Capital work-in-progress

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**740**	**40**	**27**	**-**	**807**

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	44	27	-	-	71

Notes:

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

Note: 5 - Investments [Non Current] :

	₹ in Lacs	
	As at March 31,	
	2022	2021
Investments in equity instruments		
Quoted		
Investment in other companies measured at fair value through profit or loss	**948**	-
Total	**948**	**-**
Aggregate Value of Quoted Investments	**948**	-
Market Value of Quoted Investments	**948**	-

Note: 6 - Other Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good, unless otherwise stated]		
Loans and advances to parties other than related parties		
Credit Impaired	178	178
Less: Impairment allowance	(178)	(178)
	-	-
Total	**-**	-

Note: 7-Other Non-Current Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good]		
Capital Advance	**21**	81
Claims and other receivables	**42**	42
Prepaid Expenses	**76**	167
Security Deposits		
Others	**262**	268
Total	**402**	558

Note: 8-Asset for Current Tax:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Advance payment of Tax	**440**	458
Total	**440**	458

Note: 9-Inventories:

	₹ in Lacs	
	As at March 31,	
	2022	2021
(The Inventories are valued at lower of cost or net realisable value)		
Classification of Inventories:		
Raw Materials	**1,389**	443
Work-in-progress	**2,995**	842
Finished Goods	**2,039**	1,307
Stock-in-Trade	**404**	301
Stores and Spares	**722**	699
Packing Materials	**133**	86
Others	**1**	2
Total	**7,684**	3,680
The above includes Goods in transit as under:		
Raw Materials	**121**	-

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

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Net of write-down/(reversal of write-down)	**227**	(206)

Notes to the Financial Statements

Note: 10 - Current Investments :

	₹ in Lacs	
	As at March 31,	
	2022	2021
Investment in Mutual Funds		
Unquoted		
At Fair value through profit or loss	**312**	300
Total	**312**	**300**

Note: 11 - Trade Receivables:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured]		
From Others		
Considered good	**2,215**	1,417
Credit Impaired	**77**	102
Less: Impairment allowances	**(77)**	(102)
	2,215	1,417
Total	**2,215**	1,417

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	**Outstanding for the following periods from due date of payment#**					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
i) Undisputed Trade Receivables - Considered good	**2,177**	**3**	**8**	**16**	**11**	**2,215**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	**77**	**77**
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-

Ageing for trade receivables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for the following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered good	1,336	24	26	31	-	1,417
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	102	102
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-

Note: 12 - Cash and Cash Equivalents:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Balances with banks in current accounts	**1,461**	907
Cash on Hand	**6**	9
Total	**1,467**	917

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

	₹ in Lacs	
	As at March 31,	
	2022	2021
Bank deposits maturing between 3 to 12 months*	**1,245**	4,363
Total	**1,245**	4,363

[*] Company keeps fixed deposits with nationalised/ scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds, except the deposits of ₹ 313 lacs, [₹ 298 lacs as at March 31, 2021] which are not available for free use as per the court order.

Note: 14 - Loans:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good]		
Loans and advances to related parties	**38**	63
Total	**38**	63

Notes to the Financial Statements

Note: Loans and advances have been given for business purpose and are repayable on demand

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Related Parties	**38**	**100%**	63	100%

Note: 15 - Other Current Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good, unless otherwise stated]		
Advances Receivable in cash		
Considered Good	**223**	20
Credit Impaired	**2**	2
Less: Impairment allowance	**(2)**	(2)
	223	20
Claims and other receivables	**65**	104
Receivables on account of sale of Property, Plant & Equipment	**2,115**	-
Interest receivable	**103**	112
Total	**2,506**	236

Note: 16 - Other Current Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good]		
Balances with Statutory Authorities	**563**	340
Claims and other receivables	**20**	20
Prepaid Expenses	**331**	434
Export Incentive Receivables	**65**	51
Advances to Suppliers	**283**	340
Advances to Staff	**4**	1
Total	**1,265**	1,187

Note: 17 - Non-current Assets classified as held for sale :

	₹ in Lacs	
	As at March 31,	
	2022	2021
Investment held for sale*	**352**	352
Assets held for sale	**491**	5
Total	**843**	358

[*] The company has decided to sell its investment in equity shares of Shardul Garments Pvt. Ltd., an associate of the company, based on commercial considerations. The proposed sale of shares has been approved by the Board of Directors. The company has received advance of ₹ 486.68 Lacs from the buyer against the aggregate sale consideration of ₹ 661.68 lacs. The sale has been concluded subsequent to the Balance Sheet date. The said investment is therefore considered as asset held for sale and disclosed separately and part consideration received has been disclosed separately as current liability.

Note: 18 - Share Capital:

		₹ in Lacs	
		As at March 31,	
		2022	2021
Authorised Capital:			
19,16,60,078	Equity shares of ₹10/- each (19,16,60,078 Equity Shares as at March 31,2021)	**19,166**	19,166
20,50,000	Preference shares of ₹100/- each (20,50,000 Preference Shares as at March 31,2021)	**2,050**	2,050
		21,216	21,216
Issued, Subscribed and Paid-up Capital:			
19,16,60,078	Equity shares of ₹10/- each, fully paid up (19,16,60,078 Equity Shares as at March 31, 2021]	**19,166**	19,166
Total		**19,166**	19,166
A	**The reconciliation in number of shares is as under:**		
	Number of shares at the beginning of the year	**191,660,078**	53,171,917
	Add: Shares issued during the year under merger	**-**	138,488,161
	Number of shares at the end of the year	**191,660,078**	191,660,078
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**	140,535,678
	% to total shareholding	**73.33%**	73.33%

Notes to the Financial Statements

C Details of shares held by Promotors :

Shares held by promoters						
Sr No	**Promoter Name**	**As at March 31, 2022**		**As at March 31, 2021**		**% Change during the year**
		No of Shares	**% of total shares**	**No of Shares**	**% of total shares**	
1	Chintan Navnitlal Parikh and Shefali Chintan Parikh - Trustees of Navchintan Trust	**140535678**	**73.33**	140535678	73.33	0
2	Chintan Navnit Parikh	**156670**	**0.08**	156670	0.08	0
3	Shefali Chintan Parikh	**88762**	**0.05**	88762	0.05	0
4	Krishnachintan Chintan Parikh	**31300**	**0.02**	31300	0.02	0
5	Chintan N Parikh (HUF)	**30425**	**0.02**	30425	0.02	0

D Rights of Equity Share holders

(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: 19 - Other Equity:

		₹ in Lacs	
		As at March 31,	
		2022	2021
Other Reserves:			
Capital Reserve	[A]	**38**	38
(Created on account of reissue of forfeited shares/debentures)			
Retained Earnings:			
Balance as per last Balance Sheet		**2,192**	3,368
Add/(Less): Profit/(Loss) for the year		**1,792**	(1,176)
	[B]	**3,984**	2,192
Less: Items of Other Comprehensive Income recognised directly in Retained Earnings:			
Balance as per last Balance Sheet		**(374)**	(349)
Re-measurement gains/ (losses) on defined benefit plans (net of tax) for the year		**(90)**	(25)
	[C]	**(464)**	(374)
Balance as at the end of the year	[D = B+C]	**3,520**	1,818
Total	[E = A+D]	**3,558**	1,856

Note: 20 - Non-Current Borrowings:

		₹ in Lacs			
		Non-current portion		Current Maturities	
		As at March 31,		As at March 31,	
		2022	2021	**2022**	2021
A	Preference Shares				
	20,50,000 1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid up	**706**	654	**-**	-
B	Term Loans from Banks - Secured	**31**	450	**325**	359
C	Others -Unsecured	**750**	750	**-**	-
Total		**1,487**	1,854	**325**	359
The above amount includes:					
Secured borrowings		**31**	450	**325**	359
Unsecured borrowings		**1,456**	1,404	**-**	-
Amount disclosed under the head "Other Current Financial Liabilities" (Note-22)				**(325)**	(359)
Net amount		**1,487**	1,854	**-**	-

Notes to the Financial Statements

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 Share holders :

(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 the same 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 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 (Khokhara – Mehmedabad) 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 of ₹ 847 Lacs from bank bearing interest rate of 8.25% per annum (fixed) is repayable in 20 equal instalments at quarterly rest, starting from August 2018.

b. Term Loan of ₹ 286 Lacs from bank bearing interest rate of 8.25% per annum (fixed) is repayable in 20 equal instalments at quarterly rest, starting from August 2018.

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

d. Car Loan of is ₹ 21 Lacs from bank bearing interest rate of 9.00% per annum 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 ₹ 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 of RO dated March 29, 2019 and April 9, 2019. 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 statutory 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: 21 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Trade Deposits	**12**	20
Total	**12**	20

Note: 22 - Current Borrowings:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Loans repayable on Demand:		
Secured		
Current Maturities of Long Term Debt (Refer Note- 20)	**325**	359
Interest accrued but not due on borrowings	**3**	0
Total	**328**	359

Note: 23 - Trade Payables:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Micro and small enterprises (*)	**-**	-
Others	**4,237**	2,086
Disputed Dues - Micro, Small and Medium Enterprises [*]	**-**	-
Disputed Dues - Others	**-**	-
Total	**4,237**	2,086

Notes to the Financial Statements

	₹ in Lacs	
	As at March 31,	
	2022	2021
(*) Based on the information available with the company regarding the status of its venders 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	-	-

Ageing for Trade Payables outstanding as at March 31, 2022 is as follows:

Particulars	**Outstanding for the following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-				
(ii) Others	**4,213**	**4**	**12**	**8**	**4,237**
(iii) Disputed dues - MSME	-				
(iv) Disputed dues - Others	-				

Ageing for Trade Payables outstanding as at March 31, 2021 is as follows:

Particulars	**Outstanding for the following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	2,048	22	15	-	2,086
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note: 24 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Payable to Statutory Authorities	**78**	115
Bills Payables	**525**	486
Unpaid Expenses	**234**	224
Total	**838**	825

Note: 25 - Other Current Liabilities:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Advances from customers	**1,506**	368
Advance received against sale of assets held for sale	**487**	350
Other liabilities	**139**	8
Total	**2,132**	726

Note: 26 - Provisions:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Provision for Employee Benefits:		
For Leave Encashment	**106**	64
Provision for product quality claims *	**2**	5
Total	**108**	69
(*) Provision for product quality claims:		
a Provision for quality claims in respect of products sold during the year is made based on the management's estimates considering the claim history and other relevant factors.		
b The movement in such provision is stated as under:		
i Carrying amount at the beginning of the year	**5**	9
ii Additional provision made during the year	**2**	5
iii Amount used	**(5)**	(9)
iv Carrying amount at the end of the year	**2**	5

Notes to the Financial Statements

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

	₹ in Lacs	
	As at March 31,	
	2022	2021
Contingent Liabilities:		
(A) Bills Discounted	**103**	166
(B) Claims against the company not acknowledged as debt		
(i) Income-tax	**31**	5,914
(ii) Central excise Duty	**324**	324
(iii) Sales-tax/VAT	**1,934**	1,934
(iv) Employees' State Insurance dues	**97**	94
(v) Custom-duty	**-**	78
(vi) Others	**1,756**	1,666
Total	**4,142**	10,010
Commitments:		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**15**	473

1. Note on Sales Tax demand matter

The Sales Tax authorities have issued notices for demand of Sales Tax of ₹ 748 lacs, penalty of ₹ 620 lacs and interest of ₹ 539 lacs, aggregating to ₹ 1906 lacs for various assessment years. The company disputes the said demand. The company has filed appeals against these notices and got stay orders against the same.

Note: 28 - Revenue from Operations:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Sale of Products	**20,132**	9,451
Sale of Services	**476**	815
Other Operating Revenues:		
Waste Sales	**71**	29
Export Incentives	**45**	70
Net gain on foreign currency transaction and translation	**13**	13
	128	111
Total	**20,737**	10,378

Disaggregation of Revenue from contract with customers

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Revenue based on Geography		
Domestics	**18,868**	8,461
Export	**1,869**	1,916
Revenue from Operations	**20,737**	10,378
Reconciliation of revenue from operation with contract price		
Revenue contract with customers as per contract price	**21,454**	10,766
Less : Adjustment made to contract price on account of:		
a) Discounts and Rebates	**148**	59
b) Sales Return	**569**	329
Revenue from Operations	**20,737**	10,378

Note: 29 - Other Income:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	**133**	687
Insurance Claim	**10**	-
Net gain on sale/fair valuation of investments measured at FVTPL	**59**	7
Net gain on sale/retirement/damage of Property, Plant and Equipments	**9**	-
Reversal of Impairment allowance on Trade Receivables	**-**	124
Miscellaneous income	**52**	248
Total	**263**	1,066

Note: 30 - Cost of Materials Consumed:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Raw Materials		
Stock at commencement	**423**	593
Add: Purchases during the year	**14,030**	4,546
	14,453	5,139
Less: Stock at close	**1,380**	423
	13,073	4,716
Packing Materials consumed	**507**	173
Total	**13,580**	4,890

Notes to the Financial Statements

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

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Purchases of Stock-in-trade	**1,496**	587
Total	**1,496**	587

Note: 32 - Land Development & Construction Cost:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Land & Other Charges	**980**	-
Professional Charges	**26**	-
Total	**1,005**	-

Note: 33 - Changes in Inventories:

		₹ in Lacs	
		Year ended March 31,	
		2022	2021
Stock at commencement:			
Work-in-progress		**736**	741
Finished Goods		**1,225**	1,283
Stock-in-trade		**301**	404
	(A)	**2,262**	2,427
Less: Stock at close:			
Work-in-progress		**2,994**	736
Finished Goods		**2,040**	1,225
Stock-in-trade		**404**	301
	(B)	**5,438**	2,262
Total	**(A-B)**	**(3,176)**	166

Note: 34 - Employee Benefits Expense:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Salaries and wages	**2,651**	1,833
Contribution to provident and other funds [*]	**187**	148
Staff welfare expenses	**64**	52
Total	**2,902**	2,033

[*] The Company's contribution is towards defined contribution plans which include Provident Fund and National Pension Scheme (NPS). Provident Fund contributions are made to the Regional Provident Fund Commissioner for the qualifying employees, as specified under the law.

Note: 35 - Finance Cost:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Interest expense		
- On Term Loans	**21**	32
- On Working Capital	**49**	36
- Others	**106**	111
Bank commission and charges	**53**	19
Total	**229**	198

Note: 36 - Other Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Consumption of Stores and Spare parts	**912**	612
Power and fuel	**1,641**	962
Rent (*)	**17**	15
Repairs to Buildings	**10**	4
Repairs to Plant and Equipments	**95**	70
Repairs to Others	**23**	27
Insurance	**43**	50
Rates and Taxes (excluding taxes on income)	**29**	198
Job work Charges	**1,663**	338
Freight and forwarding expenses	**144**	81
Sales Commission	**102**	58
Other Sales promotion expenses	**26**	4
Traveling Expenses	**49**	18
Net Loss on sale/retirement/damage of Property, Plant and Equipments	**-**	17
Labour Charges	**374**	281
Legal and Professional Fees	**181**	83
Directors' fees	**3**	3
Miscellaneous Expenses (**)	**333**	174
Total	**5,644**	2,995
[*] 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.		

Notes to the Financial Statements

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
[**] Miscellaneous Expenses include:		
a Payment to the Statutory Auditors		
- As Auditor	**11**	11
- For Other Services	**2**	2
Total	**13**	13
b Cost Auditor's Remuneration including fees for other services	**1**	1

Note: 37-Tax Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
The major components of income tax expense are:		
A Tax Expenses		
Tax adjustment for earlier year	**0**	17
	0	17
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax	**1,792**	(1,159)
Enacted Tax Rate in India	**25.17%**	25.17%
Expected Tax Expenses	**451**	(292)
Adjustments for:		
Effect of additional deductions from taxable income	**(30)**	55
Effect of non-deductible expenses	**30**	28
Effect of deductible expenses	**(49)**	(72)
Unused tax losses of the earlier year now utilised	**(326)**	-
Capital Gain	**(76)**	10
Unabsorbed depreciation or carried forward losses	**-**	271
Total	**(451)**	292
Tax Expenses for Current year	**-**	-
Tax Adjustment of Earlier Years	**0**	17
Tax Expenses as per Statement of Profit and Loss	**0**	17

Note: 38-Calculation of Earnings per Equity Share (EPS):

			Year ended March 31,	
			2022	2021
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
For EPS before exceptional item(s)				
A	Profit/(Loss) for the Continuing operations attributable to Equity Shareholders	₹ in Lacs	**(994)**	240
B	Profit/(Loss) for the Discontinuing operations attributable to Equity Shareholders	₹ in Lacs	**(477)**	(1,399)
C	Average Number of Equity shares outstanding during the year	Numbers	**191,660,078**	191,660,078
D	Nominal value of equity share	₹	**10**	10
E	Basic and Diluted EPS-for Continuing operations	₹	**(0.52)**	0.12
F	Basic and Diluted EPS-for Discontinued operation	₹	**(0.25)**	(0.73)
For EPS after exceptional item(s)				
A	Profit/(Loss) attributable to Equity Shareholders	₹ in Lacs	**1,792**	(1,176)
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 and Diluted EPS	₹	**0.93**	(0.61)

Note: 39 - 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 2020	Charge for the year	As at March 31 2021	Charge for the year	**As at March 31 2022**
Deferred Tax Liabilities:					
Depreciation	(2,882)	1,504	(1,378)	160	**(1,218)**
	(2,882)	1,504	(1,378)	160	**(1,218)**
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	101	(79)	23	9	**31**
Receivables	118	(47)	71	(6)	**65**
Others	82	81	163	(14)	**149**
Unabsorbed depreciation/ Business Loss	6,621	(704)	5,916	(342)	**5,574**
Total	6,923	(749)	6,173	(354)	**5,819**
Net Deferred Tax Assets/ (Liabilities)	4,041	755	4,796	(194)	**4,601**

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, 2022. The Company has taken conservative view of future profitability. Accordingly, the Company has not recognized deferred tax asset.

Note: 40 - 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:

	Year ended March 31,	
	2022	2021
Discount rate (per annum)	**6.10%**	6.60%
Future salary increase	**2.00%**	2.00%
Expected rate of return on plan assets	**6.10%**	6.60%

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	**637**	937
Interest Cost	**35**	44
Current Service Cost	**35**	38
Benefits Paid	**(200)**	(532)
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**-**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**99**	150
Present value of obligation as at the end of the year	**606**	637

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	**988**	933
Interest Income	**59**	59
Contributions by the employer	**-**	402
Benefits paid	**(200)**	(532)
Return on plan assets	**9**	125
Fair Value of plan assets at the end of the year	**857**	988
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	**606**	637
Net Asset/ (Liability)-Current	**244**	220
Net Asset/ (Liability)-Non-Current	**7**	130
Expenses recorded in the Statement of Profit and Loss during the year		
Interest Cost	**(24)**	(15)
Current Service Cost	**35**	38
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**-**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**-**	-
Total expenses included in employee benefit expenses	**10**	22
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**11**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**89**	150
Return on plan assets	**(9)**	(125)
Recognized in Other Comprehensive Income	**90**	25
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	**244**	220
Between 2 and 5 years	**279**	311
Between 6 and 10 years	**83**	105
More than 10 years	**-**	-
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/(decrease) in present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	**596**	623
Half percentage point decrease in discount rate	**617**	652
Half percentage point increase in salary increase rate	**617**	652
Half percentage point decrease in salary increase rate	**595**	623

Composition of Plan Assets

Particulars	As at March 31,	
	2022	2021
Policy of Insurance	**99.50%**	99.57%
Bank Balance	**0.50%**	0.43%
Total	**100.00%**	100.00%

Long-Term Employment Benefits

Leave Encashment:

Liability for the Leave Encashments for ₹ 104 Lacs (as at March 31, 2021 - ₹ 64 Lacs) has been fully provided for by the company.

Note: 41 - Segment Information:

The Company has been engaged in cotton textiles business and has entered into Real Estate business and Investment activity recently. However, as the Real Estate business and the Investment activity have not exceeded the threshold specified for segment reporting, the Company is not required to make primary segment reporting for the period. 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. Property, Plant and Equipment 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 these 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,	
	2022	2021
Segment Revenue		
a) In India	**18,868**	8,461
b) Outside India	**1,869**	1,916
Total	**20,737**	10,378
Trade Receivables		
a) In India	**2,150**	1,343
b) Outside India	**65**	74
Total	**2,215**	1,417

Note: 42 Exceptional items:

Exceptional Items mainly includes profit on sale of surplus land.

Note: 43-Related Party Transactions:

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

a) **Name of Related Parties and Nature of Relationship :**

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 - w.e.f. 05/06/2021 - (Relative of Chairman & Managing Director)
3	Mr. Shrikant Pareek	Director (Operations) (w.e.f. 01.08.2020)

Non Executive Directors

1 Dr. Bakul H. Dholakia

2 Mrs. Koushlya Melwani

3 Mr. Sanjay Majmudar

4 Mr. Neeraj Golas

Relatives of Key Management Personnel

1	Mr. Krishnachintan C. Parikh	Relative of Chairman & Managing Director (transactions upto 05/06/2021)
2	Ms. Uttara C. Parikh	Relative of Chairman & Managing Director

Other related parties where control exists

1 Saumya Constructions Private Limited

2 Sushrut Enterprises Private Limited

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

₹ in Lacs

Nature of Transactions	Associates		Key Management Personnel		Relatives of Key Management Personnel		Others	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2022	2021	**2022**	2021	**2022**	**2021**	**2022**	2021
Loan repaid by the party								
1 Shardul Garments Private Limited	25	-	-	-	-	-	-	-
Total	**25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes to the Financial Statements

₹ in Lacs

Nature of Transactions	Associates		Key Management Personnel		Relatives of Key Management Personnel		Others	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2022	2021	**2022**	2021	**2022**	**2021**	**2022**	2021
Remuneration								
1 Mr. Chintan N. Parikh	-	-	139	124	-	-	-	-
2 Mr. Krishnachintan C. Parikh	-	-	23	-	-	-	-	-
3 Mr. Shrikant Pareek	-	-	146	89	-	-	-	-
Total	**-**	**-**	**308**	**213**	**-**	**-**	**-**	**-**
Remuneration & Sitting fees paid to Non Executive Directors								
Remuneration								
(₹ 2.50 lacs for each Director)								
1 Dr. Bakul H. Dholakia	-	-	3	-	-	-	-	-
2 Mr. Sanjay Majmudar	-	-	3	-	-	-	-	-
3 Mr. Niraj Golas	-	-	3	-	-	-	-	-
4 Mrs. Koushlya Melwani	-	-	3	-	-	-	-	-
Total	**-**	**-**	**10**	**-**	**-**	**-**	**-**	**-**
Directors Sitting fees								
1 Dr. Bakul H. Dholakia	-	-	1	-	-	-	-	-
2 Mr. Sanjay Majmudar	-	-	1	-	-	-	-	-
3 Mr. Niraj Golas	-	-	0	-	-	-	-	-
4 Mrs. Koushlya Melwani	-	-	1	-	-	-	-	-
Total	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**
Interest Exp./Bills Discounting charges								
1 Mr. Krishnachintan C. Parikh	-	-	53	-	7	62	-	-
Total	**-**	**-**	**53**	**-**	**7**	**62**	**-**	**-**
Other Expenses								
1 Sushrut Enterprises Private Limited	-	-	-	-	-	-	-	5
2 Saumya Constructions Private Limited	-	-	-	-	-	-	107	5
3 Ms. Uttara C. Parikh	-	-	-	-	-	3	-	-
Total	**-**	**-**	**-**	**-**	**-**	**3**	**107**	**10**
Payable balance at year end								
1 Mr. Krishnachintan C. Parikh	-	-	525	-	-	486	-	-
2 Dr. Bakul H. Dholakia	-	-	2	-	-	-	-	-
3 Mr. Sanjay Shaileshbhai Majmudar	-	-	2	-	-	-	-	-
4 Mr. Niraj Golas	-	-	2	-	-	-	-	-
5 Mrs. Koushiya Melwani	-	-	2	-	-	-	-	-
Total	**-**	**-**	**534**	**-**	**-**	**486**	**-**	**-**
Loans Receivable-Balance at year end								
1 Shardul Garments Private Limited	38	63	-	-	-	-		
Total	**38**	**63**	**-**	**-**	**-**	**-**	**-**	**-**

Note: 44-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, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Current Financial Assets:				
Investments	312	-	-	312
Trade receivables	-	-	2,215	2,215
Cash and Cash Equivalents	-	-	1,467	1,467
Bank Balance other than Cash and Cash Equivalents	-	-	1,245	1,245
Loans	-	-	38	38
Other Current Financial Assets	-	-	2,506	2,506
Non Current Financial Assets:				
Quoted equity instruments	948	-	-	948
Total Financial Assets	**1,260**	**-**	**7,472**	**8,732**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	4,237	4,237
Other Current Financial Liabilities	-	-	838	838
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	1,815	1,815
Other Non Current Financial Liabilities	-	-	12	12
Total Financial Liabilities	-	-	**6,901**	**6,901**

Notes to the Financial Statements

	₹ in Lacs			
	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Current Financial Assets:				
Investments	300	-	-	300
Trade receivables	-	-	1,417	1,417
Cash and Cash Equivalents	-	-	917	917
Bank Balance other than Cash and Cash Equivalents	-	-	4,363	4,363
Loans	-	-	63	63
Other Current Financial Assets	-	-	236	236
Non Current Financial Assets:				
Total Financial Assets	**300**	**-**	**6,996**	**7,296**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	2,086	2,086
Other Current Financial Liabilities	-	-	825	825
Lease Liabilities	-	-	22	22
Non Current Financial Liabilities:				
Borrowings [including current maturities and interest accrued]	-	-	2,213	2,213
Other Non Current Financial Liabilities	-	-	20	20
Lease Liabilities	-	-	37	37
Total Financial Liabilities	**-**	**-**	**5,204**	**5,204**

Note: 45-Financial Risk Management:

A Financial instruments by category:

	₹ in Lacs			
	As at March 31, 2022			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Current Financial Assets:				
Investments	312	-	-	312
Trade receivables	-	-	2,215	2,215
Cash and Cash Equivalents	-	-	1,467	1,467
Bank Balance other than Cash and Cash Equivalents	-	-	1,245	1,245
Loans	-	-	38	38
Other Current Financial Assets	-	-	2,506	2,506
Non Current Financial Assets:				
Quoted equity instruments	948	-	-	948
Total Financial Assets	**1,260**	**-**	**7,472**	**8,732**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	4,237	4,237
Other Current Financial Liabilities	-	-	838	838
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	1,815	1,815
Other Non Current Financial Liabilities	-	-	12	12
Total Financial Liabilities	**-**	**-**	**6,901**	**6,901**

	₹ in Lacs			
	As at March 31, 2021			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Current Financial Assets:				
Investments	300	-	-	300
Trade receivables	-	-	1,417	1,417
Cash and Cash Equivalents	-	-	917	917
Bank Balance other than Cash and Cash Equivalents	-	-	4,363	4,363
Loans			63	63
Other Current Financial Assets	-	-	236	236
Non Current Financial Assets:				
Total Financial Assets	**300**	**-**	**6,996**	**7,296**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	2,086	2,086
Other Current Financial Liabilities	-	-	825	825
Lease Liabilities	-	-	22	22
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,213	2,213
Other Non Current Financial Liabilities	-	-	20	20
Lease Liabilities	-	-	37	37
Total Financial Liabilities	**-**	**-**	**5,204**	**5,204**

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.

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

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

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

a Credit risk:

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

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

Bank deposits:

The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

Trade Receivable:

The Company is exposed to credit risk in the event of non-payment by customers. Major part of sales is made on 'Delivery against payment' basis, hence the credit risk is insignificant. To eliminate credit risk further, the high value sales are made by adequate coverage through Letters of Credit, wherever possible. The Company trades with recognized and credit worthy customers. It is the Company's policy that all customers who wish to trade on credit terms are subjected to scrutiny and periodic review. 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 ₹ 77 Lacs (Previous year - ₹ 102 Lacs), allowance for doubtful receivables is ₹ 77 Lacs as at March 31, 2022 [Previous year - ₹ 102 Lacs]. During the year the Company has not made any allowance for doubtful receivables (Previous year: ₹ 25 Lacs.)

Ageing of Trade Receivables	**₹ in Lacs**	
	As at March 31,	
	2022	2021
0 - 6 Months	**2,177**	1,336
6 - 12 Months	**3**	24
beyond 12 Months	**112**	160
Total	**2,292**	1,520
Allowance for doubtful Receivables	**77**	102
Trade Receivables Carried in Balance Sheet	**2,215**	1,417

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, 2022				
Borrowings (including current maturities and interest)					
Term Loan from Bank	328	27	4	-	358
Other Borrowings	-	-	-	1,456	1,456
Other Non-Current Financial Liabilities	-	12	-	-	12
Trade Payables	4,237	-	-	-	4,237
Other Current Financial Liabilities	838	-	-	-	838
Total	**5,402**	**39**	**4**	**1,456**	**6,901**

	₹ in Lacs				
	< 1 year	1-2 year	2-3 years	> 3 years	Total
	As at March 31, 2021				
Borrowings (including current maturities and interest)					
Term Loan from Bank	359	355	91	4	809
Other Borrowings	-	-	-	1,404	1,404
Lease Liabilities	37	-	-	-	37
Other non current financial liabilities	-	20	-	-	20
Trade payable	2,086	-	-	-	2,086
Other current Financial liabilities	825	-	-	-	825
Lease Liabilities	22	-	-	-	22
Total	**3,329**	**375**	**91**	**1,408**	**5,204**

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 and GBP. 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,	
	2022	2021
Financial assets:		
Trade Receivables	**65**	73
Total exposure to foreign currency risk (assets)	**65**	73
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**65**	73

Exposure of GBP	₹ in Lacs	
	As at March 31,	
	2022	2021
Financial assets:		
Trade Receivables	**-**	1
Total exposure to foreign currency risk (assets)	**-**	1
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**-**	1

Sensitivity Analysis:

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

	₹ in Lacs			
	As at March 31, 2022		As at March 31, 2021	
	Movement in Rate	**Impact on PAT**	Movement in Rate	Impact on PAT
USD	**2.00%**	**0.97**	2.00%	1.09
USD	**-2.00%**	**(0.97)**	-2.00%	(1.09)
GBP	**2.00%**	**-**	2.00%	0.01
GBP	**-2.00%**	**-**	-2.00%	(0.01)

* Holding all other variables constant

d Interest rate risk:

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

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2022, 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: 46-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,	
	2022	2021
Net debts	**1,815**	2,213
Total equity	**22,724**	21,022
Net debt to equity ratio	**0.08**	0.11

Note: 47- Social Security, 2020 ('Code')

The code of Social Security, 2020 ('Code') relating to employee benefit during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of Code, once its effective.

Note: 48- Impact of Covid-19

The Covid-19 pandemic had an adverse impact on the operations and financial performance of the Company in terms of volumes and profitability mainly during the first quarter of the year. However, considering the complexity of the business operations, it is difficult to exactly quantify the impact of Covid-19.

However, as of now, the Covid-19 pandemic appears to have abated significantly. The company will continue to review the situation from time to time as the pandemic situation may change in future.

Note: 49- Previous year's figures regrouped

Previous year's figures have been regrouped /rearranged wherever necessary.

Note: 50-Discontinued operation

Spinfab division represented yarn-dyed shirting fabric activities of the company. Due to its nature of activities where fabrics are custom-made as per pre-approved design and developments, the Division suffered during the Covid-19 pandemic times. After careful consideration of various technical and commercial factors, the Company decided to close down the Spinfab Division. The Division was able to realise most of its inventory and trade receivables without any losses. The properties, plant and equipment have been transferred to "assets held for sale" at the values they are likely to realise and would be disposed of at the earliest. As per Ind AS 105 "Discontinued Operation", the operations of the Division are considered as Discontinued Operations and the financials are presented for Continued Operations, with profitability of the Discontinued Operations disclosed as a separate line item. Figures of the previous periods have been restated similarly.

The separate detailed profitability of the Discontinued Operations and Continued Operations of the Company is as per the following table:

(₹ in Lacs)

Particulars	2021-22				2020-21			
	Continuing operations A	Discontinued operations B	Less: Elimination of transactions between (A) and (B)	Total	Continuing operations A	Discontinued operations B	Less: Elimination of transactions between (A) and (B)	Total
INCOME:								
Revenue from Operations	20,737	210	(84)	20,863	10,378	4,769	(999)	14,147
Other Income	263	199	-	462	1,066	53	-	1,119
Total Income	**20,999**	**410**	**(84)**	**21,325**	**11,444**	**4,822**	**(999)**	**15,266**
EXPENSES:								
Cost of Materials Consumed	13,580	4	(62)	13,522	4,890	1,233	(231)	5,891
Purchases of Stock-in-Trade	1,496	-	(10)	1,487	587	-	(214)	374
Land Development & Construction Cost	1,005	-	-	1,005	-	-	-	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	(3,176)	189	-	(2,988)	166	1,409	-	1,575
Employee Benefits Expense	2,902	430	-	3,333	2,033	1,598	-	3,631
Finance Costs	229	7	-	236	198	119	-	317
Depreciation, Amortisation and Impairment expense	311	126	-	437	335	128	-	463
Other Expenses	5,644	131	(12)	5,763	2,995	1,734	(554)	4,175
Total Expenses	**21,993**	**887**	**(84)**	**22,796**	**11,204**	**6,221**	**(999)**	**16,426**

Notes to the Financial Statements

(₹ in Lacs)

Particulars	2021-22				2020-21			
	Continuing operations A	Discontinued operations B	Less: Elimination of transactions between (A) and (B)	Total	Continuing operations A	Discontinued operations B	Less: Elimination of transactions between (A) and (B)	Total
Profit/(Loss) before Exceptional items and Tax	**(994)**	**(477)**	**-**	**(1,471)**	**240**	**(1,399)**	**-**	**(1,159)**
Exceptional Items	3,579	(316)	-	3,263	-	-	-	-
Profit/(Loss) before Tax	**2,585**	**(793)**	**-**	**1,792**	**240**	**(1,399)**	**-**	**(1,159)**
Tax adjustment for earlier years	0	-	-	0	17	-	-	17
Profit/(Loss) for the year	**2,585**	**(793)**	**-**	**1,792**	**223**	**(1,399)**	**-**	**(1,176)**
OTHER COMPREHENSIVE INCOME [OCI]:								
Items that will not be reclassified to profit or loss:								
Re-measurement losses on post employment Defined benefit plans	(90)	-	-	(90)	(25)	-	-	(25)
Other Comprehensive Income for the year [Net of tax]	**(90)**	**-**	**-**	**(90)**	**(25)**	**-**	**-**	**(25)**
Total Comprehensive Income for the year [Net of Tax]	**2,495**	**(793)**	**-**	**1,702**	**198**	**(1,399)**	**-**	**(1,201)**

Note: 51 Other Statutory Information

(i) The Company does not hold any benami property as defined under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) The Company has not entered into any transaction with struck off companies under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Further, there is no balance outstanding with struck off companies.

(iii) The Company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company is in compliance with number of layers prescribed under clause (87) of section 2 of Companies Act, 2013 read with the companies (Restriction on Number of Layers) Rules, 2017.

(vii) As on March 31, 2022 there is no unutilised amounts in respect of any long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

Note: 52-Disconnection of Effluent discharge:

At the behest of Hon'ble Gujarat High Court upon a suo-moto writ petition, Ahmedabad Municipal Corporation (AMC) undertook a drive to disconnect effluent discharge connection of all units discharging water effluent in the sewage lines of AMC. Accordingly, the treated effluent discharge connection of the Company was disconnected on 30.11.2021. In the city of Ahmedabad, more than 400 connections were snapped by AMC. It would be relevant to note that the Company has the requisite approvals from the competent authorities to discharge industrial effluents after treating the same in its inhouse effluent treatment plant.

Since the date of disconnection, the wet manufacturing operations came to a standstill. However, the Company has been continuing the dry manufacturing operations which do not generate any effluent. For the remaining processes, the company has put in place arrangement for outsourcing for the time being. The company has decided to go for Zero Liquid Discharge (ZLD) facility for effluent discharge which will normalise the wet processing production activities.

Note: 53-Ratios:

Sr No	Type	Numerator	Denominator	Current Year	Previous year	Change %	Explanation if there is a change in the ratio by more than 25%
1	Current Ratio (In times)	Total current assets	Total current liabilities	2.30	3.06	(24.94)	-
2	Debt - Equity Ratio (In times)	Debt consists of borrowings and lease liabilities.	Total equity	0.08	0.11	(24.15)	-
3	Debt Service Coverage Ratio (In times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	(1.26)	(0.62)	(102.12)	Profitability was affected during the current year due to various reasons.
4	Interest Coverage (In times)	Profit for the year = Profit before tax, Extra Ordinary item, Depr. & Finance Cost	Finance Cost	(3.76)	(1.27)	(195.11)	Profitability was affected during the current year due to various reasons.
5	Return on Equity Ratio (In %)	Profit for the year less Preference dividend (if any)	Average total equity	-6.87%	-5.59%	(22.78)	-
6	Inventory to Turnover Ratio (In times)	Cost of Material produced	Average Inventory	3.56	2.91	22.13	-
7	Trade Receivable to Turnover Ratio (In times)	Revenue from operations	Average trade receivables	11.49	9.23	24.43	-

Notes to the Financial Statements

Sr No	Type	Numerator	Denominator	Current Year	Previous year	Change %	Explanation if there is a change in the ratio by more than 25%
8	Trade Payable to Turnover Ratio (In times)	Cost of Raw Material & FG Purchased	Average trade payables	4.89	1.93	153.41	Revenue was much lower in the previous year due to Covid pandemic.
9	Net capital turnover ratio (In times)	Revenue from operations	Average working capital (i.e Total current assets less Total current liabilities)	2.10	1.68	(25.23)	Profitability was affected during the current year due to various reasons.
10	Operating Profit Margin (In %)	Profit for the year = Profit before tax, Extra Ordinary item & Finance Cost	Revenue from operations	-6.35%	-5.95%	(6.67)	-
11	Net Profit Ratio (In %)	Profit for the year	Revenue from operations	-7.48%	-8.49%	11.87	-
12	Return on Capital Employed (In %)	Profit for the year = Profit before tax, Extra Ordinary item & Finance Cost	Capital employed = Net worth + Long Term Borrowings	-5.47%	-3.68%	(48.61)	Profitability was affected during the current year due to various reasons.
13	Return on Investments (In %)	Income generated from invested funds	Average invested funds	16.13%	N.A.	-	-

Signatures to Significant Accounting Policies and Notes 1 to 53 to the Financial Statements

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

INDEPENDENT AUDITOR'S 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 31st March 2022, 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 31st March, 2022, and profit, 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 by us and the other auditors in terms of their report referred to in Other matters section below, is sufficient and appropriate to provide a basis for our opinion.

Other Matters

We did not audit the financial statements of an associate; whose financial statements reflect total assets of ₹ 564.95 Lacs as at March 31, 2022, total revenues of ₹ NIL and net cash outflows amounting to ₹ 0.39 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.

Information other than the consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the associate audited by the other auditors, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the associate, is traced from its financial statements audited by the other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Holding 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, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian 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 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, respective company's management and Board of Directors is responsible for assessing the respective 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.

The respective Board of Directors of the Companies included in the group 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

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the associate, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian 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 of the Holding Company as on March 31, 2022 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 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 with reference to the financial statements of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in the **Annexure -A**, which is based on the auditors' reports of the Company and its associate company.

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 Group has disclosed the impact of pending litigations as at 31st March, 2022 on its consolidated financial position in its consolidated financial statements - Refer Note 27 to the financial statements;

ii. The Group 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 Group.

iv. (a) The respective managements of the Company and its associate, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or its associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Company and its associate, have represented to us that, to the best of their knowledge and belief, no funds have been received by the company or its associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us on the Company and its associate, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material misstatement.

v. No dividend is declared or paid during the year by the company, so reporting under clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, is not applicable.

vi. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its associate, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Suvrat S. Shah
Partner
Membership No.: 102651
UDIN : 22102651AIYXEE5852

Place : Ahmedabad
Date : May 14, 2022

"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 consolidated financial reporting of **ASHIMA LIMITED** ("the Holding company") and its associate as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 the respective 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 judgment, including the assessment of the material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.

Other matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to an associate company, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

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

Suvrat S. Shah
Partner
Membership No.: 102651
UDIN : 22102651AIYXEE5852

Place : Ahmedabad
Date : May 14, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

₹ in Lacs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	4 (A)	**11,685**	13,391
Intangible Assets	4 (B)	**9**	21
Capital work-in-progress	4 (C)	**807**	71
Financial Assets:			
Investments	5	**948**	-
Other Financial Assets	6	**-**	-
Other Non-Current Assets	7	**402**	558
Assets for Current tax (Net)	8	**440**	458
		14,290	14,499
Current Assets:			
Inventories	9	**7,684**	3,680
Financial Assets:			
Investments	10	**312**	300
Trade Receivables	11	**2,215**	1,417
Cash and Cash Equivalents	12	**1,467**	917
Bank Balance other than Cash and Cash Equivalents	13	**1,245**	4,363
Loans	14	**38**	63
Other Current Financial Assets	15	**2,506**	236
Other Current Assets	16	**1,265**	1,187
Non-current Assets classified as held for sale	17	**739**	254
		17,471	12,418
Total		**31,761**	26,917
EQUITY AND LIABILITIES:			
Equity:			
Share Capital	18	**19,166**	19,166
Other Equity	19	**3,454**	1,753
		22,620	20,919
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	20	**1,487**	1,854
Lease Liabilities		**-**	37
Other Non-Current Financial Liabilities	21	**12**	20
		1,499	1,912
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	**328**	359
Trade Payables	23		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**4,237**	2,086
Other Current Financial Liabilities	24	**838**	825
Lease Liabilities		**-**	22
Other Current Liabilities	25	**2,132**	726
Provisions	26	**108**	69
		7,642	4,086
Total		**31,761**	26,917
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 55		

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lacs

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021 (Refer Note No 53)
CONTINUING OPERATIONS:			
INCOME:			
Revenue from Operations	28	**20,737**	10,378
Other Income	29	**263**	1,066
Total Income		**20,999**	11,444
EXPENSES:			
Cost of Materials Consumed	30	**13,580**	4,890
Purchases of Stock-in-Trade	31	**1,496**	587
Land Development & Construction Cost	32	**1,005**	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	33	**(3,176)**	166
Employee Benefits Expense	34	**2,902**	2,033
Finance Costs	35	**229**	198
Depreciation, Amortisation and Impairment expense	4	**311**	335
Other Expenses	36	**5,644**	2,995
Total Expenses		**21,993**	11,204
Profit/(Loss) before Exceptional items and Tax from Continuing operations		**(994)**	240
Share of Profit/(Loss) of Associate	49	**(0)**	29
Profit/(Loss) before Exceptional items and Tax from Continuing Operations		**(994)**	269
Exceptional Items	42	**3,579**	-
Profit/(Loss) before Tax from Continuing Operations		**2,585**	269
Tax adjustment for earlier years	37	**0**	17
		0	17
Profit/(Loss) for the year from Continuing Operations		**2,585**	252
Profit/(Loss) before Exceptional items and Tax from Discontinued operations			
Profit/(Loss) from Discontinued Operations	53	(477)	(1,399)
Exceptional Items from Discontinued Operations	53	(316)	-
Profit/(Loss) from Discontinued Operations		**(793)**	(1,399)
Profit/(Loss) for the year		**1,792**	(1,147)
Other Comprehensive Income [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment Defined benefit plans		**(90)**	(25)
Income tax effect		**-**	-
Other Comprehensive Income for the year [Net of tax]		**(90)**	(25)
Total Comprehensive Income for the year [Net of Tax]		**1,702**	(1,172)
Basic & Diluted Earning before Exceptional items per Equity Share [EPS] [in ₹] - Continuing Operations	38	**(0.52)**	0.14
Basic & Diluted Earning before Exceptional items per Equity Share [EPS] [in ₹] - Discontinued Operations		**(0.25)**	(0.73)
Basic & Diluted Earning after Exceptional items per Equity Share [EPS] [in ₹]		**0.93**	(0.60)
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 55		

As per our report of even date

For and on behalf of the Board

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

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

Dipak Thaker
Company Secretary

Hiren S. Mahadevia
Group Chief Financial Officer

Ahmedabad, Dated: May 14, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

		No. of Shares	₹ in Lacs
a	**Equity Share Capital:**		
	Equity Shares of ₹ 10/- each, Issued, Subscribed and Fully Paid-up:		
	As at March 31, 2020	5,31,71,917	5,317
	As at March 31, 2021	19,16,60,078	19,166
	As at March 31, 2022	**19,16,60,078**	**19,166**
	Equity Shares Suspense Accounts As at March 31, 2020	13,84,88,161	13,849

b	**Other Equity:**								₹ in Lacs
		Capital Reserve		**Retained Earnings**		**Other Comprehensive Income**		**Total**	
		2021-22	2020-21	**2021-22**	2020-21	**2021-22**	2020-21	**2021-22**	2020-21
	Balance at the beginning of the year	38	38	2,088	3,295	(374)	(349)	1,753	2,924
	Add: Profit/(Loss) for the year			1,792	(1,147)			1,792	(1,176)
	Other Comprehensive Income for the year			-	-	(90)	(25)	(90)	(25)
	Balance at the end of the year	**38**	**38**	**3,880**	**2,088**	**(464)**	**(374)**	**3,454**	**1,753**

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	₹ in Lacs			
		Year ended March 31,			
		2022		2021	
(A)	**Cash flow from Operating Activities**				
	Profit/(Loss) before Exceptional items and Tax		**(1,471)**		(1,130)
	Adjustments for:				
	Depreciation and impairment	**437**		463	
	Interest Expenses	**181**		290	
	Interest income	**(137)**		(696)	
	(Gain)/Loss on Property, Plant and Equipment sold/ discarded (net)	**(159)**		33	
	Share of (Profit)/Loss of Associate (Refer Note No 49)	**0**		(29)	
	(Gain)/Loss on Investment	**(59)**		(7)	
	Rent Exp	**(6)**		-	
	Reversal of Impairment allowance on Trade Receivables	**-**	**258**	(124)	(70)
	Operating Profit before Working Capital Changes		**(1,213)**		(1,200)
	Adjustments for changes in working capital :				
	(Increase)/decrease in trade receivables	**(798)**		354	
	(Increase)/decrease in loans & advances and other assets	**(321)**		(634)	
	(Increase)/decrease in inventories	**(4,068)**		2,158	
	Increase/(decrease) in trade payables	**2,151**		(1,769)	
	Increase/(decrease) in other liabilities and provisions	**1,591**	**(1,445)**	162	271
	Cash Generated from/(used in) Operations		**(2,657)**		(929)
	Income taxes (Paid)/Refund received		**17**		125
	Net Cash flow from Operating Activities		**(2,640)**		(804)
(B)	**Cash Flow from Investing Activities**				
	Purchase of Property, Plant and Equipments	**(1,038)**		(83)	
	Purchase of investment	**(901)**		-	
	Proceeds from sale of Property, Plant and Equipments	**2419**		1,098	
	Proceeds from sale of investment	**0**		1,333	
	Proceeds from/(investment in) bank deposits (with original maturity over 3 months)	**3,118**		(3,742)	
	Interest received	**147**	**3,745**	669	(724)
	Net Cash flow from Investing Activities		**3,745**		(724)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

Particulars	₹ in Lacs			
	Year ended March 31,			
	2022		2021	
(C) Cash Flow from Financing Activities				
Proceeds from (Repayment of) long term borrowings	**(420)**		(359)	
Proceeds from (Repayment of) short term borrowings	**(31)**		-	
Short Term Loans (Given)/repayment by party	**25**		1,941	
Interest paid	**(128)**	**(554)**	(242)	1,340
Net Cash flow from Financing Activities		**(554)**		1,340
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**551**		(188)
Add: Cash at the beginning of the year		**917**		1,105
Cash at the end of the year		**1,467**		917

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,	
	2022	2021
Balances with banks in current accounts	**1,461**	907
Cash on hand	**6**	9
Cash and cash equivalent as per note no. 12	**1,467**	917

NOTES:

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

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

Notes to the Consolidated Financial Statements

Note: 1 Corporate Information

Ashima Limited is engaged in manufacture of Denim fabrics and readymade garments as well as processing of textile fabrics including Interlining fabrics and garment washing activities (laundry). Its fabrics portfolio offers a wide range of products including basic denims, ring/slub denims, pigment/discharged print, polyester denim. The piece-dyed product range includes basic twills, plain weave, canvas, satin and various types of dobby structures with value-added properties like chemical, mechanical and functional finishes. The garmenting facility is equipped to manufacture shirts and trousers, both casual as well as formal and can offer over-dyed garments also. the Company also operates into ready-to-stitch product under the brand name "ICON".

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

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, 2022 were authorised for issue in accordance with a resolution of the directors on May 14, 2022.

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 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 yearly might not always add up to the yearly 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 affect 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 of uncertainties relating to the Covid-19 global pandemic:

The Covid-19 pandemic appears to have abated significantly during the recent past and except for the first quarter of the year, it had no adverse impact on the business of the Company. The Company does not see any uncertainty in the recoverability of its trade receivables, estimated realisation of inventories or other assets. The company will continue to review the situation from time to time as the pandemic situation may change in future.

3 Non-Current assets (or disposal groups) held for sale

Non-Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-Current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

4 Discontinued operation:

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale and that represents a separate line of business or geographical area of operations, is part of single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

5 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.

6 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.

7 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 over the expected useful life of the related asset.

8 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 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.

9 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 discarded or held for disposal. On transition to Ind AS as on 1st April, 2016, the Company has elected to measure its Property, Plant and Equipment at carrying value as per previous GAAP. 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 Equipment	20.00
Computers & Printers	6.00
Vehicles	10.00
Furniture & Fixture	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.

10 Leases

A The Company has adopted Ind AS 116 “Leases” using the modified retrospective approach, initially applying this standard from 1st April 2019. Accordingly, the information presented for previous year ended 31st March 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 the Statement of Profit & 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-to-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-to-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 the Statement of Profit & Loss if the carrying amount of the right-to-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

Rent concessions are accounted for as per provisions of the revised Ind-AS 116 "Leases".

11 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.

12 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.

13 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.

14 Inventories:

A Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

B Costs (net of input credit of VAT/GST) comprises all cost of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition. Cost formulae used are "First In First Out", "Weighted Average Cost", or "Specific Identification" as applicable.

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

15 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.

16 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 Liabilities 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.

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.

17 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.

18 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

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 the previous 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.

19 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 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, borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

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

i Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c Derecognition:

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

C Reclassification of financial assets:

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

D Offsetting of financial instruments:

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

20 Derivative Financial Instruments:

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

21 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-Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements

Note: 4-Property, Plant & Equipment and Intangible Assets: ₹ 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, 2020	**99**	**4,091**	**5,501**	**21,231**	**300**	**72**	**370**	89	**31,755**	**1**	**197**	**197**
Additions	-	-	13	57	1	0	8	-	79	-	2	2
Disposals/Adjustment	-	-	(7)	(376)	-	-	-	-	(383)	-	-	-
As at March 31, 2021	**99**	**4,091**	**5,507**	**20,912**	**301**	**72**	**378**	**89**	**31,451**	**1**	**199**	**199**
Additions	-	30	-	255	1	-	12	-	299	-	3	3
Disposals/Adjustment	-	(364)	(94)	(7,161)	(74)	(32)	(131)	(89)	(7,947)	(1)	(117)	(118)
As at March 31, 2022	**99**	**3,757**	**5,413**	**14,006**	**228**	**40**	**259**	**-**	**23,802**	**-**	**85**	**84**
Depreciation, Amortisation and Impairment												
As at April 1, 2020	-	-	**2,468**	**14,926**	**237**	**22**	**245**	22	**17,920**	**0**	**171**	**171**
Depreciation provided/ Amortisation for the year	-	-	168	224	14	7	21	22	457	0	7	7
Disposals/Adjustment	-	-	(2)	(314)	-	-	-	-	(316)	-	-	-
As at March 31, 2021	-	-	**2,634**	**14,836**	**251**	**29**	**266**	**44**	**18,060**	**0**	**178**	**178**
Depreciation provided/ Amortisation for the year	-	-	165	221	11	4	15	6	423	0	15	15
Disposals/Adjustment	-	-	(6)	(6,136)	(57)	(13)	(102)	(50)	(6,364)	(0)	(116)	(117)
As at March 31, 2022	-	-	**2,793**	**8,921**	**205**	**20**	**179**	**-**	**12,119**	**-**	**76**	**76**
Net Block:												
As at March 31, 2021	99	4,091	2,873	6,076	50	44	112	45	13,391	0	21	21
As at March 31, 2022	**99**	**3,757**	**2,620**	**5,085**	**24**	**20**	**80**	**-**	**11,685**	**-**	**9**	**9**

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Depreciation, Amortisation and Impairment expenses:		
Depreciation & Amortisation	**311**	335
Total	**311**	335

Note:

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

4.2 The above depreciation expenses for the financial year includes depreciation amounting to ₹ 126 lacs (₹128 lacs) on the assets which are in relation to discontinued business operations hence the same been classified accordingly.

Notes to the Consolidated Financial Statements

Note: 4 C Capital work-in-progress

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**740**	**40**	**27**	**-**	**807**

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	44	27	-	-	71

Notes:

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

Note: 5 - Investments [Non Current] :

	₹ in Lacs	
	As at March 31,	
	2022	2021
Investments in equity instruments		
Quoted		
Investment in other companies measured at fair value through profit or loss	**948**	-
Total	**948**	**-**
Aggregate Value of Quoted Investments	**948**	-
Market Value of Quoted Investments	**948**	-

Note: 6 - Other Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good, unless otherwise stated]		
Loans and advances to parties other than related parties		
Credit Impaired	**178**	178
Less: Impairment allowance	**(178)**	(178)
	-	-
Total	**-**	-

Notes to the Consolidated Financial Statements

Note: 7-Other Non-Current Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good]		
Capital Advance	**21**	81
Claims and other receivables	**42**	42
Prepaid Expenses	**76**	167
Security Deposits		
Others	**262**	268
Total	**402**	558

Note: 8-Asset for Current Tax:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Advance payment of Tax	**440**	458
Total	**440**	458

Note: 9-Inventories:

	₹ in Lacs	
	As at March 31,	
	2022	2021
(The Inventories are valued at lower of cost or net realisable value)		
Classification of Inventories:		
Raw Materials	**1,389**	443
Work-in-progress	**2,995**	842
Finished Goods	**2,039**	1,307
Stock-in-Trade	**404**	301
Stores and Spares	**722**	699
Packing Materials	**133**	86
Others	**1**	2
Total	**7,684**	3,680
The above includes Goods in transit as under:		
Raw Materials	121	-

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

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Net of write-down/(reversal of write-down)	**227**	(206)

Note: 10 - Current Investments :

	₹ in Lacs	
	As at March 31,	
	2022	2021
Investment in Mutual Funds		
Unquoted		
At Fair value through Profit or Loss	**312**	300
Total	**312**	**300**

Note: 11 - Trade Receivables:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good, unless otherwise stated]		
From Others		
Considered good	**2,215**	1,417
Credit Impaired	**77**	102
Less: Impairment allowances	**(77)**	(102)
	2,215	1,417
Total	**2,215**	1,417

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for the following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables - Considered good	2,177	3	8	16	11	2,215
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	77	77
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

Ageing for trade receivables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for the following periods from due date of payment[#]					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables - Considered good	1,336	24	26	31	-	1,417
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	102	102
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-

Note: 12 - Cash and Cash Equivalents:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Balances with banks in current accounts	**1,461**	907
Cash on Hand	**6**	9
Total	**1,467**	917

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

	₹ in Lacs	
	As at March 31,	
	2022	2021
Bank deposits maturing between 3 to 12 months*	**1,245**	4,363
Total	**1,245**	4,363

[*] 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 ₹ 313 lacs, [₹ 298 lacs as at March 31, 2021] which are not available for free use as per the court order.

Note: 14 - Loans:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good]		
Loans and advances to related parties	**38**	63
Total	**38**	63

Note: Loans and advances have been given for business purpose and repayable on demand.

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Related Parties	**38**	**100%**	63	100%

Note: 15 - Other Current Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good, unless otherwise stated]		
Advances Receivable in cash		
Considered Good	**223**	20
Credit Impaired	**2**	2
Less: Impairment allowance	**(2)**	(2)
	223	20
Claims and other receivables	**65**	104
Receivables on account of sale of Property, Plant & Equipment	**2,115**	-
Interest receivable	**103**	112
Total	**2,506**	236

Note: 16 - Other Current Assets:

	₹ in Lacs	
	As at March 31,	
	2022	2021
[Unsecured, Considered Good]		
Balances with Statutory Authorities	**563**	340
Claims and other receivables	**20**	20
Prepaid Expenses	**331**	434
Export Incentive Receivables	**65**	51
Advances to Suppliers	**283**	340
Advances to Staff	**4**	1
Total	**1,265**	1,187

Notes to the Consolidated Financial Statements

Note: 17 - Non-current Assets classified as held for sale :

	₹ in Lacs	
	As at March 31,	
	2022	2021
Investment held for sale*	**249**	249
Assets held for sale	**491**	5
Total	**739**	254

[*] The company has decided to sell its investment in equity shares of Shardul Garments Pvt. Ltd., an associate of the company, based on commercial considerations. The proposed sale of shares has been approved by the Board of Directors. The company has received advance of ₹ 486.68 Lacs from the buyer against the aggregate sale consideration of ₹ 661.68 lacs. The sale has been concluded subsequent to the Balance Sheet date. The said investment is therefore considered as asset held for sale and disclosed separately and part consideration received has been disclosed separately as current liability.

Note: 18 - Share Capital:

		₹ in Lacs	
		As at March 31,	
		2022	2021
Authorised Capital:			
19,16,60,078	Equity shares of ₹10/- each (19,16,60,078 Equity Shares as at March 31,2021)	**19,166**	19,166
20,50,000	Preference shares of ₹100/- each (20,50,000 Preference Shares as at March 31,2021)	**2,050**	2,050
		21,216	21,216
Issued, Subscribed and Paid-up Capital:			
19,16,60,078	Equity shares of ₹10/- each, fully paid up (19,16,60,078 Equity Shares as at March 31, 2021)	**19,166**	19,166
Total		**19,166**	19,166
A	**The reconciliation in number of shares is as under:**		
	Number of shares at the beginning of the year	**191,660,078**	53,171,917
	Add: Shares issued during the year under merger	**-**	138,488,161
	Number of shares at the end of the year	**191,660,078**	**191,660,078**
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**	140,535,678
	% to total shareholding	**73.33%**	73.33%

C Details of shares held by Promotors :

Shares held by promoters						
Sr No	Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No of Shares	% of total shares	No of Shares	% of total shares	
1	Chintan Navnitlal Parikh and Shefali Chintan Parikh - Trustees of Navchintan Trust	**140535678**	**73.33**	140535678	73.33	0
2	Chintan Navnit Parikh	**156670**	**0.08**	156670	0.08	0
3	Shefali Chintan Parikh	**88762**	**0.05**	88762	0.05	0
4	Krishnachintan Chintan Parikh	**31300**	**0.02**	31300	0.02	0
5	Chintan N Parikh (HUF)	**30425**	**0.02**	30425	0.02	0

D Rights of Equity Share holders

(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.

Notes to the Consolidated Financial Statements

Note: 19 - Other Equity:

		₹ in Lacs	
		As at March 31,	
		2022	2021
Other Reserves:			
Capital Reserve	[A]	**38**	38
(Created on account of reissue of forfeited shares/debentures)			
Retained Earnings:			
Balance as per last Balance Sheet		**2,088**	3,235
Add/(Less): Profit/(Loss) for the year		**1,792**	(1,147)
	[B]	**3,880**	2,088
Less: Items of Other Comprehensive Income recognised directly in Retained Earnings:			
Balance as per last Balance Sheet		**(374)**	(349)
Re-measurement gains/ (losses) on defined benefit plans (net of tax) for the year		**(90)**	(25)
	[C]	**(464)**	(374)
Balance as at the end of the year	[D = B+C]	**3,416**	1,715
Total	[E = A+D]	**3,454**	1,753

Note: 20 - Non-Current Borrowings:

		₹ in Lacs			
		Non-current portion		Current Maturities	
		As at March 31,		As at March 31,	
		2022	2021	**2022**	2021
A	Preference Shares				
	20,50,000 1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid up	**706**	654	**-**	-
B	Term Loans from Banks - Secured	**31**	450	**325**	359
C	Others -Unsecured	**750**	750	**-**	-
Total		**1,487**	1,854	**325**	359
The above amount includes:					
Secured borrowings		**31**	450	**325**	359
Unsecured borrowings		**1,456**	1,404	**-**	-
Amount disclosed under the head "Other Current Financial Liabilities" (Note-22)				**(325)**	(359)
Net amount		**1,487**	1,854	**-**	-

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 Share holders :

(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 the same 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 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 (Khokhara – 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 of ₹ 847 Lacs from bank is bearing interest rate of 8.25% per annum (fixed) is repayable in 20 equal installments at quarterly rest, starting from August 2018.

b. Term Loan of ₹ 286 Lacs from bank is bearing interest rate of 8.25% per annum (fixed) is repayable in 20 equal installments at quarterly rest, starting from August 2018.

c. Car Loan of ₹ 13 Lacs from bank is bearing interest rate of 8.76% per annum is repayable in 60 equated monthly installments, starting from July 2017.

d. Car Loan of ₹ 21 Lacs from bank is bearing interest rate of 9.00% per annum is repayable in 60 equated monthly installments, 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 ₹ 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.

Notes to the Consolidated Financial Statements

The Company had also filed a writ petition at Hon'ble High Court of Bombay challenging the aforesaid two orders of RO dated March 29, 2019 and April 9, 2019. 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 statutory 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: 21 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Trade Deposits	**12**	20
Total	**12**	20

Note: 22 - Current Borrowings:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Loans repayable on Demand:		
Secured		
Current Maturities of Long Term Debt (Refer Note- 20)	**325**	359
Interest accrued but not due on borrowings	**3**	-
Total	**328**	359

Note: 23 - Trade Payables:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Micro and small enterprises (*)	**-**	-
Others	**4,237**	2,086
Disputed Dues - Micro, Small and Medium Enterprises [*]	**-**	-
Disputed Dues - Others	**-**	-
Total	**4,237**	2,086

	₹ in Lacs	
	As at March 31,	
	2022	2021
(*) Based on the information available with the company regarding the status of its venders 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	-	-

Ageing for Trade Payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	**4,213**	**4**	**12**	**8**	**4,237**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing for Trade Payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,048	22	15	-	2,086
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes to the Consolidated Financial Statements

Note: 24 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Payable to Statutory Authorities	**78**	115
Bills Payables	**525**	486
Unpaid Expenses	**234**	224
Total	**838**	825

Note: 25 - Other Current Liabilities:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Advances from customers	**1,506**	368
Advance received against sale of assets held for sale	**487**	350
Other liabilities	**139**	8
Total	**2,132**	726

Note: 26 - Provisions:

	₹ in Lacs	
	As at March 31,	
	2022	2021
Provision for Employee Benefits:		
For Leave Encashment	**106**	64
Provision for product quality claims *	**2**	5
Total	**108**	69
(*) Provision for product quality claims:		
a Provision for quality claims in respect of products sold during the year is made based on the management's estimates considering the claim history and other relevant factors.		
b The movement in such provision is stated as under:		
i Carrying amount at the beginning of the year	**5**	9
ii Additional provision made during the year	**2**	5
iii Amount used	**(5)**	(9)
iv Carrying amount at the end of the year	**2**	5

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

	₹ in Lacs	
	As at March 31,	
	2022	2021
Contingent Liabilities:		
(A) Bills Discounted	**103**	166
(B) Claims against the company not acknowledged as debt		
(i) Income-tax	**31**	5,914
(ii) Central excise Duty	**324**	324
(iii) Sales-tax/VAT	**1,934**	1,934
(iv) Employees' State Insurance dues	**97**	94
(v) Custom-duty	**-**	78
(vi) Others	**1,756**	1,666
Total	**4,142**	10,010
Commitments:		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**15**	473

1. **Note on Sales Tax demand matter**

   The Sales Tax authorities have issued notices for demand of Sales Tax of ₹ 748 lacs, penalty of ₹ 620 lacs and interest of ₹ 539 lacs, aggregating to ₹ 1906 lacs for various assessment years. The company disputes the said demand. The company has filed appeals against these notices and got stay orders against the same.

Note: 28 - Revenue from Operations:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Sale of Products	**20,132**	9,451
Sale of Services	**476**	815
Other Operating Revenues:		
Waste Sales	**71**	29
Export Incentives	**45**	70
Net gain on foreign currency transaction and translation	**13**	13
	128	111
Total	**20,737**	10,378

Notes to the Consolidated Financial Statements

Disaggregation of Revenue from contract with customers

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Revenue based on Geography		
Domestics	**18,868**	8,461
Export	**1,869**	1,916
Revenue from Operations	**20,737**	10,378
Reconciliation of revenue from operation with contract price		
Revenue contract with customers as per contract price	**21,454**	10,766
Less : Adjustment made to contract price on account of:		
a) Discounts and Rebates	**148**	59
b) Sales Return	**569**	329
Revenue from Operations	**20,737**	10,378

Note: 29 - Other Income:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	**133**	687
Insurance Claim	**10**	-
Net gain on sale/fair valuation of investments measured at FVTPL	59	7
Net gain on sale/retirement/damage of Property, Plant and Equipments	**9**	-
Reversal of Impairment allowance on Trade Receivables	**-**	124
Miscellaneous income	**52**	248
Total	**263**	1,066

Note: 30 - Cost of Materials Consumed:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Raw Materials		
Stock at commencement	**423**	593
Add: Purchases during the year	**14,030**	4,546
	14,453	5,139
Less: Stock at close	**1,380**	423
	13,073	4,716
Packing Materials consumed	**507**	173
Total	**13,580**	4,890

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

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Purchases of Stock-in-trade	**1,496**	587
Total	**1,496**	587

Note: 32 - Land Development & Construction Cost:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Land & Other Charges	**980**	-
Professional Charges	**26**	-
Total	**1,005**	-

Note: 33 - Changes in Inventories:

		₹ in Lacs	
		Year ended March 31,	
		2022	2021
Stock at commencement:			
Work-in-progress		**736**	741
Finished Goods		**1,225**	1,283
Stock-in-trade		**301**	404
	(A)	**2,262**	2,427
Less: Stock at close:			
Work-in-progress		**2,994**	736
Finished Goods		**2,040**	1,225
Stock-in-trade		**404**	301
	(B)	**5,438**	2,262
Total	**(A-B)**	**(3,176)**	166

Note: 34 - Employee Benefits Expense:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Salaries and wages	**2,651**	1,833
Contribution to provident and other funds [*]	**187**	148
Staff welfare expenses	**64**	52
Total	**2,902**	2,033

[*] The Company's contribution is towards defined contribution plans which include Provident Fund and National Pension Scheme (NPS). Provident Fund contributions are made to the Regional Provident Fund Commissioner for the qualifying employees, as specified under the law.

Notes to the Consolidated Financial Statements

Note: 35 - Finance Cost:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Interest expense		
- On Term Loans	**21**	32
- On Working Capital	**49**	36
- Others	**106**	111
Bank commission and charges	**53**	19
Total	**229**	198

Note: 36 - Other Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Consumption of Stores and Spare parts	**912**	612
Power and fuel	**1,641**	962
Rent (*)	**17**	15
Repairs to Buildings	**10**	4
Repairs to Plant and Equipments	**95**	70
Repairs to Others	**23**	27
Insurance	**43**	50
Rates and Taxes (excluding taxes on income)	**29**	198
Job work Charges	**1,663**	338
Freight and forwarding expenses	**144**	81
Sales Commission	**102**	58
Other Sales promotion expenses	**26**	4
Traveling Expenses	**49**	18
Net Loss on sale/retirement/damage of Property, Plant and Equipments	**-**	17
Labour Charges	**374**	281
Legal and Professional Fees	**181**	83
Directors' fees	3	3
Miscellaneous Expenses (**)	**333**	174
Total	**5,644**	2,995

* 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.

		₹ in Lacs	
		Year ended March 31,	
		2022	2021
**	Miscellaneous Expenses include:		
	a Payment to the Statutory Auditors		
	- As Auditor	**11**	11
	- For Other Services	**2**	2
	Total	**13**	13
	b Cost Auditor's Remuneration including fees for other services	**1**	1

Note: 37-Tax Expenses:

		₹ in Lacs	
		Year ended March 31,	
		2022	2021
	The major components of income tax expense are:		
A	Tax Expenses		
	Tax adjustment for earlier year	**0**	17
		0	17
B	Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
	Profit/(Loss) before tax	**1,792**	(1,159)
	Enacted Tax Rate in India	**25.17%**	25.17%
	Expected Tax Expenses	**451**	(292)
	Adjustments for:		
	Effect of additional deductions from taxable income	**(30)**	55
	Effect of non-deductible expenses	**30**	28
	Effect of deductible expenses	**(49)**	(72)
	Unused tax losses of the earlier year now utilised	**(326)**	-
	Capital Gain	**(76)**	10
	Unabsorbed depreciation or carried forward losses	**-**	271
	Total	**(451)**	292
	Tax Expenses for Current year	**-**	-
	Tax Adjustment of Earlier Years	**0**	17
	Tax Expenses as per Statement of Profit and Loss	**0**	17

Notes to the Consolidated Financial Statements

Note: 38-Calculation of Earnings per Equity Share (EPS):

			Year ended March 31,	
			2022	2021
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
For EPS before exceptional item(s)				
A	Profit/(Loss) for the Continuing operations attributable to Equity Shareholders	₹ in Lacs	**(994)**	269
B	Profit/(Loss) for the Dicontinuing operations attributable to Equity Shareholders	₹ in Lacs	**(477)**	(1,399)
C	Average Number of Equity shares outstanding during the year	Numbers	**191,660,078**	191,660,078
D	Nominal value of equity share	₹	**10**	10
E	Basic and Diluted EPS-for Continuing operations	₹	**(0.52)**	0.14
F	Basic and Diluted EPS-for Discontinued operation	₹	**(0.25)**	(0.73)
For EPS after exceptional item(s)				
A	Profit/(Loss) attributable to Equity Shareholders	₹ in Lacs	**1,792**	(1,147)
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 and Diluted EPS	₹	**0.93**	(0.60)

Note: 39 - 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 2020	Charge for the year	As at March 31 2021	Charge for the year	**As at March 31 2022**
Deferred Tax Liabilities:					
Depreciation	(2,882)	1,504	(1,378)	160	**(1,218)**
	(2,882)	1,504	(1,378)	160	**(1,218)**
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	101	(79)	23	9	**31**
Receivables	118	(47)	71	(6)	**65**
Others	82	81	163	(14)	**149**
Unabsorbed depreciation/ Business Loss	6,621	(704)	5,916	(342)	**5,574**
Total	6,922	(749)	6,173	(354)	**5,819**
Net Deferred Tax Assets/ (Liabilities)	4,040	755	4,795	(194)	**4,601**

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, 2022. The Company has taken conservative view of future profitability. Accordingly, the Company has not recognized deferred tax asset.

Note: 40 - 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:

	Year ended March 31,	
	2022	2021
Discount rate (per annum)	**6.10%**	6.60%
Future salary increase	**2.00%**	2.00%
Expected rate of return on plan assets	**6.10%**	6.60%

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	**637**	937
Interest Cost	**35**	44
Current Service Cost	**35**	38
Benefits Paid	**(200)**	(532)
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**-**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**99**	150
Present value of obligation as at the end of the year	**606**	637

Notes to the Consolidated Financial Statements

	₹ in Lacs	
	Year ended March 31,	
	2022	2021
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	**988**	933
Interest Income	**59**	59
Contributions by the employer	**-**	402
Benefits paid	**(200)**	(532)
Return on plan assets	**9**	125
Fair Value of plan assets at the end of the year	**857**	988
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	**606**	637
Net Asset/ (Liability)-Current	**244**	220
Net Asset/ (Liability)-Non-Current	**7**	130
Expenses recorded in the Statement of Profit and Loss during the year		
Interest Cost	**(24)**	(15)
Current Service Cost	**35**	38
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**-**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**-**	-
Total expenses included in employee benefit expenses	**10**	22
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss arising from Change in Financial Assumption	**11**	-
Actuarial (Gain)/Loss arising from Experience Adjustment	**89**	150
Return on plan assets	**(9)**	(125)
Recognized in Other Comprehensive Income	**90**	25
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	**244**	220
Between 2 and 5 years	**279**	311
Between 6 and 10 years	**83**	105
More than 10 years	**-**	-
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	**596**	623
Half percentage point decrease in discount rate	**617**	652
Half percentage point increase in salary increase rate	**617**	652
Half percentage point decrease in salary increase rate	**595**	623

Composition of Plan Assets

Particulars	As at March 31,	
	2022	2021
Policy of Insurance	**99.50%**	99.57%
Bank Balance	**0.50%**	0.43%
Total	**100.00%**	100.00%

Long-Term Employment Benefits

Leave Encashment:

Liability for the Leave Encashments for ₹ 104 Lacs (as at March 31, 2021 - ₹ 64 Lacs) has been fully provided for by the company.

Note: 41 - Segment Information:

The Company has been engaged in cotton textiles business and has entered into Real Estate business and Investment activity recently. However, as the Real Estate business and the Investment activity have not exceeded the threshold specified for segment reporting, the Company is not required to make primary segment reporting for the period. 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. Property, Plant and Equipment 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 these 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,	
	2022	2021
Segment Revenue		
a) In India	**18,868**	8,461
b) Outside India	**1,869**	1,916
Total	**20,737**	10,378
Trade Receivables		
a) In India	**2,150**	1,343
b) Outside India	**65**	74
Total	**2,215**	1,417

Note: 42 Exceptional items:

Exceptional Items mainly includes profit on sale of surplus land.

Notes to the Consolidated Financial Statements

Note: 43-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 - w.e.f. 05/06/2021 - (Relative of Chairman & Managing Director)
3	Mr. Shrikant Pareek	Director (Operations) (w.e.f. 01.08.2020)

Non Executive Directors

1	Dr. Bakul H. Dholakia
2	Mrs. Koushlya Melwani
3	Mr. Sanjay Majmudar
4	Mr. Neeraj Golas

Relatives of Key Management Personnel

1	Mr. Krishnachintan C. Parikh	Relative of Chairman & Managing Director (transactions upto 05/06/2021)
2	Ms. Uttara C. Parikh	Relative of Chairman & Managing Director

Other related parties where control exists

1	Saumya Constructions Private Limited
2	Sushrut Enterprises Private Limited

b) Disclosure in respect of Related Party Transactions :

₹ in Lacs

Nature of Transactions	Associates		Key Management Personnel		Relatives of Key Management Personnel		Others	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Loan repaid by the party								
1 Shardul Garments Private Limited	25	-	-	-	-	-	-	-
Total	**25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Remuneration								
1 Mr. Chintan N. Parikh	-	-	139	124	-	-	-	-
2 Mr. Krishnachintan C. Parikh	-	-	23	-	-	-	-	-
3 Mr. Shrikant Pareek	-	-	146	89	-	-	-	-
Total	**-**	**-**	**308**	**213**	**-**	**-**	**-**	**-**
Remuneration & Sitting fees paid to Non Executive Directors								
Remuneration								
(₹ 2.50 lacs for each Director)								
1 Dr. Bakul H. Dholakia	-	-	3	-	-	-	-	-
2 Mr. Sanjay Majmudar	-	-	3	-	-	-	-	-
3 Mr. Niraj Golas	-	-	3	-	-	-	-	-
4 Mrs. Koushlya Melwani			3	-				
Total	**-**	**-**	**10**	**-**	**-**	**-**	**-**	**-**
Directors Sitting fees								
1 Dr. Bakul H. Dholakia	-	-	1	-	-	-	-	-
2 Mr. Sanjay Majmudar	-	-	0	-	-	-	-	-
3 Mr. Niraj Golas	-	-	1	-	-	-	-	-
4 Ms. Koushlya Melwani	-	-	1	-	-	-	-	-
Total	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**
Interest Exp./Bills Discounting charges								
1 Mr. Krishnachintan C. Parikh	-	-	53	-	7	62	-	-
Total	**-**	**-**	**53**	**-**	**7**	**62**	**-**	**-**
Other Expenses								
1 Sushrut Enterprises Private Limited	-	-	-	-	-	-	-	5
2 Saumya Constructions Private Limited	-	-	-	-	-	-	107	5
3 Ms. Uttara C. Parikh	-	-	-	-	-	3	-	-
Total	**-**	**-**	**-**	**-**	**-**	**3**	**107**	**10**
Payable balance at year end								
1 Mr. Krishnachintan C. Parikh	-	-	525	-	-	486	-	-
2 Dr. Bakul H. Dholakia	-	-	2	-	-	-	-	-
3 Mr. Sanjay Majmudar	-	-	2	-	-	-	-	-
4 Mr. Niraj Golas	-	-	2	-	-	-	-	-
5 Ms. Koushiya Melwani	-	-	2	-	-	-	-	-
Total	**-**	**-**	**534**	**-**	**-**	**486**	**-**	**-**
Loans Receivable-Balance at year end								
1 Shardul Garments Private Limited	38	63	-	-	-	-	-	-
Total	**38**	**63**	**-**	**-**	**-**	**-**	**-**	**-**

Note: 44-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, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Current Financial Assets:				
Investments	312	-	-	312
Trade receivables	-	-	2,215	2,215
Cash and Cash Equivalents	-	-	1,467	1,467
Bank Balance other than Cash and Cash Equivalents	-	-	1,245	1,245
Loans	-	-	38	38
Other Current Financial Assets	-	-	2,506	2,506
Non Current Financial Assets:				
Quoted equity instruments	948	-	-	948
Total Financial Assets	**1,260**	**-**	**7,472**	**8,732**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	4,237	4,237
Other Current Financial Liabilities	-	-	838	838
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	1,815	1,815
Other Non Current Financial Liabilities	-	-	12	12
Total Financial Liabilities	-	-	**6,901**	**6,901**

	₹ in Lacs			
	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Current Financial Assets:				
Investments	300	-	-	300
Trade receivables	-	-	1,417	1,417
Cash and Cash Equivalents	-	-	917	917
Bank Balance other than Cash and Cash Equivalents	-	-	4,363	4,363
Loans	-	-	63	63
Other Current Financial Assets	-	-	236	236
Total Financial Assets	**300**	**-**	**6,996**	**7,296**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	2,086	2,086
Other Current Financial Liabilities	-	-	825	825
Lease Liabilities	-	-	22	22
Non Current Financial Liabilities:				
Borrowings [including current maturities and interest accrued]	-	-	2,213	2,213
Other Non Current Financial Liabilities	-	-	20	20
Lease Liabilities	-	-	37	37
Total Financial Liabilities	-	-	**5,204**	**5,204**

Note: 45-Financial Risk Management:

A Financial instruments by category:

	₹ in Lacs			
	As at March 31, 2022			
	FVTPL	**FVOCI**	**Amortised Cost**	**Total**
Financial assets:				
Current Financial Assets:				
Investments	312	-	-	312
Trade receivables	-	-	2,215	2,215
Cash and Cash Equivalents	-	-	1,467	1,467
Bank Balance other than Cash and Cash Equivalents	-	-	1,245	1,245
Loans	-	-	38	38
Other Current Financial Assets	-	-	2,506	2,506
Non Current Financial Assets:				
Quoted equity instruments	948	-	-	948
Total Financial Assets	**1,260**	**-**	**7,472**	**8,732**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	4,237	4,237
Other Current Financial Liabilities	-	-	838	838
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	1,815	1,815
Other Non Current Financial Liabilities	-	-	12	12
Total Financial Liabilities	**-**	**-**	**6,901**	**6,901**

	₹ in Lacs			
	As at March 31, 2021			
	FVTPL	**FVOCI**	**Amortised Cost**	**Total**
Financial assets:				
Current Financial Assets:				
Investments	300	-	-	300
Trade receivables	-	-	1,417	1,417
Cash and Cash Equivalents	-	-	917	917
Bank Balance other than Cash and Cash Equivalents	-	-	4,363	4,363
Loans	-	-	63	63
Other Current Financial Assets	-	-	236	236
Total Financial Assets	**300**	**-**	**6,996**	**7,296**
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	2,086	2,086
Other Current Financial Liabilities	-	-	825	825
Lease Liabilities	-	-	22	22
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	2,213	2,213
Other Non Current Financial Liabilities	-	-	20	20
Lease Liabilities	-	-	37	37
Total Financial Liabilities	**-**	**-**	**5,204**	**5,204**

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.

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

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

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

a Credit risk:

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

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

Bank deposits:

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

Trade Receivable:

The Company is exposed to credit risk in the event of non-payment by customers. Major part of sales is made on 'Delivery against payment' basis, hence the credit risk is insignificant. To eliminate credit risk further, the high value sales are made by adequate coverage through Letters of Credit, wherever possible. The Company trades with recognized and credit worthy customers. It is the Company's policy that all customers who wish to trade on credit terms are subjected to scrutiny and periodic review. 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 ₹ 77 Lacs (Previous year - ₹ 102 Lacs), allowance for doubtful receivables is ₹ 77 Lacs as at March 31, 2022 [Previous year - ₹ 102 Lacs]. During the year the Company has not made any allowance for doubtful receivables (Previous year: ₹ 25Lacs.)

Ageing of Trade Receivables	**₹ in Lacs**	
	As at March 31,	
	2022	2021
0 - 6 Months	**2,177**	1,336
6 - 12 Months	**3**	24
beyond 12 Months	**112**	160
Total	**2,292**	1,520
Allowance for doubtful Receivables	**77**	102
Trade Receivables Carried in Balance Sheet	**2,215**	1,417

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 The 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, 2022				
Borrowings (including current maturities and interest)					
Term Loan from Bank	328	27	4	-	**358**
Other Borrowings	-	-	-	1,456	**1,456**
Other Non-Current Financial Liabilities	-	12	-	-	**12**
Trade Payables	4,237	-	-	-	**4,237**
Other Current Financial Liabilities	838	-	-	-	**838**
Total	**5,402**	**39**	**4**	**1,456**	**6,901**

	₹ in Lacs				
	< 1 year	**1-2 year**	**2-3 years**	**> 3 years**	**Total**
	As at March 31, 2021				
Borrowings (including current maturities and interest)					
Term Loan from Bank	359	355	91	4	809
Other Borrowings	-	-	-	1,404	1,404
Lease Liabilities	37	-			37
Other non current financial liabilities	-	20	-	-	20
Trade payable	2,086	-	-	-	2,086
Other current Financial liabilities	825	-	-	-	825
Lease Liabilities	22				22
Total	**3,329**	**375**	**91**	**1,408**	**5,204**

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 and GBP. 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,	
	2022	2021
Financial assets:		
Trade Receivables	**65**	73
Total exposure to foreign currency risk (assets)	**65**	73
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**65**	73

Exposure of GBP	**₹ in Lacs**	
	As at March 31,	
	2022	2021
Financial assets:		
Trade Receivables	**-**	1
Total exposure to foreign currency risk (assets)	**-**	1
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	**-**	-
Net exposure to foreign currency risk	**-**	1

Sensitivity Analysis:

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

	₹ in Lacs			
	As at March 31, 2022		As at March 31, 2021	
	Movement in Rate	**Impact on PAT**	Movement in Rate	Impact on PAT
USD	**2.00%**	**0.97**	2.00%	1.09
USD	**-2.00%**	**(0.97)**	-2.00%	(1.09)
GBP	**2.00%**	**-**	2.00%	0.01
GBP	**-2.00%**	**-**	-2.00%	(0.01)

* Holding all other variables constant

Notes to the Consolidated Financial Statements

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, 2022, 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: 46-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,	
	2022	2021
Net debts	**1,815**	2,213
Total equity	**22,620**	20,919
Net debt to equity ratio	**0.08**	0.11

Note: 47- Social Security, 2020 ('Code')

The code of Social Security, 2020 ('Code') relating to employee benefit during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once its effective.

Note: 48- Impact of Covid-19

The Covid-19 pandemic had an adverse impact on the operations and financial performance of the Company in terms of volumes and profitability mainly during the first quarter of the year. However, considering the complexity of the business operations, it is difficult to exactly quantify the impact of Covid-19.

However, as of now, the Covid-19 pandemic appears to have abated significantly. The company will continue to review the situation from time to time as the pandemic situation may change in future.

Note: 49- Investment In An Associate

The Group has a 49.58% interest in Shardul Garments Private Limited, which is involved in the manufacturer 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,	
	2022	2021
Current Assets	**0**	1
Non-current Assets	**565**	565
Current Liabilities	**(64)**	(64)
Non-current Liabilities	**-**	-
Equity	**501**	502
Proportion of the group's ownership interest	**49.58%**	49.58%
Carrying amount of the group's interest	**249**	249

	₹ in Lacs	
	As at March 31,	
	2022	2021
Revenue	**-**	-
Cost of raw material and components consumed	**-**	-
Depreciation & amortization	**-**	-
Finance cost	**(0)**	(0)
Employee benefit	**-**	-
Other expenses	**(0)**	(0)
Profit before tax	**(0)**	(0)
Exceptional Item/Income tax expense	**-**	60
Profit for the year	**(0)**	**59**
Group's share of profit for the year	**(0)**	29
Group's share of other comprehensive income for the year	**-**	-
Group's total share of comprehensive income for the year	**(0)**	29

The associate had no contingent liabilities and capital commitments.

Notes to the Consolidated Financial Statements

Note: 50 - Disclosure of additional information about 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	
	2021-22		2021-22		2021-22		2021-22	
	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	100.46%	22724	144.28%	1792	100.00%	-90	100.01%	1702
Associate:								
Shardul Garments Private Limited	-0.46%	-104	-44.28%	0	0.00%	-	-0.01%	0
Total:	**100.00%**	**22620**	**100.00%**	**1792**	**100.00%**	**-90**	**100.00%**	**1702**

Note: 51 - Details of Associate

Name of the Company	Country of Incorporation	% Holding as at 31.03.2022	% Holding as at 31.03.2021	Accounting Period
Shardul Garments Private Limited	India	49.58	49.58	1st April 2021 to 31st March, 2022

Note: 52- Previous year's figures regrouped

Previous year's figures have been regrouped /rearranged wherever necessary.

Note: 53-Discontinued operation

Spinfab Division represented yarn-dyed shirting fabric activities of the company. Due to its nature of activities where fabrics are custom-made as per pre-approved design and developments, the Division suffered during the Covid-19 pandemic times. After careful consideration of various technical and commercial factors, the Company decided to close down the Spinfab Division. The Division was able to realise most of its inventory and trade receivables without any losses. The properties, plant and equipments have been transferred to "assets held for sale" at the values they are likely to realise and would be disposed of at the earliest. As per Ind AS 105 "Discontinued Operation", the operations of the Division are considered as Discontinued Operations and the financials are presented for Continued Operations, with profitability of the Discontinued Operations disclosed as a separate line item. Figures of the previous periods have been restated similarly.

The separate detailed profitability of the Discontinued Operations and Continued Operations of the Company is as per the following table:

(₹ in Lacs)

Particulars	2021-22				2020-21			
	Continuing operations A	Discontinued operations B	Less: Elimination of transactions between (A) and (B)	Total	Continuing operations A	Discontinued operations B	Less: Elimination of transactions between (A) and (B)	Total
INCOME:								
Revenue from Operations	20,737	210	(84)	20,863	10,378	4,769	(999)	14,147
Other Income	263	199	-	462	1,066	53	-	1,119
Total Income	**20,999**	**410**	**(84)**	**21,325**	**11,444**	**4,822**	**(999)**	**15,266**
EXPENSES:								
Cost of Materials Consumed	13,580	4	(62)	13,522	4,890	1,233	(231)	5,891
Purchases of Stock-in-Trade	1,496	-	(10)	1,487	587	-	(214)	374
Land Development & Construction Cost	1,005	-	-	1,005	-	-	-	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	(3,176)	189	-	(2,988)	166	1,409	-	1,575
Employee Benefits Expense	2,902	430	-	3,333	2,033	1,598	-	3,631
Finance Costs	229	7	-	236	198	119	-	317
Depreciation, Amortisation and Impairment expense	311	126	-	437	335	128	-	463
Other Expenses	5,644	131	(12)	5,763	2,995	1,734	(554)	4,175
Total Expenses	**21,993**	**887**	**(84)**	**22,796**	**11,204**	**6,221**	**(999)**	**16,426**
Profit/(Loss) before Exceptional items and Tax	**(994)**	**(477)**	**-**	**(1,471)**	**240**	**(1,399)**	**-**	**(1,159)**
Share of Profit/(Loss) of Associate	(0)	-	-	(0)	29	-	-	29
	(994)	**(477)**	**-**	**(1,471)**	**269**	**(1,399)**	**-**	**(1,130)**
Exceptional Items	3,579	(316)		3,263	-	-	-	-
Profit/(Loss) before Tax	**2,585**	**(793)**	**-**	**1,792**	**269**	**(1,399)**	**-**	**(1,130)**
Tax adjustment for earlier years	0	-	-	0	17	-	-	17
Profit/(Loss) for the year	**2,585**	**(793)**	**-**	**1,792**	**252**	**(1,399)**	**-**	**(1,147)**
OTHER COMPREHENSIVE INCOME [OCI]:								
Items that will not be reclassified to profit or loss:								
Re-measurement losses on post employment Defined benefit plans	(90)	-	-	(90)	(25)	-	-	(25)
Other Comprehensive Income for the year [Net of tax]	**(90)**	**-**	**-**	**(90)**	**(25)**	**-**	**-**	**(25)**
Total Comprehensive Income for the year [Net of Tax]	**2,495**	**(793)**	**-**	**1,702**	**227**	**(1,399)**	**-**	**(1,172)**

Note: 54 Other Statutory Information

(i) The Company does not hold any benami property as defined under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) The Company has not entered into any transaction with struck off companies under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Further, there is no balance outstanding with struck off companies.

(iii) The Company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company is in compliance with number of layers prescribed under clause (87) of section 2 of Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.

(vii) As on March 31, 2022 there is no unutilised amount in respect of any long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

Note: 55-Disconnection of Effluent discharge:

At the behest of Hon'ble Gujarat High Court upon a suo-moto writ petition, Ahmedabad Municipal Corporation (AMC) undertook a drive to disconnect effluent discharge connection of all units discharging water effluent in the sewage lines of AMC. Accordingly, the treated effluent discharge connection of the Company was disconnected on 30.11.2021. In the city of Ahmedabad, more than 400 connections were snapped by AMC. It would be relevant to note that the Company has the requisite approvals from the competent authorities to discharge industrial effluents after treating the same in its inhouse effluent treatment plant.

Since the date of disconnection, the wet manufacturing operations came to a standstill. However, the Company has been continuing the dry manufacturing operations which do not generate any effluent. For the remaining processes, the Company has put in place arrangement for outsourcing for the time being. The Company has decided to go for Zero Liquid Discharge (ZLD) facility for effluent discharge which will normalise the wet processing production activities.

Signatures to Significant Accounting Policies and Notes 1 to 55 to the Consolidated Financial Statements

As per our report of even date

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

Suvrat S. Shah
Partner
Membership Number: 102651
Ahmedabad, Dated: May 14, 2022

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: May 14, 2022

If undelivered, please return to :

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