



Regd. Office : Texcellence Complex, Near. Anupam Cinema, Khokhra, Ahmedabad - 380 021, India.
Phone : 91-79-67777000 • Fax : 91-79-22773061 • E-mail : texcellence@ashima.in
CIN No : L99999GJ1982PLC005253

31st July, 2023

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

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

Dear Sir/ Madam,

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

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the Financial Year 2022-23 along with the Notice of the 40th Annual General Meeting (AGM) of the Company to be held on Friday, 25th August, 2023 at 11:30 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The same is also available on the website of the Company at www.ashima.in

This is for your information and records.

Thanking you,

Yours faithfully,
For **Ashima Limited**

Shweta Sultania
Company Secretary & Compliance Officer

Encl: As above

T E X C E L L E N C E

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



ashima
LIMITED

40th Annual Report
2022-23

T E X C E L L E N C E



Corporate Information

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

- Mr. Hiren S. Mahadevia (upto June 30, 2023)
- Mr. Jayesh C. Bhayani (w.e.f. July 26, 2023)

COMPANY SECRETARY,

Ms. Shweta Sultania

STATUTORY AUDITORS

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

INTERNAL AUDITORS

M/s. Dhirubhai Shah & Co LLP
Chartered Accountants
Ahmedabad

SHARES LISTED ON STOCK EXCHANGES

BSE Ltd.
National Stock Exchange of India Ltd.

BANKERS

Axis Bank 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

SECRETARIAL AUDITOR

Mr. Tapan Shah
Company Secretary
Ahmedabad

COST AUDITORS

M/s Ankit Sheth & Co.,
Cost Accountants
Gandhinagar

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NOTICE

Notice is hereby given that the **40th ANNUAL GENERAL MEETING (AGM) of ASHIMA LIMITED** will be held on **Friday, August 25, 2023 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 of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Krishnachintan Parikh, Executive Director (DIN: 07208067), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

3. **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 the provisions of Sections 197, 198 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, 2022 to July 31, 2023 on the terms and conditions including payment of remuneration as set out hereunder:

I. Salary:

The Director (Operations) shall be entitled to a salary of ₹ 5,24,370/- (Rupees Five Lac Twenty Four Thousand Three Hundred Seventy only) per month.

II. House Rent Allowance:

House rent allowance of ₹ 3,27,727/- (Rupees Three Lac Twenty Seven Thousand Seven Hundred Twenty Seven only) per month.

III. Special Allowance:

Special Allowance of ₹ 3,55,002/- (Rupees Three Lac Fifty Five Thousand Two only) per month.

IV. Other Allowances and perquisites:

- a. City Compensatory Allowance: ₹ 32,773/- (Rupees Thirty Two Thousand Seven Hundred Seventy Three only) per month.
- b. Other Allowances and Reimbursements: Education, Transport and Medical Allowance, and other reimbursements and LTA all put together shall not exceed ₹ 22,714/- (Rupees Twenty Two Thousand Seven Hundred Fourteen only) per month.
- c. Company’s contribution to Provident Fund amounting to ₹ 62,500/- (Rupees Sixty Two Thousand Five Hundred only) per month.
- d. 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 ₹ 7,95,294/- (Rupees Seven Lac Ninety Five Thousand Two Hundred Ninety Four only) per annum.



- 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 the extent it is not taxable under the Income Tax Act, 1961), (d) and (e) above shall not be included in the computation of the ceiling on remuneration as specified under Section II of Part II of Schedule V of 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 such acts, deeds, matters and things and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

4. Re-appointment of Mr. Shrikant Pareek (DIN: 02139143) as a Whole-time Director, designated as “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 the provisions of Sections 196, 197, 198, 203, Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), read with Articles of Association of the Company and subject to such approvals and permissions, as may be required and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Shrikant Pareek (DIN: 02139143) as a Whole Time Director, designated as “Director (Operations)” of the Company for a period of three (3) years with effect from 01st August, 2023 on the terms and conditions of re-appointment and remuneration as set out hereunder:

I. Salary:

The Director (Operations) shall be entitled to a salary of ₹ 5,24,370/- . (Rupees Five Lac Twenty Four Thousand Three Hundred Seventy only) per month.

II. House Rent Allowance:

House rent allowance of ₹ 3,27,727 /- (Rupees Three Lac Twenty Seven Thousand Seven Hundred Twenty Seven only) per month.

III. Special Allowance:

Special Allowance of ₹ 3,55,002 /- (Rupees Three Lac Fifty Five Thousand Two only) per month.

IV. Other Allowances and perquisites:

- a. City Compensatory Allowance: ₹ 32,773 /- (Rupees Thirty Two Thousand Seven Hundred Seventy Three only) per month.
- b. Other Allowances and Reimbursements: Education, Transport and Medical Allowance, and other reimbursements and LTA all together shall not exceed ₹ 22,714/- (Rupees Twenty Two Thousand Seven Hundred Fourteen only) per month.
- c. Company's contribution to Provident Fund amounting to ₹ 62,500 /- (Rupees Sixty Two Thousand Five Hundred only) per month.

- d. 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 ₹ 7,95,294/- (Rupees Seven Lac Ninety Five Thousand Two Hundred Ninety Four only) per annum.
- 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 the extent it is not taxable under the Income Tax Act, 1961), (d) and (e) above shall not be included in the computation of the ceiling on remuneration as specified under Section II of Part II of Schedule V of the Companies Act, 2013.

- V. Sitting Fees – He shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof during the tenure of his appointment.
- VI. Subject to the provisions of the Act, he shall be liable to retire by rotation.
- VII. He shall not during the continuance of his tenure or at any time thereafter divulge or disclose to any person whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his tenure as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and he shall during the continuance of his tenure also use his best endeavors to prevent any other person from doing so.
- VIII. He shall report to the Managing Director and shall subject to the superintendence, control and direction of the Board of Directors (Board) as it may from time to time determine, shall have powers that may be specifically delegated to him by the Board of Directors and those under the Companies Act, 2013 and the Articles of Association of the Company and shall perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

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

5. Re-Appointment of Mr. Sanjay S. Majmudar (DIN: 00091305) as an Independent Director 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 the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), Mr. Sanjay S. Majmudar (DIN: 00091305), an Independent Director of the Company, who is eligible for re-appointment and has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and also declared that he has not been debarred by SEBI/ MCA or any other authority from holding the office of director or continuing as a Director of the Companies and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five (5) consecutive years commencing from November 03, 2023 to November 02, 2028 and that he shall not be liable to retire by rotation.

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 such acts, deeds, matters and things and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”



6. Re-Appointment of Mrs. Koushlya V. Melwani (DIN: 01575110) as an Independent Director 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 the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”), Mrs. Koushlya V. Melwani (DIN: 01575110), an Independent Director of the Company, who is eligible for re-appointment and has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and also declared that she has not been debarred by SEBI/ MCA or any other authority from holding the office of director or continuing as a Director of Companies and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five (5) consecutive years commencing from May 25, 2024 to May 24, 2029 and that she shall not be liable to retire by rotation.

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 such acts, deeds, matters and things and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

7. 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 taxes 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 2023-24, be and is hereby ratified and confirmed.

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 such acts, deeds, matters and things and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

Registered Office:

Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

By Order of the Board of Directors

Shweta Sultania
Company Secretary & Compliance Officer
Membership No.: ACS 22290

Date: 16th May, 2023

Place: Ahmedabad

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 Ministry of Corporate Affairs, Government of India ("MCA") has vide its General Circular 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, General Circular No. 2/2022 dated May 05, 2022 and General Circular No.10/2022 dated December 28, 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 40th AGM of the Company is being held through VC/OAVM.

Securities and Exchange Board of India ("SEBI") vide its circular no. 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, SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 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 under 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 till September 30, 2023 in case of Annual General Meetings held through electronic mode only.

3. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM including Supplementary Notice ("Notice") alongwith Annual Report for the financial year 2022-23 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 2022-23 has been uploaded on the website of the Company at www.ashima.in. Notice and Annual Report 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.
4. 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.
5. 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_redressal@ashima.in with a copy marked to helpdesk.evoting@cdslindia.com.
6. 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, Attendance Slip and Route Map 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.
7. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Link Intime India Pvt. Ltd. or Secretarial Department of the Company immediately. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
8. 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.



9. 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.
10. The Company will send 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-PoD-1/P/CIR/2023/37 dated March 16, 2023. 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/2023/04/Shareholders-holding-shares-in-physical-form.pdf>
- 11. 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. Friday, August 18, 2023, 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. Friday, August 18, 2023, 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 Tuesday, August 22, 2023 at 9.00 a.m. and will end on Thursday, August 24, 2023 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 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	<ol style="list-style-type: none"> 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 users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on Login icon and select New System Myeasi tab and then use existing my easi username & password. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the E-voting is in progress as per information provided by the company. On clicking the e-voting option, the user will be able to see e-Voting page of E-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of 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 CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link available on www.cdslindia.com home page. 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	<ol style="list-style-type: none"> 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.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>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.</p> <p>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.</p>
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 & 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 toll free no. 1800 22 55 33
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

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

- 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) <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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.

- 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 –Remote Voting**
 - 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 will be mapped automatically & can be delinked in case of any wrong mapping.
- 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.

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

1. The procedure for attending meeting & 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.

14. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

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 update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
15. 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, Sr. Manager (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, 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.
16. 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 40th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
17. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

18. 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 ID: helpdesk.evoting@cdslindia.com
Scrutinizer		Mr. Tapan Shah, Practising Company Secretary Email ID: scrutinizer@tapanshah.in

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS SECTION 102 OF THE COMPANIES ACT, 2013.****Item no. 3:**

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has at its meeting held on February 03, 2023 approved revision in remuneration of Mr. Shrikant Pareek, Director (Operations) from ₹ 11,25,029 /- per month (excluding Company's contribution to Provident Fund, Gratuity, and Leave encashment as per rules of the company) to ₹ 12,62,586/-per month (excluding Company's contribution to Provident Fund, Gratuity, and Leave encashment as per rules of the company) 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. 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 01, 2022 to July 31, 2023 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at their respective meetings held on February 03, 2023 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 statement containing the following information is given as per Section II of Part II of Schedule V of the Companies Act, 2013:**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. From the current year, the Company has started activities in the Real Estate business and has also started investment activities with a long term perspective. As per the Audited Financial Statements for the year ended 31.03.2023, the Company has reported Total Income of ₹ 21,062 lacs. The Company has reported a loss of ₹ 665 lacs for the year as compared to a profit of ₹ 1,792 lacs during the preceding year. Profitability for the previous year includes exceptional items of ₹ 3,579 lacs towards profit on sale of land and a loss of ₹ 316 lacs related to discontinued operations. Excluding such exceptional items, the performance for the year has improved by ₹ 811 lacs during the year. The foreign holding including Non-Resident Indians (NRIs) holding is 0.45% 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 30 years of experience in field of textiles. After working in Arvind and ATIRA, he is working with the Group Ashima since past 26 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 a lot on account of his leadership, sharp insight and analytical ability during his tenure.

III. Other Information:**a. Reasons for loss or inadequate profits:**

As reported last year, the company had to stop production activities across various divisions from end of 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. As a result, the wet- manufacturing operations of the company remained suspended almost for the entire year.

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

During the year, the Company has been able to improve its operational performance in spite of abrupt disruption of business activities consequent to legal matter. The company took many initiatives in order to continue the business operations by making outsourcing arrangement for a part of activities wherever required and has been able to maintain the level of revenues during the year and has been able to bring down the operational loss compared to previous year. The textile operations have been able to increase export revenues, keep the costs under tighter control and achieve marginal reduction in operational loss for the year. During the year, the company has also installed the Zero Liquid Discharge facility for effluent treatment and received requisite statutory permission and has started trial operations of its newly-installed Effluent Treat Plant (ETP) and Zero Liquid Discharge (ZLD) plant for effluent treatment during the fag-end of the year. At the same time, improved performance of the Investment division has enabled the company to post improved PBT (before exceptional items). The Real Estate activities of the company is also likely to pick up pace and add to the revenues and profitability of the Company.

IV. Disclosures

The resolution sets out the entire terms and conditions of the remuneration of Mr. Shrikant Pareek, Director (Operations) of the Company. The Board of Directors recommends the Special Resolution as set out at Item no. 3 of this Notice for the approval of the members. Besides remuneration 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. 4:

On recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company has at its meeting held on 16th May, 2023 approved the re-appointment of Mr. Shrikant Pareek as Whole Time Director, designated as "Director (Operations)" of the Company on the terms and conditions including remuneration as set out in the resolution mentioned at Item No. 4 of this Notice for a period of 3 years from 01st August, 2023 to 31st July, 2026.

The remuneration mentioned in the said resolution is in accordance with the provisions contained under Section II of Part II of Schedule V of the Companies Act, 2013.

The remuneration as set out in the said resolution is appropriate in terms of the size of the Company and as compared to persons of his qualifications, cadre, knowledge and experience in the industry.

The statement containing the following information is given as per Section II of Part II of Schedule V of the Companies Act, 2013:**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. From the current year, the Company has started activities in the Real Estate business and has also started investment activities with a long term perspective. As per the Audited Financial Statements for the year ended 31.03.2023, the Company has reported Total Income of ₹ 21,062 lacs. The Company has reported a loss of ₹ 665 lacs for the year as compared to a profit of ₹ 1,792 lacs during the preceding year. Profitability for the previous year includes exceptional items of ₹ 3,579 lacs towards profit on sale of land and a loss of ₹ 316 lacs related to discontinued operations. Excluding such exceptional items, the performance for the year has improved by ₹ 811 lacs during the year. The foreign holding including Non-Resident Indians (NRIs) holding is 0.45% 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 30 years of experience in field of textiles. After working in Arvind and ATIRA, he is working with the Group Ashima since past 26 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 a lot on account of his leadership, sharp insight and analytical ability during his tenure.

III. Other Information:**a. Reasons for loss or inadequate profits:**

As reported last year, the company had to stop production activities across various divisions from end of 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. As a result, the wet- manufacturing operations of the company remained suspended almost for the entire year.

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

During the year, the Company has been able to improve its operational performance in spite of abrupt disruption of business activities consequent to legal matter. The company took many initiatives in order to continue the business operations by making outsourcing arrangement for a part of activities wherever required and has been able to maintain the level of revenues during the year and has been able to bring down the operational loss compared to previous year. The textile operations have been able to increase export revenues, keep the costs under tighter control and achieve marginal reduction in operational loss for the year. During the year, the company has also installed the Zero Liquid Discharge facility for effluent treatment and received requisite statutory permission and has started trial operations of its newly-installed Effluent Treat Plant (ETP) and Zero Liquid Discharge (ZLD) plant for effluent treatment during the fag-end of the year. At the same time, improved performance of the Investment division has enabled the company to post improved PBT (before exceptional items). The Real Estate activities of the company is also likely to pick up pace and add to the revenues and profitability of the Company.

IV. Disclosures

The resolution sets out the entire terms and conditions of the re-appointment and remuneration of Mr. Shrikant Pareek, Director (Operations) of the Company. The Board of Directors recommends the Special Resolution as set out at Item no. 4 of this Notice for the approval of the members. Besides remuneration 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:

Mr. Sanjay S. Majmudar (DIN: 00091305), Independent Director of the Company shall be completing his first term of office as an Independent Director on November 02, 2023. He is eligible for re-appointment as an Independent Director for another term of five consecutive years subject to approval of the Members by Special Resolution. He has consented to his re-appointment and confirmed that he is not suffering from any disqualifications in terms of Section 164 of the Act and provided a declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Act and as per Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). He has also furnished a declaration that he is not debarred or disqualified from being appointed or continuing as director of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority. The Board has formed an opinion that he fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management of the Company.

Mr. Sanjay S. Majmudar has skills, experience and knowledge, inter alia, in the field of Corporate Laws, Direct Tax Laws, Mergers and Acquisitions, Transfer Pricing and related matters. He has extensive experience in the areas of Capital Markets and Securities Laws, Banking and Finance, Insolvency and Bankruptcy Laws and Corporate Governance matters. Keeping in view his knowledge and experience, it will be in the interest of the Company to re-appoint him for another term of five consecutive years as an Independent Director of the Company.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee has recommended and the Board of Directors has approved the re-appointment of Mr. Sanjay S. Majmudar as an Independent Director for a second term of five (5) consecutive years commencing from November 03, 2023 to November 02, 2028. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The copy of the draft appointment letter setting out the terms and conditions of the appointment of Mr. Sanjay S. Majmudar is open for inspection by the Members in electronic mode up to the date of 40th Annual General Meeting. Members can inspect the same by sending an email to the Company through their registered email id at investor_redressel@ashima.in

The Board of Directors recommends the Special Resolution as set out at Item no. 5 of this Notice for the approval of the members.

Except Mr. Sanjay S. Majmudar and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item no. 6:

Mrs. Koushlya V. Melwani, (DIN: 01575110), Independent Director of the Company shall be completing her first term of office as an Independent Director on May 24, 2024. She is eligible for re-appointment as an Independent Director for another term of five consecutive years subject to approval of the Members by Special Resolution. She has consented to her re-appointment and confirmed that she is not suffering from any disqualifications in terms of Section 164 of the Act and provided a declaration that she meets the criteria of independence as prescribed under Section 149(6) of the Act and as per Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). She has also furnished a declaration that she is not debarred or disqualified from being appointed or continuing as director of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority. The Board has formed an opinion that she fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management of the Company.

Mrs. Koushlya V. Melwani has skills, experience and knowledge, inter alia, in the field of project finance, company law & cost accounting. Keeping in view her knowledge and experience, it will be in the interest of the Company to re-appoint her for another term of five consecutive years as an Independent Director of the Company.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee has recommended and the Board of Directors has approved the re-appointment of Mrs. Koushlya V. Melwani as an Independent Director for a second term of five (5) consecutive years commencing from May 25, 2024 to May 24, 2029. During her tenure of appointment, she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The copy of the draft appointment letter setting out the terms and conditions of the appointment of Mrs. Koushlya V. Melwani is open for inspection by the Members in electronic mode up to the date of 40th Annual General Meeting. Members can inspect the same by sending an email to the Company through their registered email id at investor_redressel@ashima.in

The Board of Directors recommends the Special Resolution as set out at Item no. 6 of this Notice for the approval of the members.

Except Mrs. Koushlya V. Melwani and her relatives, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.



Item no. 7:

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 Accountants, to conduct the audit of the cost records of the Company for the Financial Year 2023-24 at a remuneration of ₹ 85,000/- exclusive of applicable taxes and other applicable levies and re-imbusement of out-of-pocket expenses incurred by the Cost Auditors in connection with the said audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor is required to be ratified by members of the Company. Accordingly, the members are requested to pass an Ordinary Resolution as set out at Item no. 7 of the Notice for ratification of the payment of remuneration to the Cost Auditor for the Financial Year 2023-24.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 7 of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office:

Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

By Order of the Board of Directors

Shweta Sultania
Company Secretary & Compliance Officer
Membership No.: ACS 22290

Date: 16th May, 2023

Place: Ahmedabad

Annexure to Item 2,4,5 and 6 to the AGM Notice dated 16.05.2023

Details of Directors seeking Appointment /Re-appointment

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meeting issued by the Institute of Company Secretaries of India)

Item No: 2

Name of Director	Mr. Krishnachintan Parikh (DIN: 07208067)
Date of Birth	21st July, 1991
Original Date of Appointment on the Board	5th June, 2021
Qualifications	MBA from Columbia University, New York, USA, and Bachelor of Engineering (Honours in Electronic Engineering) from University of Sheffield, UK.
Experience / Expertise in Specific Functional Areas	He has work experience of preparing financial reports for analysis, reporting progress of projects tof 3 years during the period from 2009 to 2012 and he has also served in the Company as Management Analyst during July 2012 till December 2014 and as Vice President (Denim) and subsequently Vice President (Business Development) from January 2015 till he got associated with the Company as Executive Director for the period from June 1, 2017 to December 20, 2019 and he was again appointed in the Company as Executive Director w.e.f. June 05, 2021 for a period of 3 years.
Relationship with other Directors and Key Managerial Personnel of the Company	Related to Mr. Chintan N. Parikh, Chairman & Managing Director of the Company.
No. of Board meeting attended during the year (2022-23)	5 (Five)
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 offers himself for re-appointment.
Directorship and the memberships of Committees of the Board held in Other Listed Companies	Nil
Resignation from Listed Companies in past three years	Nil
Shareholding of Director	31,300 Equity Shares

**Item No: 4**

Name of Director	Mr. Shrikant Pareek (DIN: 02139143)
Date of Birth	September 13, 1967
Original Date of Appointment on the Board	August 1, 2020
Qualifications	B.Tech. (Textile Technology) from L.D.C.E. and MBA (Marketing) from BK School of Management, Ahmedabad
Experience / Expertise in Specific Functional Areas	He possesses an overall experience about 30 years in the field of textiles. Expertise in export quality fabric specifications, international market requirements and functional expertise of various departments of a Textile Mill such as from Grey fabric to Preparatory, Dyeing, Finishing and Finished fabric inspection & packaging as well as product development and Customer service.
Relationship with other Directors and Key Managerial Personnel of the Company	Not related to any Board Member or Key Managerial Personnel of the company.
No. of Board meeting attended during the year (2022-23)	5 (Five)
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	As per the resolution at Item no. 4 of this Notice read with Explanatory Statement.
Directorship and the memberships of Committees of the Board held in Other Listed Companies	Nil
Resignation from Listed Companies in past three years	Nil
Shareholding of Director	1199 Equity Shares

Item No: 5

Name of Director	Mr. Sanjay S. Majmudar (DIN: 00091305)	
Date of Birth	March 21, 1963	
Original Date of Appointment on the Board	November 03, 2018	
Qualifications	B.Com, FCA, LLB	
Experience / Expertise in Specific Functional Areas	Mr. Sanjay S. Majmudar is a Practicing Chartered Accountant and has experience of about 37 years. He has rich experience and exposure in the field of Corporate Laws, Direct Tax Laws, Mergers and Acquisitions, Transfer Pricing and related matters. He has extensive experience in the areas of Capital Markets and Securities Laws, Banking and Finance, Insolvency and Bankruptcy Laws and Corporate Governance matters.	
Relationship with other Directors and Key Managerial Personnel of the Company	Not related to any Board Member or Key Managerial Personnel of the Company.	
No. of Board meeting attended during the year (2022-23)	5(Five)	
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	As per the resolution at Item no. 5 of this Notice read with Explanatory Statement. For details of remuneration, please refer to resolution at Item No. 6 of the Notice of Annual General Meeting (AGM) held on August 17, 2021 read with Explanatory Statement annexed thereto.	
Directorship and the memberships of Committees of the Board held in Other Listed Companies	1. Aarvee Denims and Exports Ltd	
	Audit committee	Chairman
	Nomination & Remuneration Committee	Chairman
	2. Welcast Steels Limited	
	Audit committee	Member
	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member
	3. AIA Engineering Limited	
	Audit committee	Chairman
	Nomination & Remuneration Committee	Chairman
	Corporate Social Responsibility Committee	Member
	Risk Management Committee	Member
	4. Dishman Carbogen Amcis Limited	
	Audit committee	Chairman
	Nomination & Remuneration Committee	Chairman
	Stakeholders Relationship Committee	Chairman
Corporate Social Responsibility Committee	Member	
Risk Management Committee	Member	
Resignation from Listed Companies in past three years	Nil	
Skills and Capabilities	As mentioned above in the Explanatory Statement.	
Shareholding of Director	Nil	

**Item No: 6**

Name of Director	Mrs. Koushlya V. Melwani (DIN: 01575110)
Date of Birth	April 20, 1961
Original Date of Appointment on the Board	December 15, 2014
Qualifications	B. Com, FCMA.
Experience / Expertise in Specific Functional Areas	Mrs. Koushlya V. Melwani is a professionally qualified Cost and Management Accountant from the Institute of Cost Accountants of India (ICMAI) and having 33 years of exposure in the field of project finance, company law & cost accounting.
Relationship with other Directors and Key Managerial Personnel of the Company	Not related to any Board Member or Key Managerial Personnel of the Company.
No. of Board meeting attended during the year (2022-23)	4(Four)
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	As per the resolution at Item no. 6 of this Notice. Read with Explanatory Statement. For details of remuneration, please refer to resolution at Item No. 6 of the Notice of Annual General Meeting (AGM) held on August 17, 2021 read with Explanatory Statement annexed thereto.
Directorship and the memberships of Committees of the Board held in Other Listed Companies	Nil
Resignation from Listed Companies in past three years	Nil
Skills and Capabilities	As mentioned above in the Explanatory Statement.
Shareholding of Director	Nil

SUPPLEMENTARY NOTICE TO ANNUAL GENERAL MEETING (AGM) NOTICE

This Supplementary AGM Notice is issued subsequent to the AGM Notice dated 16th May, 2023 to transact the following Special Business set out at Item No. 8.

SPECIAL BUSINESS:

8. Approval for Material Related Party Transaction:

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

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) read with the Rules framed thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof for the time being in force read with Articles of Association of the Company and the Company’s Policy on Related Party Transactions and based on the recommendation/ approval of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the Company for entering into Material Related Party Transactions/contract(s)/ arrangement(s) as detailed in the Explanatory Statement annexed to this Notice, with Subahu Enterprises LLP, a Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for raising funds up to an amount not exceeding ₹ 30 Crores (Rupees Thirty Crores only) by issue of Unlisted, Secured, Unrated, Redeemable, Rupee Denominated, Non-Convertible Debentures (“NCDs”) on private placement basis in one or more tranches pursuant to the provisions of Sections 42, 71 and other applicable provisions of the Act and the rules framed thereunder, as amended from time to time, for financing the working capital requirements of the Company and the said approval shall be valid upto the date of 41st Annual General Meeting of the Company.

RESOLVED FURTHER THAT with regard to the proposed issue of said NCDs, the Board of Directors be and is hereby authorized to delegate all the requisite powers and authorities to the Committee constituted by the Board and all actions taken by the Board or any Committee constituted by the Board in connection with any matter referred to in this resolution be and are hereby approved, ratified and confirmed.

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 such acts, deeds, matters and things and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

Registered Office:

Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

By Order of the Board of Directors

Shweta Sultania
Company Secretary & Compliance Officer
Membership No.: ACS 22290

Date: 26th July, 2023

Place: Ahmedabad

Explanatory Statement

(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

Item No. 8

Pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the threshold limit for determination of material Related Party Transactions is ₹ 1,000 crores (Rupees One thousand crores) or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower and such material related party transactions exceeding the threshold limit, shall require prior approval of shareholders of the Company by means of an ordinary resolution. The said approval is required for all Material Related Party Transactions, even if such transactions are in the ordinary course of business and at arm’s length.

In terms with the above requirement of Regulation 23 of Listing Regulations, the approval of the Shareholders is sought for material related party transaction with Subahu Enterprises LLP, a Related Party, for issue of Unlisted, Secured, Unrated, Redeemable, Rupee Denominated, Non-Convertible Debentures (“NCDs”) on private placement basis in one or more tranches up to an amount not exceeding ₹30 Crores (Rupees Thirty Crores only).



The said amount of ₹30 crores (Rupees Thirty Crores only) is in excess of 10% of the annual consolidated turnover of the Company for F.Y. 2022-23 and therefore, the Board of Directors recommends the resolution as set out at Item No. 8 of this notice for approval of the shareholders as an Ordinary Resolution.

The details of Material Related Party Transaction pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662, dated November 22, 2021 is mentioned hereunder:

Sr. No.	Nature of information	Particulars
1.	Type, material terms and particulars of proposed transaction	Private Placement of issue of Unlisted Secured, Unrated, Redeemable, Rupee Denominated, Non-Convertible Debentures ("NCDs") in one or more tranches at a coupon rate of upto 12%. The transaction would be at an arm's length pricing.
2.	Name of Related Party and its relationship with the Company, including nature of its concern or interest (financial or otherwise)	Subahu Enterprises LLP, is a related party. Nature of Relationship: (1) Mr. Chintan N. Parikh, Chairman and Managing Director (Promoter) of the Company is the Designated Partner of Subahu Enterprises LLP. (2) Mrs. Shefali Chintan Parikh, (Member of Promoter Group) of the Company and Relative of Mr. Chintan N. Parikh is the Designated Partner of Subahu Enterprises LLP. The related party has no other transactions with the Company except subscribing to the proposed NCDs at market prevalent rate of interest, it has no other concern or interest.
3.	Tenure of the proposed transaction	5 years from the respective Date of Allotment.
4.	Value of the proposed transaction	Not exceeding ₹30 Crores (Rupees Thirty Crores only)
5.	Percentage of Company's turnover for immediately preceding financial year, that is represented by value of proposed transaction	The value of related party proposed transaction (at maximum value) represents 14.49% to the Company's consolidated turnover for the financial year 2022-23.
6.	Justification as to why the RPT is in the interest of Company	Since the proposed transaction would be at an arm's length price and the Company would have more ease and flexibility to deal with the related party for completion of transaction and deployment of funds for the working capital requirements of the Company.
7.	Valuation or other external party report, if any, relied upon by the Company in relation to the proposed transaction	Valuation or other external party report is not required for the proposed transaction.
8.	Any other information that may be relevant	The proposed transaction will be in the ordinary course of business and on an arm's length basis.

Pursuant to the provisions of Regulation 23(4) of the Listing Regulations, no related party shall vote to approve the resolution as set out at item no. 8 of this notice, whether such related party is a party to the above-mentioned transaction or not.

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

Registered Office:

Texcellence Complex,
Khokhara-Mehmedabad
Ahmedabad – 380 021

By Order of the Board of Directors

Shweta Sultania
Company Secretary & Compliance Officer
Membership No.: ACS 22290

Date: 26th July, 2023**Place: Ahmedabad**

BOARD'S REPORT

To the Members

Your Directors take pleasure in presenting the Fortieth Annual Report of your Company together with Audited Financial Statements for the year ended on March 31, 2023.

1. FINANCIAL RESULTS

Your Company's performance during the financial year under review is summarized below:

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Total Income -Continuing Operations	21,062	20,999
Profit / (Loss) before Finance Costs, Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	(126)	(453)
Less: Finance Costs	225	229
Profit/(Loss) before Depreciation and Amortization Expenses, Exceptional Items & Tax Expenses	(351)	(682)
Less: Depreciation and Amortization	413	311
Profit / (Loss) before Exceptional Items & Tax Expenses	(764)	(994)
Add/ (Less) Exceptional Items - Income / (Expenses)	(5)	3,579
Profit/(loss) before Tax Expenses	(769)	2,585
Less: Tax Expenses	0	0
Profit/(loss) after Tax - Continuing Operations	(769)	2,585
Profit/(Loss) from Discontinued operations		
Profit/(Loss) from Discontinued operations	104	(477)
Exceptional Items from Discontinued operations	-	(316)
Profit/(Loss) from Discontinued operations	104	(793)
Profit/(Loss) after Tax	(665)	1,792
Other Comprehensive Income	(31)	(90)
Total Comprehensive Income	(696)	1,702

2. DIVIDEND

Your Directors do not recommend any dividend on the equity shares as well as preference shares for the financial year ended March 31, 2023.

3. RESERVES

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

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the Financial Year 2022-23, the company has reported a loss of ₹ 665 lacs compared to a profit of ₹ 1,792 lacs during the preceding year. Profitability for the previous year includes exceptional items of ₹ 3,579 lacs towards profit on sale of land and a loss of ₹ 316 lacs related to discontinued operations. Excluding such exceptional items, the performance for the year has improved by ₹ 811 lacs during the year.



During the year, the Company has been able to improve its operational performance in spite of abrupt disruption of business activities consequent to legal matter. The company took many initiatives in order to continue the business operations by making outsourcing arrangement for a part of activities wherever required and has been able to maintain the level of revenues during the year and has been able to bring down the operational loss compared to previous year. The textile operations have also been able to increase export revenues. During the year, the company has also installed the Zero Liquid Discharge facility for effluent treatment and received requisite statutory permission and has started trial operations of its newly-installed Effluent Treat Plant (ETP) and Zero Liquid Discharge (ZLD) plant for effluent treatment during the fag-end of the year. At the same time, improved performance of the Investment division has enabled the company to post improved PBT (before exceptional items). The Real Estate activities of the company is also likely to pick up pace and add to the revenues and profitability of the Company.

Denim Division : Production and sales volumes of the division have seen marginal de-growth due to plant disruption. However, there has been a shift in terms of customer-base wherein the business with the brand segment has registered decent growth along with improved margins. On the other hand, the input costs of the materials, dyes, chemicals and fuel as well as the fixed costs of the division have largely remained under check. As a result, the overall performance of the division has improved significantly and its operational loss has reduced by 40% during the year.

Dyecot Division : All the production activities of this division are of wet-processing nature, the business disruption has impacted this division the most. During the year under review, the volumes across various market segments have gone down significantly. As the resources were constrained, the division decided to be very selective in terms of its customer base and focussed more on high-value added segment. These efforts helped the division to have much better margins on its product range. However, the overall reduction in the volumes resulted into the operational loss for the division moving up during the year.

Garment Division : The production and sales volumes of the division have seen improvement during the year. However, business scenario for the apparel market at the macro level has remained subdued during the year owing to general inflationary pressures and thereby weakened consumer demand. The prices and margins of the products have therefore been able to post only marginal improvement. At the same time, the division continues to remain profitable year after year.

Attires Division : This division mainly represents ready-to-stitch fabrics under the brand name “ICON”. Though the volumes during the year have seen a decent growth of more than 25% year-on-year, the margins have shrunk due to multiple reasons including highly volatile raw material price scenario and additional costs related to outsourcing requirements. The profitability of the division has therefore reduced during the year.

Textile Activity (as a whole) : In overall terms, the textiles business has been able to maintain the levels of revenues and margins in spite of a very challenging year for the company from many perspectives. Expenses have remained under control and the loss before exceptional items has marginally reduced during the year.

Real Estate Division : The division has commenced its activities during the year and is well poised to take advantage of the fast-growing Real Estate market of Ahmedabad. Currently the Company has two projects: “Swan Lake”, which is a weekend homes project and a yet to be launched project of high-end, high-rise luxurious residential units. The Company has received overwhelming market response to the Swan Lake project. The project is likely to generate revenues from the next year, i.e. financial year 2023-24.

Investment Division : It makes investment in equity shares with a long-term perspective. As per accounting norms, periodic performance is reported based on market value of shares held at the end of the period, apart from profit/loss on sale of investments and dividend income during the reporting period. Accordingly, the Division has reported higher profit than the previous year, mainly due to mark-to-market valuation of stocks held by it. The division has consistently outperformed the benchmark indices in terms of XIRR.

Outlook:

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

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

There are no any material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year and the date of this Board's Report.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture (JV) or Associates Company as on March 31, 2023. During the financial year under review Shardul Garments Private Limited has ceased to be an Associate Company w.e.f. 30th April, 2022.

7. DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. There were no unpaid or unclaimed deposits as on March 31, 2023.

8. 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-1**.

9. RISK MANAGEMENT

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

10. 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, Dr. Bakul H. Dholakia and Mrs. Koushlya Melwani, the members of the committee as on March 31, 2023.

During the Financial Year, the said Committee met on 12th November, 2022 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 Financial Year 2022-23 in terms of Section 135(5) of the Companies Act, 2013. CSR Policy is available on the website of the Company and weblink of the same is <https://ashima.in/wp-content/uploads/2023/04/CSR-Policy.pdf>

11. CHANGE IN NATURE OF BUSINESS

During the financial year under review there has been no change in the nature of Business of the Company.

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

During the Financial 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 Financial Year. The details of investments made as on March 31, 2023 are given in the Notes to the Financial Statements forming part of the Annual Report.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the transactions with Related Parties are placed before the Audit Committee for its approval. A statement containing details of all Related Party Transactions are placed before the Audit Committee and the Board of Directors for review on a quarterly basis and for prior approval whenever there is a requirement for such approvals. The omnibus approval of the Audit Committee is obtained on a yearly basis 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 Transactions (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 for the year under review were in the ordinary course of business and on an arm's length basis and hence disclosure in Form AOC-2 is not required. No material related party transactions were entered with related parties during the year under review and 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.

The details of transactions with related parties as per the requirement of IND-AS are disclosed in the notes to the Financial Statements.

14. 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 Company's website and weblink of the same is <https://ashima.in/wp-content/uploads/2023/04/Nomination-and-Remuneration-Policy.pdf>

15. ANNUAL EVALUATION OF BOARD'S PERFORMANCE, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

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 No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017.

Pursuant to the provisions of Section 178 of Companies Act, 2013 read with Regulation 17 and 19 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Nomination and Remuneration Committee has carried out annual performance evaluation of Board of Directors, Committees of the Board and the individual directors for the year under review.

Further, pursuant to the provisions of Section 178 read with Schedule IV of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board of Directors have carried out the evaluation of the Independent Directors and fulfillment of the independence criteria of the Independent Directors as specified under Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for the year under review.

A separate meeting of Independent Directors was held on 24th March, 2023. In the said meeting performance of Non-Independent Directors, performance of the Board as a whole and performance of Chairperson of the Company was evaluated.

The manner in which the evaluation was carried out has been explained in the Corporate Governance Report attached to this report.

16. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return for the financial year ended on March 31, 2023 is available on the website of the Company and weblink of the same is <https://ashima.in/wp-content/uploads/2023/07/Form-MGT-7-for-the-year-2022-23.pdf>

17. 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.

18. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE FINANCIAL YEAR UNDER REVIEW

During the financial year, 5 (Five) meetings of the Board of Directors were held, as per the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of Board meetings held during the financial year 2022-23 have been furnished in the Corporate Governance Report forming part of this Annual Report.

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

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/Re-appointment during the Financial Year:

- (i) The shareholders at the 39th Annual General Meeting held on August 25, 2022 approved appointment of Mr. Chintan N. Parikh, Director (DIN: 00155225) as Director retiring by rotation.
- (ii) The Board of Directors of the Company at their Meeting held on 14th May, 2022, appointed Ms. Shweta Sultania, as Company Secretary & Compliance Officer (KMP) of the Company w.e.f 15th July, 2022 and Mr. Dipak Thaker has resigned from the post of Company Secretary and Compliance officer w.e.f 15th July, 2022.
- (iii) Mr. Chintan N. Parikh, Chairman & Managing Director, (DIN: 00155225) was re-appointed as a Managing Director of the company for a period of three years with effect from 07th February, 2023 by shareholders through Postal Ballot process and voting results were declared on 26th December, 2022.

Retirement by Rotation:

In accordance with the Articles of Association and as per provisions of Section 152(6) of the Companies Act, 2013, Mr. Krishnachintan Parikh, Director (DIN: 07208067) retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for 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.



Key Managerial Personnel:

The followings persons are the Key Managerial Personnel (KMP) as per the provisions of Section 203 of the Companies Act, 2013, as on 31 March 2023:

- | | |
|---------------------------------|-------------------------------|
| 1. Mr. Chintan N. Parikh | Chairman & Managing Director |
| 2. Mr. Krishnachintan C. Parikh | Executive Director |
| 3. Mr. Shrikant S. Pareek | Director(Operations) |
| 4. Mr. Hiren S. Mahadevia | Group Chief Financial Officer |
| 5. Ms. Shweta Sultania | Company Secretary |

20. 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:

- in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- 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;
- 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.

21. DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have given their declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and complied with the code for Independent Directors prescribed in schedule IV of the Companies Act, 2013 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 persons of integrity and possess relevant expertise and experience including the proficiency. All the Independent Directors of the company are registered with the Indian Institute of Corporate Affairs (IICA) as notified by the Central Government under Section 150(1) of the Companies Act, 2013.

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>

22. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and as per provisions of the Companies Act, 2013 and Rules made there under, the Company has put in place a Familiarization Program for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities and obligations 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/2023/04/Details-of-Familiarization-Programmes-imparted-to-Independent-Directors-under-SEBI-LODR-Regulations-2015-2023.pdf>

23. 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.

24. 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-2** 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.

25. AUDITORS

a. STATUTORY AUDITORS

M/s. Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 106625W) were appointed as Statutory Auditors of the Company at the 39th Annual General Meeting 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.

The Auditors' Report for the financial year 2022-23 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark or disclaimer.

b. COST AUDITOR

On recommendation of the Audit Committee, the Board of Directors have appointed M/s. Ankit Sheth & Co., Cost Accountant (Firm Registration No: 102785) as Cost Auditor of the Company for the financial year 2023-24 under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014., at a remuneration as mentioned in the Notice convening the 40th 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 2021-22 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 conduct the Secretarial Audit of the Company for the financial year ended March 31, 2023.



The Secretarial Audit Report for the financial year ended 31st March 2023, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “is annexed herewith as **Annexure-3**.

The Secretarial Audit Report for the year ended on March 31, 2023 does not contain any qualifications, reservations or adverse remarks.

d. INTERNAL AUDITOR

M/s Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad, (FRN No. 102511W/W100298), were appointed as the Internal Auditors of the Company to conduct the Internal Audit for the Financial Year 2022-23 in accordance with the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014. The Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditors on a quarterly basis.

26. 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.

27. 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.

28. 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 of the company and its operations.

29. 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.

30. 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 annual listing fees for the financial year 2023-24 to both the Stock Exchanges.

31. AUDIT COMMITTEE

The Company has an Audit Committee as per Section 177 of the Companies Act, 2013 read with the rules framed thereunder and Regulation 18 of 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 2022-23, there has been no instance where the Board has not accepted the recommendations of the Audit Committee.

32. CORPORATE GOVERNANCE

The Company is committed to maintain good Corporate Governance practices. Pursuant to Regulation 34(3) read with Part C of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a separate section on Corporate Governance along with a certificate of compliance with corporate governance received from M/s. Mukesh M. Shah & Co., Chartered Accountants, Statutory Auditors of the Company, is annexed as **Annexure-4** forming part of this Annual Report.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34(2)(e) read with Part B of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the year 2022-23 is annexed as **Annexure-5** forming part of this Annual Report.

34. SHARE CAPITAL

There has been no change in the Authorised Share Capital or Paid up Share Capital during the financial 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 financial 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. NON-CONVERTIBLE DEBENTURES

During the financial year under review, the, company has issued and allotted 4000 partly paid, Unlisted, Secured, Unrated, Redeemable, Rupee Denominated, Non-Convertible Debentures ("NCDs") of face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating to ₹ 40,00,00,000/- (Rupees Forty Crores only) on Private Placement basis, out of which ₹ 43,750/- (Rupees Forty Three Thousand Seven Hundred Fifty only) per debenture has been paid-up till March 31, 2023.

36. EXPANSION PLAN

During the financial year under review, the, company has undertaken Expansion Plan of Garment Division of the Company at its existing manufacturing unit to increase the garment making capacity by 9.36 lac pcs p.a., thereby increasing the capacity from current level of 8.64 lac pcs p.a. to 18 lac pcs p.a. The said Division is currently operating at its 100% capacity.

The said brownfield expansion plan is undertaken to enlarge its customer base, to identify and enter new markets, to serve customers requiring larger volumes per order and to get benefit from its operational leverage. This can lead to an increase in revenues and profits of the company.

37. 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 by the company.

38. 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 financial year under review, no complaints relating to sexual harassment were received nor any cases filed pursuant to the said Act.

39. GENERAL

- a. There was no application made or any 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.



40. APPRECIATION

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

41. 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 & Managing Director
(DIN: 00155225)

Date: May 16, 2023

Place: Ahmedabad

ANNEXURE – 1

Conservation Of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.

The Information under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023 is given below and forms part of the Board's Report.

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

- Operation of conventional effluent treatment plants is discontinued & new combined effluent treatment plant has been installed along with zero liquid discharge system including Ultra filtration and Reverse Osmosis plant as well Multi effect evaporator and ATFD.
- With installation of ZLD most of the water is recycled and there is a substantial reduction in use of natural resource of ground water. The extraction through bore wells has come done substantially reduced by 80% of the past.

ii. Utilization of alternate source of energy

As an on-going exercise some of the conventional tube lights were replaced by new efficient LED tubes and achieved better illumination at working places with reduced power consumption.

iii. The capital investments on energy conservation equipments

The cost of investment in energy conservation is ₹ 0.54 Lacs. The cost of new ETP and ZLD facility is not considered here, since it is installed predominantly with the objective of better compliance with effluent and pollution control norms and conservation of the environment.

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

- Revamping of the existing Benninger Pad dry machine Electrical panel by new latest PLC, HMI & Drives which will increase productivity as well as provide flexibility of doing dyeing process.
- We have done major revamping of Dimensa, Monforts, M & P sunforise, CDR, all 3 Stenters to increase productivity.
- Installed new "S" Roll padding mangle in Benninger Paddy machine to increase Dyeing capacity of plant.
- Installed new tensile tester in our laboratory.
- To monitor totalized water consumption directly from portal, old water flow meters of each bore well have been replaced by latest magnetic flow meters equipped with telemetry system.

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 : 2020-21, 2021-22 and 2022-23
- 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 ₹ 2693.04 lacs excluding deemed export and foreign exchange outgo was ₹ 83.11 lacs.

For and on behalf of the Board

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

Date: May 16, 2023

Place: Ahmedabad

ANNEXURE-2

DISCLOSURE OF MANAGERIAL REMUNERATION 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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the financial year 2022-23 are as under:

Sr. No.	Name of Director/ KMP	Designation	Ratio of remuneration to median remuneration of Employees	% Increase/ (Decrease) in remuneration, if any, in the Financial Year 2022-23
A. EXECUTIVE DIRECTORS				
1.	Mr. Chintan N. Parikh	Chairman & Managing Director	35.02	4.16
2.	Mr. Shrikant S. Pareek	Director (Operations)	41.30	10.56
3.	Mr. Krishnachintan C. Parikh	Executive Director	16.31	81.40
B. NON-EXECUTIVE DIRECTORS				
1.	Dr. Bakul H. Dholakia	Independent Director	0.66	0.00 %
2.	Mrs. Koushlya V. Melwani	Independent Director	0.66	0.00 %
3.	Mr. Neeraj Golas	Independent Director	0.66	0.00 %
4.	Mr. Sanjay S. Majmudar	Independent Director	0.66	0.00 %
C. KEY MANAGERIAL PERSONNEL				
1.	Mr. Hiren S. Mahadevia	Group Chief Financial Officer	N.A.	0.00 %
2.	Mr. Dipak S. Thaker ^	Company Secretary (up to 14.07.2022)	N.A.	N.A.
3.	Ms. Shweta Sultania #	Company Secretary (w.e.f 15.07.2022)	N.A.	N.A.

^ Mr. Dipak S. Thaker has resigned during the year, accordingly not comparable.

Ms. Shweta Sultania was appointed during the year, accordingly not comparable.

2. The percentage increase in the median remuneration of employees in the financial year 2022-23 was 10.88%.
3. There were 226 permanent employees on the rolls of the company as on 31st March 2023.
4. During the financial year 2022-23, the average annual increase in the salaries of the employees other than managerial personnel was 9.84%, whereas average increase in the managerial remuneration was 10.24%. There were no exceptional circumstances for increase in the managerial remuneration.
5. The Board of Directors of the Company hereby affirmed that remuneration of all the Board of Directors and Key Managerial Personnel of the Company is as per the Nomination and Remuneration Policy of the Company.

Note:

Remuneration payable for the relevant Financial 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 from the calculations.

For and on behalf of the Board

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

Date: May 16, 2023
Place: Ahmedabad



ANNEXURE-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31 March 2023

[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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, 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 31st March, 2023 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c) SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time; and
 - d) SEBI (Investor Protection and Education Fund) Regulation, 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, as amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Textile Industry and involved in specific products, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

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. Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021;
- ii. SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016 and 2021;
- iii. Securities and Exchange Board of India (Issue and Listing of Non convertible Securities) Regulations, 2021;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;

I further report that –

The Compliance by the Company of applicable financial laws like direct and indirect tax laws and names of related parties under IND AS-24, 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/ KMP 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:

- I. In Annual General meeting held on 25th August, 2022, the Company has taken approval from the its members for revision in remuneration of Mr. Shrikant Pareek and Mr. Krishnachintan Parikh and Alteration of Main Object Clause of Memorandum of Association of the Company
- II. Mr. Chintan Parikh was re-appointed as a Managing Director of the Company as approved by the members through Postal Ballot process, as on 23rd December, 2022.



III. During the year, on January 18,2023, the Company has made allotment of 4,000 (Four Thousand) partly paid, Unlisted, Secured, Unrated, Redeemable, Rupee Denominated, Non-Convertible Debentures ('NCDs') of face value of ₹ 1,00,000/- each, aggregating to ₹ 40,00,00,000/- (Rupees Forty Crores only) on Private Placement basis.

Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

UDIN: F004476E000285966

PR No.: 673/2020

Place: Ahmedabad
Date: May 16, 2023

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

Annexure A

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

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

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

Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

UDIN: F004476E000285966

PR No.: 673/2020

Place: Ahmedabad
Date: May 16, 2023



**ANNEXURE-4
CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2023:

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 fulfills 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, 2023 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, 2023, 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
4.	Executive Director / Whole- time Director (Promoter)	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	5	Yes
2.	Dr. Bakul H. Dholakia	4	Yes
3.	Mr. Neeraj Golas	4	Yes
4.	Mr. Sanjay Majmudar	5	Yes
5.	Mrs. Koushlya Melwani	4	Yes
6.	Mr. Shrikant Pareek	5	Yes
7.	Mr. Krishnachintan Parikh	5	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 other listed Companies where they are Directors and the category of their Directorship:

Sr. No.	Name of Directors	No. of Directorships in other Companies ¹	No. of Committee memberships ²		Name of the Other Listed Companies where Director of the Company is a Director & Category of Directorship
			Chairman	Member	
1.	Mr. Chintan N. Parikh	1	-	-	-
2.	Dr. Bakul H. Dholakia	2	1	4	Arvind Ltd. - Independent Director Gujarat State Petronet Ltd. - Independent Director
3.	Mr. Neeraj Golas	-	-	1	-
4.	Mr. Sanjay Majmudar	5	5	9	Aarvee Denim & Exports Ltd.-Independent Director Welcast Steels Ltd. - Independent Director AIA Engineering Ltd.- Independent Director Dishman Carbogen Amcis Ltd. - Independent Director
5.	Mrs. Koushlya Melwani	9	2	3	-
6.	Mr. Shrikant Pareek	-	-	-	-
7.	Mr. Krishnachintan Parikh	1	-	-	-

**Note:**

1. Other Directorships includes Directorships held in listed, unlisted and private limited companies other than Ashima Limited.
2. Includes only memberships of Audit Committee (AC) and Stakeholders Relationship Committee (SRC) of all the public limited companies including Ashima Limited.

d. Number of Board meetings held during the year 2022-23:

During the year 2022-23, the Board of Directors of the Company met 5 (five) times on following dates: - May 14, 2022, August 06, 2022, November 12, 2022, December 20, 2022 and February 03, 2023.

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:

As on 31.03.2023, Dr. Bakul H. Dholakia, Non-Executive-Independent Director of the Company is holding 21,500 equity shares of ₹ 10/- each.

Apart from the above, none of the Non-Executive Directors of the Company is holding any equity shares of the Company.

The Company has not issued any convertible instruments.

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 and weblink of the same is <https://ashima.in/wp-content/uploads/2023/04/Details-of-Familiarization-Programmes-imparted-to-Independent-Directors-under-SEBI-LODR-Regulations-2015-2023.pdf>

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

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Nomination and Remuneration Committee has carried out an annual evaluation of Board of Directors, Committees of the Board and individual directors (independent and non-independent), and the Board of Directors have carried out the evaluation of the Independent Directors and fulfillment of the independence criteria of the independent directors, based on the separate criteria/

parameters laid down by the Nomination and Remuneration Committee (NRC). 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 and Business Ethics and specific criteria of Independence, Independent views and judgment for IDs and Initiative and Team work for Non IDs.

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

The Independent Directors also held their separate meeting on March 24, 2023 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 and Competency, Leadership effectiveness and ability to steer the meetings, Impartiality and Commitment, Ability to keep shareholders' interest in mind and Initiative, Commitment and 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 and Marketing skills (both Domestic & International)
- iii. Business strategy and Analytics, Critical and Innovative thinking
- iv. Corporate Management and Corporate Governance
- v. Financial and Management skills, administration
- vi. Leadership and decision making
- vii. Behavioural skills -Attributes and competencies to use knowledge and skills for effective contribution to Company's growth
- viii. Risk identification- Legal and Regulatory compliance



Areas of skills/ expertise	Name of Directors						
	Mr. Chintan N. Parikh	Mr. Krishnachintan Parikh	Mr. Shrikant S. Pareek	Dr. Bakul H. Dholakia	Mr. Neeraj Golas	Mr. Sanjay Majmudar	Mrs. Koushlya Melwani
Knowledge of Company's business	√	√	√	√	√	√	√
Sales & Marketing skills	√	√	√	-	-	-	-
Business Strategy/ Analytics, Critical Innovative thinking	√	√	√	√	√	√	-
Corporate Management and 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 independence criteria specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25(8) of the SEBI Listing Regulations 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, 2023, 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 2022-23, the Audit Committee met 4 (four) times on May 14, 2022, August 06, 2022, November 12, 2022, and February 03, 2023. The Audit Committee normally reviews those functions which are assigned to it as per the terms of reference approved by Board of Directors. 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	3
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 the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.



- c) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) devising a policy on diversity of board of directors;
- e) identifying 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 of directors their appointment and removal.
- f) 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) Recommend 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 Chairperson 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 2022-2023, the Nomination and Remuneration Committee met on May 14, 2022, November 12, 2022 and February 03, 2023. 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	3	3
2.	Dr. Bakul H. Dholakia	Member	3	2
3.	Mr. Neeraj Golas	Member	3	3
4.	Mr. Chintan N. Parikh	Member	3	3

5. Remuneration of Directors for the financial year 2022-23:

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, 2023 to Mr. Chintan N. Parikh, Managing Director of the Company is ₹ 161.62 lakhs and to Mr. Shrikant Pareek, Director (Operations) of the Company is ₹ 159.01 lakhs. The perquisites includes contribution to provident fund and encashment of leave at the end of tenure as per rules of the Company.

Mr. Krishnachintan Parikh – Executive Director of the Company was paid for the financial year ended on March 31, 2023, the managerial remuneration of ₹ 41.66 lakhs and performance incentive of ₹ 6.33 lakhs for the financial year 2021-22. The perquisites includes contribution to provident fund, national pension scheme and encashment of leave at the end of 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 the Nomination and Remuneration Committee Meeting. 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, 2023 to the directors is as follows:-

Sr. No.	Name of Director	Amount (in ₹)
1.	Dr. Bakul H. Dholakia	64000
2.	Mr. Neeraj Golas	52000
3.	Mr. Sanjay Majmudar	73000
4.	Mrs. Koushlya Melwani	72000

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 remuneration of ₹ 2,50,000/- to each of the Independent Directors for the financial year 2022-23.

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 Shareholder's /Investors' Grievances Committee in the year 2002 and later on it was renamed as "Stakeholders' Relationship Committee" by the Board of Directors at their meeting held on May 30, 2014. As at March 31, 2023, 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 Ms. Shweta Sultania, 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 and the same is as under:

- Approval of transfer or transmission of shares, debentures or any other securities.
- Approval of issue of duplicate certificates for securities and new certificates on split/consolidation/renewal etc., and transmission of securities.
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Oversee the statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.
- To specifically look into various aspects of interest of shareholders and other security holders.

In order to expedite the process, the Committee has authorised Ms. Shweta Sultania, Company Secretary to attend and redress day to day investor complaints and report the same to Committee at its meetings.

During the year 2022-23, the Committee met once on February 03, 2023 to look into the matter relating to investor grievances viz; transfer or transmission of shares, debentures, issue of duplicate certificates / split / consolidation / renewal etc. and transmission of securities, non receipt of annual report, etc. During the year, the Company has not received any investor complaint from the shareholders of the Company. The details of members participation at the meeting 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. Ms. Shweta Sultania, 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 & 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 24, 2023 inter-alia to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairperson of the company, taking into account the views of the Executive Directors and Non-Executive Directors.
- Evaluation of the quality, quantity and timelines of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors 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. a. General Body Meetings:

Location and time for the last three AGMs:

Year	Date	Venue	Time
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.
2022	25/08/2022	Through Video Conferencing/ Other Audio Visual Means	11:30 a.m.

Special resolutions passed in the previous three (3) annual general meetings:

Sr. No.	Date	Details of Special Resolution passed
1.	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)".
2.	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 – Director (Operations) (DIN: 02139143)
3.	25/08/2022	1. Revision in Remuneration payable to Mr. Shrikant Pareek – Director (Operations) (DIN No. 02139143). 2. Alteration of Object Clause of Memorandum of Association of the Company.

- b. Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the following special resolution was passed by the Members by way of Postal Ballot during FY – 2022-23.

Particulars of the Resolution	Re-appointment of Mr. Chintan N. Parikh (DIN No. 00155225) as Managing Director of the Company.	
Name of the Scrutinizer	Mr. Tapan Shah – Practising Company Secretary	
Date of report of scrutinizer	December 23, 2022	
Date of declaration of result	December 23, 2022	
	Number of members voted	Number of votes
Valid votes	65	141184495
In favour	54	141161493
% in favour of the resolution	99.98%	
Against	11	23002
% against the resolution	0.02%	
Invalid Votes	Nil	

Thus, the above resolution was passed by the Members with requisite majority. Resolution(s), if any, required to be passed through postal ballot during financial year 2023-24 shall be passed as per the prescribed procedure.

**12. Means of Communication:**

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

*	Financial Results	:	Quarterly and year to date Financial Results are published in English daily newspaper and Gujarati daily newspaper i.e. Western Times.
*	Website	:	The Company's website: www.ashima.in contains information and documents as per the requirement of Regulation 46 of SEBI Listing Regulations._
*	Official news release, press release and presentations made to institutional investors, or to the analysts	:	During the year, no official news release, press release and presentations to institutional investors or to the analysts were made by the Company.

13. General Shareholders' Information:**a. AGM date, time and venue:**

Friday, August 25, 2023 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, 2023.

d. Listing on stock exchanges and address:

1. National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051.
2. BSE Limited
1st Floor, New Trading Ring, Rotunda Building,
P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001.

Listing fees has been paid for both the above stock exchanges for the financial year 2023-24.

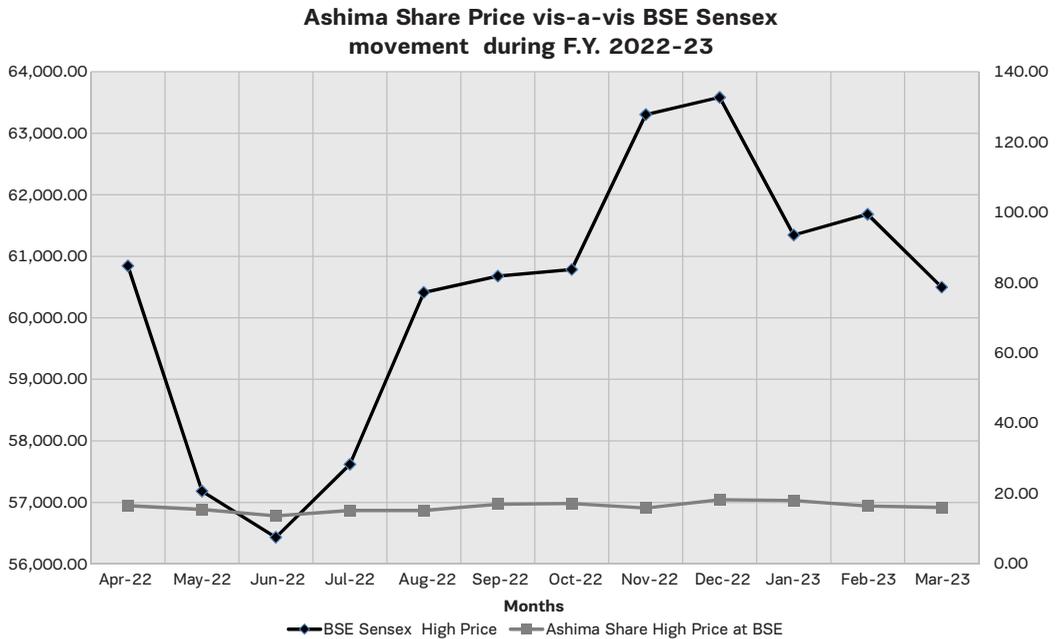
Stock Code:

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

- e. Monthly high and low price of Equity Shares along with the volume of Equity Shares of the Company traded in National Stock Exchange of India Limited and BSE Limited during the financial year ended March 31, 2023.

MONTH	NSE			BSE		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
April, 2022	16.75	13.80	2412121	16.60	14.00	5756423
May, 2022	15.55	10.85	2534460	15.51	11.00	6140399
June, 2022	13.25	10.40	1155813	13.65	10.40	3500041
July, 2022	15.30	11.05	2954329	15.20	11.00	4506642
August, 2022	15.50	11.65	2425190	15.20	13.05	4530983
September, 2022	17.15	13.75	4581809	17.00	13.80	10550544
October, 2022	17.40	14.60	1884232	17.20	14.50	3283229
November, 2022	15.85	13.80	1825575	15.89	13.55	5517896
December, 2022	18.30	14.70	9928809	18.25	14.15	18477026
January, 2023	18.20	15.25	3541102	18.05	14.00	5280747
February, 2023	16.65	14.10	2087098	16.50	14.00	2937981
March 2023	16.20	12.15	2010211	16.10	12.20	3536872

- f. Performance of Company's Equity Shares (closing share price) in comparison to BSE Sensex during the F.Y. 2022-23:



**g. Securities have not been suspended from trading at any time during the year.****h. Share Transfer System:**

As Stakeholders' Relationship Committee (SRC) has broader role in the matters relating to shareholders of the Company. SRC has been authorized to oversee and review all matters connected with transfer/ transmission of Company's securities. All the share transfer/transmission/transposition/dematerialization/ re-materialization are handled by our Registrar and Transfer Agents i.e. Link Intime India Private Limited. During the year under review, all the requests received for transfer/ transmission/ dematerialization/ re-materialization of shares etc. are processed and completed within the stipulated time. The Board of Directors of the Company at its meeting held on November 12, 2022, has dissolved Share Transfer Committee., as the matters related to shareholders and their interest is required to be looked into by the Stakeholders Relationship Committee (SRC) and the SRC has a very broader role in the matters relating to stakeholders. Further approval of share transfer in physical mode is not permissible for listed securities. In view of this, the Share Transfer Committee has no role to play and therefore the same was dissolved.

The Company obtains from a Company Secretary in Practice an annual certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the certificate with the Stock Exchanges.

i. Distribution of shareholding:

As on March 31, 2023, 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	18483	74.74	2680152	1.40
501-1000	2468	9.98	2188061	1.14
1001-2000	1450	5.86	2366520	1.23
2001-3000	606	2.45	1585156	0.83
3001-4000	290	1.17	1060522	0.55
4001-5000	388	1.57	1881418	0.98
5001-10000	526	2.13	4075224	2.13
10001 and above	520	2.10	175823025	91.74
Total	24731	100.00	191660078	100.00

j. Shareholding Pattern of the Company as on March 31, 2023:

No.	Category	No. of Shares held	Percentage (%) of share holding
A.	Promoters' holding		
	Promoters & Promoter Group	140842835	73.49
	Sub Total A	140842835	73.49
B.	Non- Promoter holding (Public)		
	a. Mutual Funds	3300	0.00
	b. Financial Institutions/ Banks /NBFC	639	0.00
	c. NRIs / OCBs	869525	0.45
	d. Bodies Corporate /LLP	1896650	0.99
	e. Clearing Members	95722	0.05
	f. Individual / HUF /Trust	47173106	24.61
	g. Directors Relatives / Key Managerial Personnel / Relatives of Promoters	165309	0.09
	h. Unclaimed Securities Suspense Account	612992	0.32
	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 Company had entered into tripartite agreement with NSDL, CDSL and Link Intime India Private Ltd, for dematerialisation of the securities. As at March 31, 2023, 190368591 equity shares of the Company representing 99.33% of the total equity share capital of the Company are held in dematerialised form. The Company's shares are 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 (e) hereinabove.

l. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any such securities.

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 for equity shares related matters at the address mentioned below:

Link Intime India Pvt. Ltd

5th Floor, 506 to 508, Amarnath Business Centre (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat

Phone-079-26465179, Fax-079-26465179

E-mail: ahmedabad@linkintime.co.in

All other investors related complaints be addressed to:

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

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

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, 2023 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. 612992 unclaimed shares held by 2 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 and weblink of the same is <https://ashima.in/wp-content/uploads/2022/05/Related-Party-Transactions-Effective-from-April-1-2022.pdf>.

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 and weblink of the same is https://ashima.in/wp-content/uploads/2021/08/Ashima-Ltd.-Vigil-Mechanism_Whistle-Blower-Policy.pdf. 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.

e) Loans and Advances in the nature of loan to firms / companies in which directors are interested by name and amount.

During the financial year 2022-23, the Company has not given any loans and advances in the nature of loans to firms / companies in which Directors are interested.

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

The Company has complied and disclosed all the mandatory corporate governance requirements under regulation 17 to 27 and sub-regulation (2) of Regulation 46 of SEBI Listing Regulations and discretionary requirements as specified in Part E of Schedule II adopted by the Company are given below: The status on

the compliance with discretionary recommendations and adoption of the non-mandatory requirements of the SEBI Listing Regulations is as under:

1. **Board:** The Chairman of the Board is Executive Chairman and hence the requirement of maintaining chairman office is not applicable.
2. **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.
3. **Modified Opinion(s) in Audit Report:** During the financial year under review, there was no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
4. **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** The Company does not have separate post of Chairman & Managing Director or Chief Executive Officer.
5. **Reporting of Internal Auditor:** The Internal Auditor of the Company reports to the Audit Committee on quarterly basis at Audit Committee meeting.

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 is given below:

₹ in Lakhs

Payment to Statutory Auditors	FY 2022-23
Statutory Audit Fees	11.50
Other Services/Other matters	1.43
Total	12.93

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 at the 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 16, 2023 and the same was approved thereat.

For and on behalf of the Board

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

Date: May 16, 2023

Place: Ahmedabad

Declaration of Compliance with the Code of Conduct as required under Regulation 34(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel.

I further confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2023 as per Schedule V(D) read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Date: May 16 , 2023

Place: Ahmedabad

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, 2023, 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, 2023.
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**

**Date: May 16, 2023
Place: Ahmedabad**

**Membership No.: 102651
UDIN: 23102651BGYAZD9595**



CEO AND CFO CERTIFICATION

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

To,
The Board of Directors
Ashima Limited
Ahmedabad.

We certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended on March 31, 2023 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.

Date: May 16, 2023
Place: Ahmedabad

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

Hiren S. Mahadevia
Group Chief Financial Officer

ANNEXURE-5**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Economic Overview & Outlook****Global Economy**

The global economy is going through a slowdown on account of multiple shocks. After recovering from the pandemic-induced downfall, the global economy has lost momentum on account of Russia-Ukraine war and other factors, which is slowing down growth. The conflict has disrupted global supply chains and led to a spike in prices of critical commodities, leading to an uptick in inflationary pressures. Major central banks around the world undertook monetary tightening to restrain the consequent inflation which has resulted in increased borrowing costs. High inflation is also reflected in multiple leading indicators of global economic activity.

As per International Monetary Fund (IMF) World Economic Outlook (WEO), October 2022, the global economy is experiencing a number of turbulent challenges, and the future of global economy rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions. IMF has projected global growth to decline from 6.0 per cent in 2021 to 3.2 per cent in 2022 and 2.7 per cent in 2023. Rising interest rates and the war in Ukraine continue to weigh on economic activity. With inflation persisting in the advanced economies and the central banks continuing with rate hikes, downside risks to the global economic outlook appear elevated.

Indian Economy

India's growth continues to be resilient despite some signs of moderation in growth. The growth is driven by strong performance in the manufacturing, agriculture and service sectors. The government's focus on infrastructure development, investment in manufacturing and agriculture and steps to improve ease of doing business helped to boost growth. The World Bank has revised GDP forecast to 6.3 percent (from earlier forecast of 6.6 percent) for financial year 2023-24. Going forward, Growth is expected to be constrained by slower consumption growth and challenging external conditions. Rising borrowing costs and slower income growth will also weigh on private consumption growth. Government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures. There were some signs of moderation in the second half of the financial year 2022-23. Inflation remained high, averaging around 6.7 percent in the financial year 2022-23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices. As per the latest IMF World Economic Outlook estimates, the Indian economy continues to be one of the fastest growing major economies.

Indian Textile Industry

India's textiles and clothing industry is one of the mainstays of the national economy. It contributes significantly to foreign exchange revenues and also holds importance from the employment point of view as it provides direct and indirect employment and is a source of livelihood for millions of people including a large number of women and rural population. The factors contributing to growth of the sector include presence of complete textiles value chain and self-reliance in raw materials with high spinning and weaving capacity, competitive costs of manufacturing, favourable Government policies, large and growing domestic market, greater digital penetration including e-commerce, availability of vast pool of skilled and semi-skilled workforce, besides an enabling infrastructure. In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, upgradation of technology fostering innovation, enhancing skills and traditional strengths in the textile sector.

One major trend in the Indian textile industry is the increased focus on sustainability and eco-friendliness. Consumers are becoming more environmentally conscious, and as a result, there is a growing demand for textiles that are made from sustainable materials and produced using eco-friendly processes. Another trend in the Indian textile industry is the growing adoption of technology. Automation, artificial intelligence, and machine learning are becoming increasingly common in textile production, helping companies improve efficiency, reduce waste, and enhance product quality. This trend is expected to continue, with more companies adopting advanced technologies in the coming years.

**Company's Performance**

The Company has been able to improve its operational performance during the year in spite of abrupt disruption of business activities consequent to legal matter. As reported last year, the company had to stop production activities 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. As a result, the wet-manufacturing operations of the company remained suspended almost for the entire year. The company therefore decided to install Zero Liquid Discharge facility for effluent treatment. The company has now installed the facilities and received requisite statutory permission and has started trial operations of its newly installed Effluent Treat Plant (ETP) and Zero Liquid Discharge (ZLD) plant for effluent treatment during the fag-end of the year.

During the year, the company took many initiatives in order to continue the business operations by making outsourcing arrangement for a part of activities wherever required and has been able to maintain the level of revenues during the year and has been able to bring down the operational loss compared to previous year. Increase in export revenues, a strategic push to segments offering higher realisations and tight control over costs has helped several textile divisions achieve significantly higher value additions. At the same time, improved performance of the Investment division has enabled the company to post improved PBT (before exceptional items).

Segment-wise Analysis and Review

The Company is primarily engaged in the Textiles business segment. From the current year, the company has started activities in the Real Estate business and has also started Investment activities with a long-term perspective. Hence these two segments have now been added to the business activities of the company. The textile operations of the company have various divisions based on the product profile. Such division-wise and business-wise performance during the year is discussed hereinbelow:

Denim Division: Production and sales volumes of the division have seen marginal de-growth due to plant disruption. However, there has been a shift in terms of customer base wherein the business with the brand segment has registered decent growth along with improved margins. This significant shift has enabled the division to achieve an impressive rise in selling prices and its value addition levels. On the other hand, the input costs of the materials, dyes, chemicals and fuel as well as the fixed costs of the division have largely remained under check. As a result, the overall performance of the division has improved significantly and its operational loss has reduced by 40% during the year.

Dyecot Division: This division represents fabric processing activities and has piece-dyed shirting, khakis and interlining fabrics as its product range. As all the production activities of this division are of wet-processing nature, the business disruption has impacted this division the most. During the year under review, the volumes across various market segments have gone down significantly. However, the division decided to be very selective in terms of its customer base and focussed more on high value added segment. These efforts helped the division to have much better margins on its product range. Such higher margins partly helped to off-set the extra costs of outsourcing activities and still have improved contribution levels. However, the overall reduction in the volumes resulted into the operational loss for the division moving up during the year.

Garment Division: The production and sales volumes of the division have seen improvement during the year. However, business scenario for the apparel market at the macro level has remained subdued during the year owing to general inflationary pressures and thereby weakened consumer demand. The prices and margins of the products have therefore been able to post only marginal improvement. At the same time, the division continues to remain profitable year after year.

Attires Division: This division mainly represents ready-to-stitch fabrics under the brand name "ICON". Though the volumes during the year have seen a decent growth of more than 25% year-on-year, the margins have shrunk due to multiple reasons including highly volatile raw material price scenario and additional costs related to outsourcing requirements. The profitability of the division has therefore reduced during the year.

Textile Activity (as a whole): In overall terms, the textiles business has been able to maintain the levels of revenues and margins in spite of a very challenging year for the company from many perspectives. Value additions have improved, expenses have remained under control and the loss before exceptional items has marginally reduced during the year.

Real Estate Division: The division has commenced its activities during the year and is well poised to take advantage of the fast-growing Real Estate market of Ahmedabad. Currently the Company has two projects: “Swan Lake”, which is a weekend homes project and a yet to be launched project of high-end, high-rise luxurious residential units. The Company has received overwhelming market response to the Swan Lake project. Project execution is going on well and has picked up pace during the year. The project is likely to generate revenues from the next year, i.e. financial year 2023-24.

Investment Division: It makes investment in equity shares with a long-term perspective. As per accounting norms, periodic performance is reported based on market value of shares held at the end of the period, apart from profit/loss on sale of investments and dividend income during the reporting period. Accordingly, the Division has reported higher profit than the previous year, mainly due to mark-to-market valuation of stocks held by it. The division has consistently outperformed the benchmark indices in terms of XIRR.

Other matters: Other income represents profit on sale of immovable property. The company also sold its investments in a subsidiary company and the profit of such sale has been recorded as an exceptional item.

FINANCIAL RESULTS AND OUTLOOK:

Financial performance:

The company has reported improved performance during the year. During the year under review, the company has reported a loss of ₹ 665 lacs compared to a profit of ₹ 1,792 lacs during the preceding year. Profitability for the previous year includes exceptional items of ₹ 3,579 lacs towards profit on sale of land and a loss of ₹ 316 lacs related to discontinued operations. Excluding such exceptional items, the performance for the year has improved by ₹ 811 lacs during the year. The improved performance has been under highly challenging scenario where a part of manufacturing activities of the company was non-operational for almost entire year.

Raw material:

After experiencing unprecedented rise during the previous year, the raw material prices remained highly volatile during the year. Cotton yarn prices rose sharply in the first half of 2022-23, driven by higher raw cotton prices and strong demand from the export market. The outlook for cotton yarn prices is uncertain. Raw cotton prices are expected to remain volatile, and demand from the export market is expected to be weak. However, domestic demand is expected to remain strong. Though the volatility reduced as the year went by, prices continued to remain stable at a quite high level during later part of the year. Compared to last year levels, the yarn prices have further gone up by more than 12%, which the company has been able to pass on by way of increased selling prices. The company has a practice of incorporating price changes in its costing model, however such a high volatility scenario makes the business decisions very difficult as the prices can change significantly between the period an order is taken and the materials are procured, resulting into uncontrolled changes. At the same time, each successive increase in the input costs makes the process of passing on the increase to the customer through higher selling prices more difficult.

Dyes and Chemicals:

The prices of dyes and chemicals have been on a rising trend since the beginning of 2022. This is due to a number of factors including increase in prices of raw materials, increased demand and shortage of supply. As a result of these factors, the prices of dyes and chemicals have increased by an average of 20% in 2022-23. This has put a strain on the textile industry and other industries that use dyes and chemicals. The prices of majority of dyes and chemicals continued to move up during the year and have shown stabilizing trends during the later part of the year. Changes in prices of such materials are incorporated in the pricing on a periodic basis and efforts of the company continue to optimize the costs by various ways including recipe change, process change, use of alternative chemicals, etc.

Utilities:

Power, fuel and gas are 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 coal prices have remained at very high levels since last year. 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:

Inflation has remained at a high level throughout the year, having a considerable impact on all the cost components for the company. Company exercises appropriate cost control mechanism to keep various overhead under control by resorting to innovative practices and solutions on an ongoing basis. At the same time, the company had to outsource a part of manufacturing activities where substantial costs were incurred in form of jobwork charges. There was also additional expense of legal and professional fees on account of litigation relating to the effluent discharge case.

Interest and others:

Finance costs during the year have marginally reduced compared to the previous year. The company has been carrying surplus cash resources for future deployment purposes and is able to earn interest income on the same. Higher funds are also deployed in business divisions due to increase in volumes and prices during the year. The costs are likely to rise further in line with higher business volumes projected going forward.

Significant changes in Financial Ratios and explanations thereon are appearing at note no. 52 to the Financial Statements.**Outlook:**

With the commissioning of the ETP and ZLD plants, various manufacturing divisions of the company are now ready to operate at their full potential. The state-of-the-art brand-new facilities for effluent treatment will enable the Company to carry out its operations in the most eco-friendly manner. During the last few months, the Company has also overhauled its manufacturing set-up, revamped technical facilities and installed de-bottlenecking equipment in order to increase its capacities. These measures will go a long way towards strengthening the business capabilities of the company and reinforcing its environment-friendly commitment. After facing business challenges for the last couple of years, the company has now chalked out plans for deeper penetration into various market segments and is hopeful of regaining its position very fast. The Real Estate division of the company is also well poised to take advantage of the fast-growing Real Estate market of Ahmedabad. The Indian textile industry in 2023 is expected to continue to grow and evolve, with sustainability and technology being key drivers of change. The Company is hopeful of addressing these challenges to remain competitive and thrive in the years ahead.

Resources and liquidity

The 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 and tighter controls on operating cycle are actively performed on an on-going basis.

Opportunities:

The textile industry in India is particularly robust due to the wide diversity of fibers and yarns. The textile industry in India is technologically advanced and capital-intensive, thereby giving an edge to established players like the Company. India's textile sector is expected to develop rapidly due to strong domestic and international demand. By 2026-27, it is anticipated that the textile and clothing sector would increase to USD 190 billion, providing enormous opportunities in the process. The 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 such business opportunities.

Threats:

The impact of the global pandemic of 2020, the Russia- Ukraine War, inflation in countries such as the US and looming recession and surge in cotton prices is still unfolding with sluggish demand in export destinations such as EU and USA. The Indian textile industry faces several challenges. One of the most significant is the intense

competition from other textile-producing countries such as China and Bangladesh. To remain competitive, companies must focus on improving their efficiency and productivity, reducing costs, and enhancing the quality of their products. Another challenge facing the Indian textile industry is the shortage of skilled labour. This shortage is particularly acute in the areas of design and product development, where there is a need for highly skilled and creative individuals. Companies must invest in training and development programs to attract and retain skilled employees. Looking ahead, the textiles industry is expected to continue to face challenges related to sustainability and supply chain disruptions. However, with the implementation of new technologies and strategies, companies can adapt and continue to thrive in this rapidly evolving industry.

Risks and Concerns:

The company has an effective framework for assessment and mitigation of the risk. The management of the Company identifies, reviews and develops a plan for reducing risks. Current global and domestic headwinds need to be closely monitored for their impact on the business operations. Liquidity management and financial soundness of business partners will also be of high importance. To mitigate risks, the company believes in developing long-term relationships with its business partners.

Internal Control Systems and their adequacy:

The Company has in place its internal controls system as per the industry standards. The internal control systems of the company are commensurate with the size and nature of its business activities. There is a proper system to safeguard the interests of the company. The Board of Directors and Audit Committee are responsible for ensuring that the Internal Controls system laid down by the Company is adequate and operating effectively by reviewing at regular intervals. Internal Control system is in line with compliances requirement and expectations of business associates like customers, institutions and society at large.

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.

Human Resources and Industrial Relations:

The Company considers its human resources as one of the most valuable resources available to the Company. The Company continues to provide them with a safe and excellent working environment. This enables it to attract, develop and retain the talent required for driving sustainable growth of the company. The Company considers its Human Resources as a key to achieving operational performance. As on 31st March 2023, there are 226 permanent employees on the rolls of the Company. During the financial year under review the company has maintained peaceful and harmonious industrial relations.

Cautionary Statement:

Statements of Management Discussion and Analysis Report hereinabove contain certain forward-looking objectives, based on various assumptions on the Company's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. 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, new regulations and Government policies, Tax Laws within the country and other factors like litigation and industrial relations of the Company.

For and on behalf of the Board

Date: May 16, 2023
Place: Ahmedabad

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



INDEPENDENT AUDITORS' REPORT**To the Members of Ashima Limited****Report on the Audit of the financial statements****Opinion**

We have audited the accompanying financial statements of Ashima Limited ('the Company'), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the 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, 2023, and its loss, 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 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 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 and Sustainability Report, Corporate Governance Report and Directors' Report, but does not include the financial statements and our audit reports thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with the Governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 on its financial position in its financial statements – Refer Item[B] of Note 27 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There 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 mis-statement.
- 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Suvrat S. Shah
Partner

Membership No.: 102651
UDIN: 23102651BGYAZC5462

Place: Ahmedabad
Date: 16th May, 2023



“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2023.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts 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. 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.
(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, 2023 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 the books of accounts.
(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. The Company has not provided loans, advances in nature of loan, stood guarantee or provided security to a company, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause (iii) (a) to (f) of the order is not applicable.
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 accounts, 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, 2023, 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, 2023 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	99.33	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	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 accounts, 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 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 accounts, 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 accounts, 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 accounts, 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 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 incurred cash losses of ₹ 252 Lacs in the current financial year, however, the company had not incurred any cash loss 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: 23102651BGYZC5462

Place: Ahmedabad
Date: 16th May, 2023



“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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s Judgement, including the assessment of the material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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

Place: Ahmedabad
Date: 16th May, 2023

Membership No.: 102651
UDIN: 23102651BGYZC5462

**BALANCE SHEET AS AT MARCH 31, 2023**

Particulars	Note No.	₹ in Lacs	
		As at March 31,	
		2023	2022
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	4 (A)	13,397	11,687
Intangible Assets	4 (B)	7	6
Capital work-in-progress	4 (C)	413	807
Financial Assets:			
Investments	5	1,515	948
Other Financial Assets	6	-	-
Other Non-Current Assets	7	437	402
Assets for Current tax (Net)	8	248	440
		16,016	14,290
Current Assets:			
Inventories	9	7,987	7,684
Financial Assets:			
Investments	10	-	312
Trade Receivables	11	1,453	2,215
Cash and Cash Equivalents	12	2,000	1,467
Bank Balance other than Cash and Cash Equivalents	13	720	1,245
Loans	14	-	38
Other Current Financial Assets	15	438	2,506
Other Current Assets	16	3,043	1,265
Non-current Assets classified as held for sale	17	361	843
		16,002	17,575
Total		32,018	31,865
EQUITY AND LIABILITIES:			
Equity:			
Share Capital	18	19,166	19,166
Other Equity	19	2,862	3,558
		22,028	22,724
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	20	3,266	1,487
Other Non-Current Financial Liabilities	21	10	12
		3,277	1,499
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	5	328
Trade Payables	23		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		2,944	4,237
Other Current Financial Liabilities	24	863	838
Other Current Liabilities	25	2,761	2,132
Provisions	26	141	108
		6,713	7,642
Total		32,018	31,865
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 52		

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

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

Partner

Membership Number: 102651

Ahmedabad, Dated: May 16, 2023

Shweta Sultania

Company Secretary

Membership Number: ACS-22290

Hiren S. Mahadevia

Group Chief Financial Officer

Ahmedabad, Dated: May 16, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Note No.	₹ in Lacs	
		Year ended March 31,	
		2023	2022
			(Refer Note No 49)
CONTINUING OPERATIONS:			
INCOME:			
Revenue from Operations	28	20,698	20,807
Other Income	29	364	192
Total Income		21,062	20,999
EXPENSES:			
Cost of Materials Consumed	30	10,233	13,580
Purchases of Stock-in-Trade	31	1,778	1,496
Land Development & Construction Cost	32	1,344	1,005
Changes in Inventories of Finished goods,	33	(818)	(3,176)
Work-in-progress and Stock-in-Trade			
Employee Benefits Expense	34	3,156	2,902
Finance Costs	35	225	229
Depreciation, Amortisation and Impairment expense	4	413	311
Other Expenses	36	5,495	5,644
Total Expenses		21,826	21,993
Profit/(Loss) before Exceptional items and Tax from Continuing operations		(764)	(994)
Exceptional Items	42	(5)	3,579
Profit/(Loss) before Tax from Continuing Operations		(769)	2,585
Tax Expense:			
Tax adjustment for earlier years	37	-	0
		-	0
Profit/(Loss) for the year from Continuing Operations		(769)	2,585
Profit/(Loss) before Exceptional items and Tax from Discontinued operations			
Profit/(Loss) from Discontinued Operations	49	104	(477)
Exceptional Items from Discontinued Operations	49	-	(316)
Profit/(Loss) from Discontinued Operations		104	(793)
Profit/(Loss) for the year		(665)	1,792
Other Comprehensive Income [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		(31)	(90)
Other Comprehensive Income for the year [Net of tax]		(31)	(90)
Total Comprehensive Income for the year [Net of Tax]		(696)	1,702
Basic & Diluted Earning per Equity Share [EPS]	38	(0.40)	1.35
[in ₹] - Continuing operations			
Basic & Diluted Earning per Equity Share [EPS]		0.05	(0.41)
[in ₹] - Discontinued operation			
Basic & Diluted Earning per Equity Share [EPS] [in ₹] -		(0.35)	0.93
Continuing & Discontinued operations			
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 52		

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 16, 2023

Shweta Sultania

Company Secretary

Membership Number: ACS-22290

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 16, 2023



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a	Equity Share Capital:	No. of Shares		₹ in Lacs	
		2022-23	2021-22	2022-23	2021-22
	Equity Shares of ₹ 10/- each, Issued, Subscribed and Fully Paid-up:				
	As at March 31, 2021		191,660,078		19,166
	As at March 31, 2022		191,660,078		19,166
	As at March 31, 2023		191,660,078		19,166

b	Other Equity:	Capital Reserve		Retained Earnings		Other Comprehensive Income		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Balance at the beginning of the year	38	38	3,984	2,192	(464)	(374)	3,558	1,856
	Add: Profit/(Loss) for the year			(665)	1,792			(665)	1,792
	Other Comprehensive Income for the year			-	-	(31)	(90)	(31)	(90)
	Balance at the end of the year	38	38	3,319	3,984	(495)	(464)	2,862	3,558

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 16, 2023

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 16, 2023

Shweta Sultania
Company Secretary
Membership Number: ACS-22290

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

Particulars	₹ in Lacs			
	Year ended March 31,			
	2023		2022	
(A) Cash flow from Operating Activities				
Profit/(Loss) before Exceptional items and Tax		(660)		(1,471)
Adjustments for:				
Depreciation and impairment	413		437	
Interest Expenses	193		181	
Interest income	(181)		(137)	
(Gain)/Loss on Property, Plant and Equipment sold/ discarded (net)	(259)		(159)	
Net gain on sale/fair valuation of instruments measured at FVTPL	(162)		(59)	
Rent Exp	-		(6)	
Impairment allowance	7		-	
Dividend Income	(42)		-	
Payment made for export obligation under EPCG scheme	(315)	(346)	-	258
Operating Profit before Working Capital Changes		(1,005)		(1,213)
Adjustments for changes in working capital :				
(Increase)/decrease in trade receivables	762		(798)	
(Increase)/decrease in loans & advances and other assets	(1,398)		(321)	
(Increase)/decrease in inventories	(303)		(4,068)	
Increase/(decrease) in trade payables	(1,293)		2,151	
Increase/(decrease) in other liabilities and provisions	654	(1,578)	1,591	(1,445)
Cash Generated from/(used in) Operations		(2,584)		(2,658)
Income taxes (Paid)/Refund received		192		17
Net Cash flow from Operating Activities		(2,391)		(2,640)
(B) Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipments	(1,823)		(1,038)	
Purchase/(Sales) of investment	569		(901)	
Proceeds from sale of Property, Plant and Equipment	2,111		2,419	
Dividend Received	42		-	
Proceeds from/(investment in) bank deposits (with original maturity over 3 months)	525		3,118	
Interest received	178	1,602	147	3,745
Net Cash flow from Investing Activities		1,602		3,745



Particulars	₹ in Lacs			
	Year ended March 31,			
	2023		2022	
(C) Cash flow from Financing Activities				
Proceeds from (Repayment of) long term borrowings	1,723		(420)	
Proceeds from (Repayment of) short term borrowings	(323)		(31)	
Short Term Loans (Given)/repayment by party	38		25	
Interest paid	(117)	1,322	(128)	(554)
Net Cash flow from Financing Activities		1,322		(554)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		533		551
Add: Cash at the beginning of the year		1,467		917
Cash at the end of the year		2,000		1,467

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

Details of cash and cash equivalents	As at March 31,	
	2023	2022
Balances with banks in current accounts	1,992	1,461
Cash on hand	8	6
Cash and cash equivalent as per note no. 12	2,000	1,467

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 conform 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 16, 2023

Shweta Sultania

Company Secretary

Membership Number: ACS-22290

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 16, 2023

Notes to the Financial Statements

Note: 1 Corporate Information

Ashima Limited is engaged Textiles and Real Estate business.

The Textile business of the Company consists of 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, etc. 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 in 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.

Further, the Company has entered into Real Estate business with its project "Swan Lake". Swan Lake is a gated community of weekend villas near Ahmedabad. The villas shall be constructed on plots amidst lush green surroundings, a large lake and beautifully landscaped gardens. It shall be equipped with well thought out amenities like a luxurious club house, event spaces, guest rooms, a restaurant, lounge, kids' playing area, sports arena and such other facilities. The community shall be sustainable in every sense with solar power panels, rainwater harvesting, percolating wells, etc. The Company is also in the process of finalizing plans for another real estate project in near future. It aims to grow this business significantly over next few years.

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, 2023 were authorised for issue in accordance with a resolution of the directors passed at their Meeting held on May 16, 2023.

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.



Notes to the Financial Statements

- 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 judgments are 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.

Notes to the Financial Statements

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.

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.



Notes to the Financial Statements

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.

Notes to the Financial Statements

- 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 it is probable 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.

**Notes to the Financial Statements**

- 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 & equipment 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.

Notes to the Financial Statements

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 and 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.



Notes to the Financial Statements

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.

Contribution to National Pension Scheme "NPS", which is also a defined contribution plan, is made to NPS managed by insurance Company and is recognised as employee benefit expenses on accrual basis.



Notes to the Financial Statements

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.

Notes to the Financial Statements

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.



Notes to the Financial Statements

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 and 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.

Notes to the Financial Statements

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Notes to the Financial Statements

Note: 4 (c) - Capital work-in-progress

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

₹ in Lacs

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	413	-	-	-	413

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

₹ in Lacs

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

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,	
	2023	2022
A Investments in equity instruments		
Investment in other companies measured at fair value through profit or loss		
Quoted	1,371	948
Unquoted	144	-
Total	1,515	948
B a i Aggregate Value of Quoted Investments	1,371	948
ii Market value of quoted investments	1,371	948
b Aggregate book value of unquoted investments	144	-

Note: 6 - Other Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2023	2022
[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 Financial Statements

Note: 7-Other Non-Current Assets:

	₹ in Lacs	
	As at March 31,	
	2023	2022
[Unsecured, Considered Good]		
Capital Advance	14	21
Claims and other receivables	42	42
Prepaid Expenses	121	76
Security Deposits		
Others		
Considered good	260	262
Credit Impaired	7	-
Less: Impairment allowance	(7)	-
	<u>260</u>	<u>262</u>
Total	<u>437</u>	<u>402</u>

Note: 8-Asset for Current Tax:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Advance payment of Tax	248	440
Total	<u>248</u>	<u>440</u>

Note: 9-Inventories:

	₹ in Lacs	
	As at March 31,	
	2023	2022
(The Inventories are valued at lower of cost or net realisable value)		
Classification of Inventories:		
Raw Materials	935	1,389
Work-in-progress	3,668	2,995
Finished Goods	1,949	2,039
Stock-in-Trade	636	404
Stores and Spares	680	722
Packing Materials	115	133
Others	3	1
Total	<u>7,987</u>	<u>7,684</u>
The above includes Goods in transit as under:		
Raw Materials	18	121

Notes to the Financial Statements

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

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Net of write-down/(reversal of write-down)	(29)	227

Note: 10 - Current Investments :

	₹ in Lacs	
	As at March 31,	
	2023	2022
Investment in Mutual Funds		
Unquoted		
At Fair value through profit or loss	-	312
Total	-	312

Note: 11 - Trade Receivables:

	₹ in Lacs	
	As at March 31,	
	2023	2022
[Unsecured]		
From Others		
Considered good	1,453	2,215
Credit Impaired	76	77
Less: Impairment allowances	(76)	(77)
	<u>1,453</u>	<u>2,215</u>
Total	1,453	2,215

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

₹ in Lacs

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	1,447	3	1	1	0	1,453
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	76	76
(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 Financial Statements

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

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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	-	-	-	-	-	-

Note: 12 - Cash and Cash Equivalents:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Balances with banks in current accounts	1,992	1,461
Cash on Hand	8	6
Total	2,000	1,467

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

	₹ in Lacs	
	As at March 31,	
	2023	2022
Bank deposits maturing between 3 to 12 months*	720	1,245
Total	720	1,245

[*] 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 ₹ 323 lacs, [₹ 313 lacs as at March 31, 2022] which are not available for free use as per the court order.

Note: 14 - Loans:

	₹ in Lacs	
	As at March 31,	
	2023	2022
[Unsecured, Considered Good]		
Loans and advances to related parties	-	38
Total	-	38

Notes to the Financial Statements

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

₹ in Lacs

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	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	-	N.A.	38	100%

Note: 15 - Other Current Financial Assets:

	₹ in Lacs	
	As at March 31,	
	2023	2022
[Unsecured, Considered Good, unless otherwise stated]		
Advances Receivable in cash		
Considered Good	251	223
Credit Impaired	2	2
Less: Impairment allowance	(2)	(2)
	<u>251</u>	<u>223</u>
Claims and other receivables	83	65
Receivables on account of sale of Property, Plant & Equipment	-	2,115
Interest receivable	105	103
Total	<u>438</u>	<u>2,506</u>

Note: 16 - Other Current Assets:

	₹ in Lacs	
	As at March 31,	
	2023	2022
[Unsecured, Considered Good]		
Balances with Statutory Authorities	626	563
Claims and other receivables	20	20
Prepaid Expenses	182	331
Export Incentive Receivables	17	65
Advances to Suppliers	2,196	283
Advances to Staff	4	4
Total	<u>3,043</u>	<u>1,265</u>



Notes to the Financial Statements

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

	₹ in Lacs	
	As at March 31,	
	2023	2022
Investment held for sale	-	352
Assets held for sale	361	491
Total	361	843

Note: 18 - Share Capital:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Authorised Capital:		
19,16,60,078 Equity shares of ₹10/- each (19,16,60,078 Equity Shares as at March 31,2022)	19,166	19,166
20,50,000 Preference shares of ₹100/- each (20,50,000 Preference Shares as at March 31,2022)	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, 2022]	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	191,660,078
Add: Shares issued during the year under merger	-	-
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 Promoters :

Shares held by Promoters and Promoter Group						
Sr No	Promoter Name	As at March 31, 2023		As at March 31, 2022		% 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 Navnitlal 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 Navnitlal Parikh (HUF)	30425	0.02	30425	0.02	0

Notes to the Financial Statements

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,	
		2023	2022
Other Reserves:			
Capital Reserve	[A]	38	38
(Created on account of reissue of forfeited shares/debentures)			
Retained Earnings:			
Balance as per last Balance Sheet		3,984	2,192
Add/(Less): Profit/(Loss) for the year		(665)	1,792
	[B]	3,319	3,984
Less: Items of Other Comprehensive Income recognised directly in Retained Earnings:			
Balance as per last Balance Sheet		(464)	(374)
Re-measurement gains/ (losses) on defined benefit plans (net of tax) for the year		(31)	(90)
	[C]	(495)	(464)
Balance as at the end of the year	[D = B+C]	2,824	3,520
Total	[E = A+D]	2,862	3,558



Notes to the Financial Statements

Note: 20 - Non-Current Borrowings:

	₹ in Lacs			
	Non-current portion		Current Maturities	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
A Preference Shares 20,50,000 1% redeemable non-cumulative preference shares of ₹ 100/- each fully paid up	763	706	-	-
B Non-Convertible Debenture 4,000 Non-Convertible Debenture of ₹ 1,00,000/- each, partly paid ₹43,750/- each	1,750	-	-	-
C Term Loans from Banks - Secured	4	31	5	325
D Others -Unsecured	750	750	-	-
Total	3,266	1,487	5	325
The above amount includes:				
Secured borrowings	1,754	31	5	325
Unsecured borrowings	1,513	1,456	-	-
Amount disclosed under the head "Other Current Financial Liabilities" (Note-22)			(5)	(325)
Net amount	3,266	1,487	-	-

A 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 :

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

b Non-Convertible Debenture

The company has issued 4,000 unlisted, secured, unrated, redeemable, non-convertible debentures ("the debentures") of ₹ 1,00,000/- (Rupees One lakh only) each to part-finance a new real estate project of the Company ("the project"). The debentures were allotted on 18th January, 2023 and were partly paid up as on 31st March, 2023.

Notes to the Financial Statements

Major Terms of the debentures :

- 1 Security: The debentures shall be secured by creation of a first charge on the land to be acquired for the Project, FSI and construction thereon within 90 business days of the transfer of title of the said land in the name of Company, in favour of debenture trustee for the benefit of the debenture holders by execution and registration of deed of mortgage.
- 2 No interest is payable on the debentures.
- 3 Redemption and premium on redemption: On the completion of the project or 7 years from the date of allotment of debentures, whichever is earlier, the Company shall redeem the debentures along with premium to be calculated such that the debenture holders receive an IRR which is equal to the "project IRR" as specified in the terms of debentures. The Company, at any time after completion of 12 months from the date of issuance, shall have an option to partially or fully redeem the debentures.
- 4 The debentures are partly paid up as at the date of Balance Sheet and are carried at paid up amount.

c Term Loan from Bank

i Nature of Security:

The company has taken term loan of ₹23 Lacs from banks by hypothecating cars.

ii Terms of repayment:

The Loan bearing interest rate of 9.00% per annum is repayable in 60 equated monthly installments, starting from December 2019.

d 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.



Notes to the Financial Statements

Note: 21 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Trade Deposits	10	12
Total	10	12

Note: 22 - Current Borrowings:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Loans repayable on Demand:		
Secured		
Current Maturities of Long Term Debt (Refer Note- 20)	5	325
Interest accrued but not due on borrowings	0	3
Total	5	328

Note: 23 - Trade Payables:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Micro and small enterprises (*)	-	-
Others	2,944	4,237
Disputed Dues - Micro, Small and Medium Enterprises [*]	-	-
Disputed Dues - Others	-	-
Total	2,944	4,237

	₹ in Lacs	
	As at March 31,	
	2023	2022
(*) Based on the information available with the company regarding the status of its vendors under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), the disclosure pursuant to the MSMED Act, is as follows:		
a. Principal amount and the interest due thereon remaining unpaid to any suppliers at the year end	-	-
b. the amount of Interest paid by the buyer in term of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d. the amount of Interest accrued and remaining unpaid at the end of each accounting year;	-	-
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of deductible expenditure under section 23 of the MSMED Act	-	-

Notes to the Financial Statements

Ageing for Trade Payables outstanding as at March 31, 2023 is as follows: ₹ in Lacs

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	2,910	22	1	10	2,944
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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

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	-	-	-	-	-

Note: 24 - Other Financial Liabilities:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Payable to Statutory Authorities	105	78
Bills Payables	509	525
Unpaid Expenses	249	234
Total	863	838

Note: 25 - Other Current Liabilities:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Advances from customers	2,451	1,506
Advance received against sale of assets held for sale	-	487
Other liabilities	310	139
Total	2,761	2,132



Notes to the Financial Statements

Note: 26 - Provisions:

	₹ in Lacs	
	As at March 31,	
	2023	2022
Provision for Employee Benefits:		
For Leave Encashment	138	106
Provision for product quality claims *	-	2
Others	3	-
Total	141	108
(*) 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	2	5
ii Additional provision made during the year	-	2
iii Amount used	(2)	(5)
iv Carrying amount at the end of the year	-	2

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

	₹ in Lacs	
	As at March 31,	
	2023	2022
Contingent Liabilities:		
(A) Bills Discounted	103	103
(B) Claims against the company not acknowledged as debt		
(i) Income-tax	31	31
(ii) Central excise Duty	323	324
(iii) Sales-tax/VAT	1,934	1,934
(iv) Employees' State Insurance dues	99	97
(v) Others	1,845	1,756
Total	4,233	4,142
Commitments:		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	290	15

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.

Notes to the Financial Statements

Note: 28 - Revenue from Operations:

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Sale of Products	20,237	20,132
Sale of Services	248	546
Other Operating Revenues:		
Waste Sales	72	71
Export Incentives	128	45
Net gain on foreign currency transaction and translation	14	13
	214	128
Total	20,698	20,807

Disaggregation of Revenue from contract with customers

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Revenue based on Geography		
Domestics	18,000	18,938
Export	2,698	1,869
Revenue from Operations	20,698	20,807
Reconciliation of revenue from operation with contract price		
Revenue contract with customers as per contract price	21,400	21,524
Less : Adjustment made to contract price on account of:		
a) Discounts and Rebates	166	148
b) Sales Return	535	569
Revenue from Operations	20,698	20,807

Note: 29 - Other Income:

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	181	133
Insurance Claim	-	10
Net gain on sale/fair valuation of investments measured at FVTPL	16	12
Net gain on sale/retirement/damage of Property, Plant and Equipment	144	9
Miscellaneous income	23	28
Total	364	192



Notes to the Financial Statements

Note: 30 - Cost of Materials Consumed:

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Raw Materials		
Stock at commencement	1,380	423
Add: Purchases during the year	9,187	14,030
	10,567	14,453
Less: Stock at close	935	1,380
	9,632	13,073
Packing Materials consumed	601	507
Total	10,233	13,580

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

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Purchases of Stock-in-trade	1,778	1,496
Total	1,778	1,496

Note: 32 - Land Development & Construction Cost:

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Land & Other Charges	859	980
Construction Cost	378	-
Professional Charges	107	26
Total	1,344	1,005

Note: 33 - Changes in Inventories:

		₹ in Lacs	
		Year ended March 31,	
		2023	2022
Stock at commencement:			
Work-in-progress		2,994	736
Finished Goods		2,040	1,225
Stock-in-trade		404	301
	(A)	5,438	2,262
Less: Stock at close:			
Work-in-progress		3,668	2,994
Finished Goods		1,952	2,040
Stock-in-trade		636	404
	(B)	6,256	5,438
Total	(A-B)	(818)	(3,176)

Notes to the Financial Statements

Note: 34 - Employee Benefits Expense:

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Salaries and wages	2,881	2,651
Contribution to provident and other funds [*]	194	187
Staff welfare expenses	81	64
Total	3,156	2,902

[*] 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,	
	2023	2022
Interest expense		
- On Term Loans	13	21
- On Working Capital	61	49
- Others	119	106
Bank commission and charges	31	53
Total	225	229

Note: 36 - Other Expenses:

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Consumption of Stores and Spare parts	396	912
Power and fuel	857	1,641
Rent (*)	3	17
Repairs to Buildings	23	10
Repairs to Plant and Equipment	106	95
Repairs to Others	23	23
Insurance	51	43
Rates and Taxes (excluding taxes on income)	8	29
Job work Charges	2,821	1,663
Freight and forwarding expenses	141	144
Sales Commission	110	102
Other Sales promotion expenses	34	26



Notes to the Financial Statements

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Traveling Expenses	97	49
Labour Charges	261	374
Legal and Professional Fees	141	181
Directors' fees	3	3
Miscellaneous Expenses (**)	419	333
Total	5,495	5,644
[*] The Company has taken certain properties under leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties.		

[**] Miscellaneous Expenses include:		
a Payment to the Statutory Auditors		
- As Auditor	12	11
- For Other Services	1	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,	
	2023	2022
The major components of income tax expense are:		
A Tax Expenses		
Tax adjustment for earlier year	-	0
	-	0
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax	(665)	1,792
Enacted Tax Rate in India	25.17%	25.17%
Expected Tax Expenses	(167)	451
Adjustments for:		
Effect of additional deductions from taxable income	(84)	(30)
Effect of non-deductible expenses	28	30
Effect of deductible expenses	(53)	(49)
Carried Forward Losses	376	-
Unused tax losses of the earlier year now utilised	-	(326)
Capital Gain	(100)	(76)
Total	167	(451)
Tax Expenses for Current year	-	-
Tax Adjustment of Earlier Years	-	0
Tax Expenses as per Statement of Profit and Loss	-	0

Notes to the Financial Statements

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

	Year ended March 31,	
	2023	2022
The numerators and denominators used to calculate the basic and diluted EPS are as follows:		
A Profit/(Loss) for the Continuing operations ₹ in Lacs attributable to Equity Shareholders	(769)	2,585
B Profit/(Loss) for the Discontinuing operations ₹ in Lacs attributable to Equity Shareholders	104	(793)
C Profit/(Loss) for the Continuing & Discontinuing operations attributable to Equity Shareholders ₹ in Lacs	(665)	1,792
D Average Number of Equity shares outstanding Numbers during the year	191,660,078	191,660,078
E Nominal value of equity share ₹	10	10
F Basic and Diluted EPS-for Continuing operations ₹	(0.40)	1.35
G Basic and Diluted EPS-for Discontinued operation ₹	0.05	(0.41)
H Basic and Diluted EPS-for Continuing & Discontinued operation ₹	(0.35)	0.93

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 2021	Charge for the year	As at March 31 2022	Charge for the year	As at March 31 2023
Deferred Tax Liabilities:					
Depreciation	(1,378)	160	(1,218)	(117)	(1,335)
	(1,378)	160	(1,218)	(117)	(1,335)
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	23	9	31	7	38
Receivables	71	(6)	65	1	66
Others	163	(14)	149	(51)	99
Unabsorbed depreciation/ Business Loss	5,916	(342)	5,574	372	5,946
Total	6,173	(354)	5,819	330	6,149
Net Deferred Tax Assets/ (Liabilities)	4,796	(194)	4,601	213	4,814

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, 2023. The Company has taken conservative view of future profitability. Accordingly, the Company has not recognized deferred tax asset.

**Notes to the Financial Statements****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 6.33 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,	
	2023	2022
Discount rate (per annum)	7.45%	6.10%
Future salary increase	4.00%	2.00%
Expected rate of return on plan assets	7.45%	6.10%

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	606	637
Interest Cost	30	35
Current Service Cost	34	35
Benefits Paid	(20)	(200)
Actuarial (Gain)/Loss arising from Change in Financial Assumption	-	-
Actuarial (Gain)/Loss arising from Experience Adjustment	12	99
Present value of obligation as at the end of the year	662	606
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	857	988
Interest Income	46	59
Contributions by the employer	-	-
Benefits paid	(18)	(200)
Return on plan assets	(19)	9
Fair Value of plan assets at the end of the year	866	857

Notes to the Financial Statements

	₹ in Lacs	
	Year ended March 31,	
	2023	2022
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	662	606
Net Asset/ (Liability)-Current	158	244
Net Asset/ (Liability)-Non-Current	41	7
Expenses recorded in the Statement of Profit and Loss during the year		
Interest Cost	(16)	(24)
Current Service Cost	34	35
Actuarial (Gain)/Loss arising from Change in Financial Assumption	-	-
Actuarial (Gain)/Loss arising from Experience Adjustment	-	-
Total expenses included in employee benefit expenses	18	10
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss arising from Change in Financial Assumption	27	11
Actuarial (Gain)/Loss arising from Experience Adjustment	(15)	89
Return on plan assets	19	(9)
Recognized in Other Comprehensive Income	31	90
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	158	244
Between 2 and 5 years	148	279
Between 6 and 10 years	355	83
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	643	596
Half percentage point decrease in discount rate	682	617
Half percentage point increase in salary increase rate	683	617
Half percentage point decrease in salary increase rate	642	595

Composition of Plan Assets

Particulars	As at March 31,	
	2023	2022
Policy of Insurance	99.46%	99.50%
Bank Balance	0.54%	0.50%
Total	100.00%	100.00%

Long-Term Employment Benefits

Leave Encashment:

Liability for the Leave Encashments for ₹ 138 Lacs (as at March 31, 2022 - ₹ 106 Lacs) has been fully provided for by the company.

Note: 41 - Segment Information:

(1) Identification of Segments:

Considering the nature of the Company's business and operations, as well as based on reviews performed by chief operating decision maker regarding resource allocation and performance management, the

**Notes to the Financial Statements**

Company has identified (1) Textiles, (2) Real Estate, (3) Investment and (4) Others as reportable segments in accordance with the requirements of Ind AS 108 - "Operating Segments".

(2) Segment revenue and results:

Revenue and expenses directly attributable to segments are reported under each reportable segment. The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income). Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level.

(3) Segment assets and Liabilities:

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, Inventories and other operating assets. Segment liabilities primarily include trade payable and other liabilities excluding borrowings.

Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

There are no transactions of inter-segment transfers.

Primary Segment Reporting:

₹ in Lacs

Particulars	Year ended March 31, 2023				
	Textiles	Real Estate	Investment	Others	Total
Revenue					
External Revenue	20,499	-	188	11	20,698
Inter Segment Revenue	-	-	-	-	-
Enterprise revenue	20,499	-	188	11	20,698
Results					
Segment Results before Finance cost	(910)	3	160	209	(539)
Less : Interest and Finance Charges (Net)					225
Less : Other Unallocable Income/(Expenditure)					(5)
-Exceptional Items					-
Less : Tax expense					-
Net profit/(loss) after tax	(910)	3	160	209	(769)
Segment Assets	20,221	6,148	1,754	3,465	31,587
Unallocated Assets	-	-	-	-	-
Total Assets	20,221	6,148	1,754	3,465	31,587
Segment Liabilities	3,818	2,845	20	34	6,717
Unallocated Liabilities	-	-	-	-	-
Total Liabilities	3,818	2,845	20	34	6,717
Depreciation and amortisation expense	335	2	-	75	413
Unallocated Depreciation and amortisation expense	-	-	-	-	-
Total Depreciation and amortisation expense	335	2	-	75	413
Capital Expenditure	2,175	26	-	17	2,217
Unallocated Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	2,175	26	-	17	2,217

Notes to the Financial Statements

Note: 41 - Segment Information: (Contd.)

₹ in Lacs

Particulars	Year ended March 31, 2022				
	Textiles	Real Estate	Investment	Others	Total
Revenue					
External Revenue	20,657	-	70	80	20,807
Inter Segment Revenue	-	-	-	-	-
Enterprise revenue	20,657	-	70	80	20,807
Results					
Segment Results before Finance cost	(802)	(7)	66	(22)	(764)
Less : Interest and Finance Charges (Net)					229
Less : Other Unallocable Income/(Expenditure)					3,579
-Exceptional Items					-
Less : Tax expense					-
Net profit/(loss) after tax	(802)	(7)	66	(22)	2,586
Segment Assets	20,199	2,273	1,154	4,812	28,438
Unallocated Assets	-	-	-	-	-
Total Assets	20,199	2,273	1,154	4,812	28,438
Segment Liabilities	6,121	1,094	-	45	7,261
Unallocated Liabilities	-	-	-	-	-
Total Liabilities	6,121	1,094	-	45	7,261
Depreciation and amortisation expense	280	1	-	31	311
Unallocated Depreciation and amortisation expense	-	-	-	-	-
Total Depreciation and amortisation expense	280	1	-	31	311
Capital Expenditure	299	3	-	-	302
Unallocated Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	299	3	-	-	302

Secondary Segment Reporting:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Segment Revenue		
a) In India	18,000	18,938
b) Outside India	2,698	1,869
Total	20,698	20,807
Trade Receivables		
a) In India	1,287	2,150
b) Outside India	165	65
Total	1,453	2,215



Notes to the Financial Statements

Note: 42 Exceptional items:

Exceptional Items include profit on sale of equity shares of associate company and amount payable relating to export obligation under EPCG scheme.

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 (Ceased to be an Associate Company w.e.f. 30th April, 2022)

Key Management Personnel

- 1 Mr. Chintan N. Parikh - Chairman and Managing Director
- 2 Mr. Krishnachintan C. Parikh - Executive Director Executive Director - w.e.f. 05/06/2021 - (Relative of Chairman & Managing Director)
- 3 Mr. Shrikant Pareek Director (Operations)
- 4 Mr. Hiren Mahadevia Group Chief Financial Officer
- 5 Ms. Shweta Sultania Company Secretary- w.e.f. 15/07/2022
- 6 Mr. Dipak Thaker Company Secretary - up to 14/07/2022
- 7 Dr. Bakul H. Dholakia Non Executive-Independent Director
- 8 Mrs. Koushlya Melwani Non Executive-Independent Director
- 9 Mr. Sanjay Majmudar Non Executive-Independent Director
- 10 Mr. Neeraj Golas Non Executive-Independent Director

Relatives of Key Management Personnel

- 1 Mr. Krishnachintan C. Parikh Relative of Chairman & Managing Director (transactions up to 05/06/2021)
- 2 Mrs. Parthavi Nagarsheth Relative of Key Management Personnel w.e.f. 12.02.2023

Other related parties where control exists

- 1 Saumya Construction Private Limited
- 2 Shakun Trust

Notes to the Financial Statements

b) Disclosure in respect of Related Party Transactions :

₹ in Lacs

Nature of Transactions	Associates		Key Management Personnel & Relatives		Others	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022
Loan repaid by the party						
1 Shardul Garments Private Limited	38	25				
Remuneration to KMP & Relatives						
1 Short-term Employee benefit			541	483		
2 Post Employment benefit			-	-		
3 Other - long-term Employment benefit			28	-		
4 Other - Contribution toward Provident Fund & NPS			30	27		
5 Sitting Fees to Non-Executive- Independent Directors			3	3		
Total	-	-	601	512	-	-
Interest Exp./Bills Discounting charges			61	60		
Development Charges					106	97
Advertisement Expenses					9	10
Advance received against sales					53	-
Other payables - Closing balance at year end			503	534		
Loans Receivable-Balance at year end						
1 Shardul Garments Private Limited	-	38				
Loans Receivable - Maximum Balance during the year						
1 Shardul Garments Private Limited	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.



Notes to the Financial Statements

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

	₹ in Lacs			
	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Current Financial Assets:				
Trade receivables	-	-	1,453	1,453
Cash and Cash Equivalents	-	-	2,000	2,000
Bank Balance other than Cash and Cash Equivalents	-	-	720	720
Other Current Financial Assets	-	-	438	438
Non Current Financial Assets:				
Financial Investments at FVOCI:				
Unquoted equity instruments	-	144	-	144
Financial Investments at FVOCI:				
Quoted equity instruments	1,371	-	-	1,371
Total Financial Assets	1,371	144	4,611	6,125
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	2,944	2,944
Other Current Financial Liabilities	-	-	863	863
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	-	-	3,272	3,272
Other Non Current Financial Liabilities	-	-	10	10
Total Financial Liabilities	-	-	7,089	7,089

	₹ 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

Note: 45-Financial Risk Management:

A Financial instruments by category:

	₹ in Lacs			
	As at March 31, 2023			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Current Financial Assets:				
Trade receivables	-	-	1,453	1,453
Cash and Cash Equivalents	-	-	2,000	2,000
Bank Balance other than Cash and Cash Equivalents	-	-	720	720
Other Current Financial Assets	-	-	438	438
Non Current Financial Assets:				
Quoted equity instruments	1,371	-	-	1,371
Unquoted equity instruments	144	-	-	144
Total Financial Assets	1,515	-	4,611	6,125
Financial Liabilities				
Current Financial Liabilities:				
Trade payables	-	-	2,944	2,944
Other Current Financial Liabilities	-	-	863	863
Non Current Financial Liabilities:				
Borrowings (including current maturities and interest accrued)	1,750	-	1,522	3,272
Other Non Current Financial Liabilities	-	-	10	10
Total Financial Liabilities	1,750	-	5,339	7,089
	₹ 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



Notes to the Financial Statements

B Risk Management:

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

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, high value sales are made by adequate coverage through Letters of Credit, wherever possible, or against post-dated cheques. Clean credit is extended only in exceptional cases. The Company trades with recognized and credit worthy customers. It is the Company's policy that all customers who wish to trade on credit terms are subjected to scrutiny and periodic review. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

Further, credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base, widely distributed both economically and geographically. Adequate expected credit losses are recognized as per the assessments based on historic data and prevalent market conditions.

Against doubtful trade receivables of ₹ 76 Lacs (Previous year - ₹ 77 Lacs), allowance for doubtful receivables is ₹ 76 Lacs as at March 31, 2023 (Previous year - ₹ 77 Lacs). During the year the Company has not made any allowance for doubtful receivables (Previous year: ₹ Nil).

Ageing of Trade Receivables	₹ in Lacs	
	As at March 31,	
	2023	2022
0 - 6 Months	1,447	2,177
6 - 12 Months	3	3
beyond 12 Months	78	111
Total	1,528	2,292
Allowance for doubtful Receivables	76	77
Trade Receivables Carried in Balance Sheet	1,453	2,215

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.

Notes to the Financial Statements

- 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, 2023					
Borrowings (including current maturities and interest)					
Term Loan from Bank	5	4	-	0	9
Other Borrowings	-	-	-	1,513	1,513
Non-Convertible Debenture	-	-	-	1,750	1,750
Other Non-Current Financial Liabilities	-	10	-	-	10
Trade Payables	2,944	-	-	-	2,944
Other Current Financial Liabilities	863	-	-	-	863
Total	3,812	14	-	3,263	7,089

	₹ 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 payable	4,237	-	-	-	4,237
Other current Financial liabilities	838	-	-	-	838
Total	5,402	39	4	1,456	6,901

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.

**Notes to the Financial Statements****Foreign currency risk exposure:**

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

Exposure of USD	₹ in Lacs	
	As at March 31,	
	2023	2022
Financial assets:		
Trade Receivables	165	65
Total exposure to foreign currency risk (assets)	165	65
Financial liabilities:		
Total exposure to foreign currency risk (liabilities)	-	-
Net exposure to foreign currency risk	165	65

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, 2023		As at March 31, 2022	
	Movement in Rate	Impact on PAT	Movement in Rate	Impact on PAT
USD	2.00%	2.48	2.00%	0.97
USD	-2.00%	(2.48)	-2.00%	(0.97)

* 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, 2023, 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:

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

Notes to the Financial Statements

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,	
	2023	2022
Net debts	3,272	1,815
Total equity	22,028	22,724
Net debt to equity ratio	0.15	0.08

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- Previous year's figures regrouped

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

Note: 49-Discontinued operation

As per Ind AS 105 "Discontinued Operation", the operations of the Spinfab Division, which was closed earlier, 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 separate detailed profitability of the Discontinued Operations and Continued Operations of the Company is as per the following table:

(₹ in Lacs)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Continuing operations	Discontinued operations	Less: Elimination of transactions between (A) and (B)	Total	Continuing operations	Discontinued operations	Less: Elimination of transactions between (A) and (B)	Total
	A	B			A	B		
INCOME:								
Revenue from Operations	20,698	17	-	20,716	20,807	210	(84)	20,933
Other Income	364	123	-	487	192	199	-	392
Total Income	21,062	140	-	21,202	20,999	410	(84)	21,325
EXPENSES:								
Cost of Materials Consumed	10,233	9	-	10,242	13,580	4	(62)	13,522
Purchases of Stock-in-Trade	1,778	-	-	1,778	1,496	-	(10)	1,487
Land Development & Construction Cost	1,344	-	-	1,344	1,005	-	-	1,005
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	(818)	2	-	(816)	(3,176)	189	-	(2,988)
Employee Benefits Expense	3,156	3	-	3,159	2,902	430	-	3,333
Finance Costs	225	2	-	227	229	7	-	236

**Notes to the Financial Statements**

(₹ in Lacs)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Continuing operations	Discontinued operations	Less: Elimination of transactions between (A) and (B)	Total	Continuing operations	Discontinued operations	Less: Elimination of transactions between (A) and (B)	Total
	A	B			A	B		
Depreciation, Amortisation and Impairment expense	413	-	-	413	311	126	-	437
Other Expenses	5,495	20	-	5,515	5,644	131	(12)	5,763
Total Expenses	21,826	36	-	21,862	21,993	887	(84)	22,796
Profit/(Loss) before Exceptional items and Tax	(764)	104	-	(660)	(994)	(477)	-	(1,471)
Exceptional Items	(5)	-	-	(5)	3,579	(316)	-	3,263
Profit/(Loss) before Tax	(769)	104	-	(665)	2,585	(793)	-	1,792
Tax adjustment for earlier years	-	-	-	-	0	-	-	0
Profit/(Loss) for the year	(769)	104	-	(665)	2,585	(793)	-	1,792
OTHER COMPREHENSIVE INCOME [OCI]:								
Items that will not be reclassified to profit or loss:								
Re-measurement losses on post employment Defined benefit plans	(31)	-	-	(31)	(90)	-	-	(90)
Other Comprehensive Income for the year [Net of tax]	(31)	-	-	(31)	(90)	-	-	(90)
Total Comprehensive Income for the year [Net of Tax]	(800)	104	-	(696)	2,495	(793)	-	1,702

Note: 50 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.

Notes to the Financial Statements

(vii) As on March 31, 2023 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: 51-Disconnection of Effluent discharge:

The company has received in-principle statutory permission and has started trial operations of its newly-installed Effluent Treatment Plant (ETP) and Zero Liquid Discharge (ZLD) plant for effluent treatment. Final permission from GPCB is expected soon.

Note: 52-Ratios:

Sr No	Type	Numerator	Denominator	Current Year	Previous year	% of Change in ratio	Explanation if there is a change in the ratio by more than 25%
1	Current Ratio (In times)	Total current assets	Total current liabilities	2.38	2.30	3.64	-
2	Debt - Equity Ratio (In times)	Debt consists of borrowings and lease liabilities.	Total equity	0.15	0.08	85.99	Debt raised for part financing of an upcoming Real Estate project increased overall debt level.
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	0.02	(1.26)	101.29	Due to improved profitability.
4	Interest Coverage (In times)	Profit for the year = Profit Before Tax, Extra Ordinary Item, Depr. & Finance Cost	Finance Cost	(0.23)	(3.76)	93.99	Due to improved profitability.
5	Return on Equity Ratio (In %)	Profit for the year less Preference dividend (if any)	Average total equity	-3.14%	-6.87%	54.34	Due to improved profitability.
6	Inventory to Turnover Ratio (In times)	Cost of Material produced	Average Inventory	2.47	3.56	(30.60)	The ratio was higher in the previous year, as inventory level as at 31.03.2021 was much lower due to operations being affected by Covid.
7	Trade Receivable to Turnover Ratio (In times)	Revenue from operations	Average trade receivables	11.30	11.49	(1.66)	-

**Notes to the Financial Statements**

Sr No	Type	Numerator	Denominator	Current Year	Previous year	% of Change in ratio	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	3.05	4.89	(37.50)	Purchases were higher in the previous year as operations level normalised in post-Covid period.
9	Net capital turnover ratio (In times)	Revenue from operations	Average working capital (i.e. total current assets less total current liabilities)	2.23	2.10	6.18	-
10	Operating Profit Margin (In %)	Profit for the year = Profit Before Tax, Extra Ordinary Item & Finance Cost	Revenue from operations	-2.24%	-6.35%	64.72	Due to improved profitability.
11	Net Profit Ratio (In %)	Profit for the year	Revenue from operations	-3.34%	-7.48%	55.42	Due to improved profitability.
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	-1.83%	-5.47%	66.47	Due to improved profitability.
13	Return on Investments (In %)	Income generated from invested funds	Average invested funds	14.77%	16.13%	(8.43)	-

Signatures to Significant Accounting Policies and Notes 1 to 52 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 16, 2023

Shweta Sultania

Company Secretary

Membership Number: ACS-22290

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 16, 2023



If undelivered, please return to :

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