



**ASHIMA LIMITED**  
**Transcript of the 40<sup>th</sup> Annual General Meeting (AGM)**  
**25<sup>th</sup> August, 2023**  
**AGM commenced at 11:35 a.m. and concluded at 12:05 p.m.**

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**Mr. Chintan Parikh – Chairman and Managing Director:**

Good Morning Ladies and Gentlemen,

I, Chintan Parikh, Chairman & Managing Director, welcome you all at this 40<sup>th</sup> virtual Annual General Meeting of the Company.

In view of the COVID-19 pandemic and in accordance with the circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, this AGM is being conducted through Video Conferencing / Other Audio Visual Means (**VC/OAVM**) facility, without physical presence of the members at the common venue.

Accordingly, the Company had taken all requisite steps to enable members to participate and vote on the items being considered in the AGM. The basic instructions relating to E-voting and attending the AGM through VC / OAVM, form part of Notice of the AGM.

Quorum is present as required numbers of shareholders have already joined the AGM and so I call the meeting in order.

Now I am recording the attendance of Directors, KMPs and Auditors, who are present in this meeting.

**Mr. Chintan Parikh**, Chairman and Managing Director, **Mr. Krishnachintan Parikh**, Executive Director, **Mr. Shrikant Pareek**, Director (Operations), **Dr. Bakul Dholakia** - Independent Director, **Mr. Sanjay Majmudar**, Independent Director and Chairman of Audit Committee, **Mr. Neeraj Golas**, Independent Director, **Mrs. Koushlya Melwani** - Independent Director & Chairman of Nomination and Remuneration Committee and Stakeholders Relationship Committee, and **Ms. Shweta Sultania**, Company Secretary – all are present and attending this meeting.



**Mr. Suvrat Shah**, the Statutory Auditors and **Mr. Tapan Shah**, Secretarial Auditor and the Scrutinizer for conducting the e-voting, are also present at this virtual Annual General Meeting of the Company.”

Further,

This being the virtual AGM, I would like to draw your attention to certain statutory and other relevant aspects of the meeting:

- a) In line with the MCA circulars and SEBI Circulars, the Notice of AGM along with Annual Report for the year 2022-23 was sent only through electronic mode. The copy of Annual Report is also available on the Company’s website as well as on the web sites of Stock Exchanges (BSE and NSE) where the company’s shares are listed.
- b) Members attending the AGM through VC are counted as present for the purpose of quorum.
- c) Since AGM is held through VC/OAVM, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members is not available for this Meeting.
- d) As stated in the Notice of AGM, Statutory Registers and relevant documents are available for inspection in electronic mode for the members on the company’s website.
- e) All Members who have joined the meeting are placed on mute mode to ensure an orderly conduct of the meeting.
- f) There will be a question answer session. Kindly note that only those Members who have previously registered as Speakers will be allowed to speak and raise questions or express their views during the AGM, as intimated in the Notice. For this purpose, I will announce the name of such member and that Member will be unmuted by the moderator to allow him to speak. Speaker may choose to participate either by audio mode or by audio-video mode. Please note that there is a restriction of 3 minutes per Member to speak to ensure an orderly conduct of the meeting. Members are requested not to ask repeated questions and be clear and concise while raising their question.

Queries /questions raised by Members will be answered once all the registered speakers complete their questions.



- g) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Login method for e-Voting and for joining virtual meetings for Individual shareholders holding securities in Demat mode is specifically provided in the notice of AGM.
- h) Further, the Company has tied up with Central Depository Services India Limited (CDSL) to provide facility for voting through remote e-voting, e-voting during the AGM and participation in the AGM through VC/OAVM facility.
- i) The e-voting period commenced at 9:00 a.m. (IST) on Tuesday, 22<sup>nd</sup> August, 2023 and ended at 5:00 p.m. (IST) on Thursday, 24<sup>th</sup> August, 2023.
- j) Members who have not cast their votes through remote e-voting facility and who are attending this meeting have an additional opportunity to cast their vote during the proceedings of the AGM. Members may follow the process for e-voting as provided in the Notice of AGM.
- k) Pursuant to Section 108 of the Companies Act, 2013, the Company has appointed Mr. Tapan Shah, Practicing Company Secretary as a Scrutinizer to conduct the e-voting process in a fair and transparent manner.
- l) As per the Secretarial Standard for General Meetings, the company has provided remote e-voting facility for voting on all the resolutions as set out in the notice of AGM. Hence, there is no need to propose and second the Resolution by the members.

**Chairman's Speech:**

1. At the outset, I would like to share my views on the current state of the economy:
  - a. The global economy is going through a slowdown due to various factors. After recovering from the adverse impact of Covid-19, the Russia-Ukraine war has affected the economic growth due to supply-chain disruptions and rising inflation. Interest rate hikes by central banks have led to higher borrowing costs for business enterprises and individuals alike, affecting costs and demand.



- b. While the Indian economy faced these issues, it has shown resilience despite some moderation in growth and has remained one of the fastest growing major economies of the world.
- c. On its part, the Company is confident of taking advantage of the opportunities offered by the textile industry, with continuous focus on technology upgradation, market-oriented product development, customer service and effective cost management.

Now I would move to the Financial Performance of the Company.

## 2. Financial performance:

The company has reported better operational performance during the year. While the reported figures are for a loss of Rs.665 lacs compared to a profit of Rs.1,792 lacs for the preceding year, the same are not comparable. Profitability for the previous year includes exceptional items of Rs.3,579 lacs towards profit on sale of land and a loss of Rs.316 lacs related to discontinued operations. Excluding such exceptional items, the performance for the year has improved by Rs.811 lacs during the year.

The improved performance has been under highly challenging scenario, where a part of manufacturing activities – wet manufacturing operations - was non-operational for almost entire year due to a legal matter as reported by us from time to time.

In such a situation, the company took many initiatives in order to continue the business operations by making outsourcing arrangements wherever required, protecting the topline and bringing down the operational loss compared to previous year.

Increase in export revenues, a strategic push to segments offering higher realizations and tight control over costs has helped several textile divisions achieve significantly higher value additions. This has also helped in cushioning against inflationary pressures. Better performance of the Investment division has also enabled the company to improve its bottom line.

## 3. Real Estate Division:

The Division is moving ahead with two projects, which are progressing well as per following details:



Swan Lake project: This premium weekend homes project is the maiden project of the Real Estate Division. The project has received overwhelming response from customers. Project execution is going on well.

Future Project: The Company is working on a yet to be launched high-end, high-rise luxurious residential units project. Land has already been acquired and approval for the plans of the project has been received from statutory authorities.

4. The Investment Division has reported profit of Rs.160 lacs, compared to Rs.66 lacs in the previous year. The performance of the Division, in terms of XIRR, has been better than benchmark indices over our time frame. The Company has adopted the time-tested philosophy of value investing, selecting companies having strong fundamentals and commanding high entry barriers. Our long-term investment approach would help in optimizing returns on investment with high tax efficiency.

5. Going Forward:

- a. The company has installed Zero Liquid Discharge facility for effluent treatment, and upon receiving requisite statutory permissions, has started operations of the facility along with the newly installed Effluent Treatment Plant. With this, 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 eco-friendly manner.
- b. 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 in near future. It is committed to working on several fronts to improve competitiveness and achieve growth.
- c. The company is well poised to take advantage of the fast-growing real estate market of Ahmedabad. Its real estate business is likely to be the growth driver in the time to come.
- d. The Investment activity, which is built on a strong foundation with a long-term perspective, is expected to yield above par returns over time.

Further,

- I will now take up the formal business of the Meeting.



- I am interested in the Business at Item Nos. 2 and 8 of the AGM Notice and therefore, for these items of business with the consent of the members present, I request Mr Sanjay Majmudar, Chairman of Audit Committee, to preside over as Chairman when Item Nos. 2 and 8 will be placed before the meeting.
- With the permission of members, I take the notice convening this AGM and Board's Report as read.
- The Independent Auditors' Report on Financial Statements and Secretarial Audit Report which are circulated as part of the Annual Report, do not contain any qualification or adverse remark and therefore the same is not required to be read. The auditors have also stated that their report on accounts of the company is not modified in respect of this matter.
- I now place the following businesses mentioned in the Notice before the meeting.

#### **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.

(This business item is proposed to be passed as an Ordinary Resolution)

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.

(This business item is proposed to be passed as an Ordinary Resolution)

#### **Special Business:**

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

(This business item is proposed to be passed as a Special Resolution)

4. Re-appointment of Mr. Shrikant Pareek (DIN: 02139143) as a Whole-time Director, designated as "Director (Operations)" of the Company.

(This business item is proposed to be passed as a Special Resolution)



5. Re-Appointment of Mr. Sanjay S. Majmudar (DIN: 00091305) as an Independent Director of the Company.

(This business item is proposed to be passed as a Special Resolution)

6. Re-Appointment of Mrs. Koushlya V. Melwani (DIN: 01575110) as an Independent Director of the Company.

(This business item is proposed to be passed as a Special Resolution)

7. Ratification of remuneration of Cost Auditor.

(This business item is proposed to be passed as an Ordinary Resolution)

8. Approval for Material Related Party Transaction.

(This business item is proposed to be passed as an Ordinary Resolution)

- All the items of Special Business are explained in detail in the Explanatory Statement attached to the Notice of the meeting.

The Company will disclose the voting results of all the resolutions on the basis of scrutinizer's report within two working days of conclusion of AGM and shall place the same on its website and also on the web site of Stock Exchanges and CDSL.

Now, I handover to Chief Financial Officer, to proceed with the question and answer session.

**Mr. Jayesh Bhayani- Chief Financial Officer:**

We will now proceed to the Question and Answer session. I will announce the names of the member who have registered as Speakers and thereafter the respective speaker will be unmuted to enable him to speak, one by one.

The First Speaker- Mr. Bimal Kumar Agarwal: He has not joined the meeting.

The Second Speaker - Mr. Narendra Kumar Ambalal : Good Morning everyone, thank you for registering my name as speaker shareholder. My questions are:



- (1) Why the Company is not developing its ICON Brand in the retail sector?
- (2) Has Effluent Treatment Plant (ETP) of the Company been installed?
- (3) What are your future plans for the real estate business activities of the Company? Are you planning to sell any surplus land of the Company?
- (4) How is the Swan Lake project of the Company progressing?
- (5) The Company has acquired land for the development of high end project so is the Company planning for any joint venture for the execution of this project?

**Mr. Chintan Parikh, Chairman & Managing Director: Thank you, we will now answer each question.**

(1) Your first question regarding the Brand name of ICON, for this we would like to inform that we have put a lot of efforts in the development of ICON Brand and have used the same in the distribution channels and we have received excellent response during the time before COVID. In COVID time the entire distribution channel was absolutely in hay wire state and subsequently we received a major setback when Effluent Treatment Plant (ETP) was asked to shut down due to High Court Order. Now, we have revived the ETP unit therefore our internal processes have started and as you are aware, the Company has one of the most excellent facilities in terms of its fabric processing Plant. So during this period ICON is one brand where we could not take the risk of getting it outsourced and putting in the market because that will affect our brand adversely. So now it is the right time and we are trying to revive the ICON Brand and we are working on it.

(2) Your second question was about the Effluent Treatment Plant (ETP), for this we would like to inform that the ETP was supposed to be renovated and put brand new because when we sold the land the ETP was part and parcel of that. So the new ETP was constructed and was about to go into the operations in the end of 2021. In the meanwhile, because of the High Court Order and the Ahmedabad Municipal Corporation (AMC) asking all the Textile Mills within the city not to discharge effluent into their drainage system even though they are highly treated, the effluent discharge connection of the company was disconnected. Due to this, we had to resort to legal battle which lasted for six months. However, subsequently we decided to put Zero Liquid Discharge (ZLD) facility which has now become fully operational and now our Plants have started with our ETP supported by ZLD facility. As you are aware, the Primary, Secondary and Tertiary treatments are very essential before the effluent is given to the membranes of RO facilities. There were some teething troubles which are now getting





resolved and we are confident that from next month the entire facility will be working fully and our Plant will operate fully.

(3) Your third question regarding Real Estate is concerned, for this we would like to inform that we are going with full efforts into Real Estate. Real Estate Division of the Company is also supposed to become a substantial and very important division of the Company. As far as surplus land is concerned, as of now Company does not have any intention to sell an additional land because whatever land was sold, it has given enough money to the Company which are invested in Real Estate and Treasury Operation divisions of the Company and now focus is also to make the Textile Division profitable and for that purpose there is no hurry for the Company to sell any of its existing land.

(4) Your fourth question regarding Swan Lake Project is concerned, for this we would like to inform that we have received overwhelming response for this Project. Swan Lake Project had some teething issues in terms of acquisition of land which are now resolved and we have started constructing houses on the land for the customers from whom we have already received the bookings and we are also on the verge of completing the infrastructure including the club house and other facilities etc. So from Swan Lake profitability will definitely come into this year which will be reflected in the financial statements for the year ended 31.03.2024.

(5) Your fifth question regarding development of high end project is concerned, for this we would like to inform that within a month or two we will be launching a Project in the name of 'The Sovereign' in the city of Ahmedabad. This Project is of residential apartments with 102 exclusive residences in 430 ft. tall tower having 37 floors. The Company has not entered into any Joint Venture for execution of this Project. This Project is totally owned by the Company. The estimated revenue potential from this Project will be approx. Rs. 500 Crores.

The Third Speaker - Mr. Jatinbhai Popatlal Parikh: Good Morning! I am pleased to hear the questions of Speaker No. 2 answered by you and wish you good luck.

(1) I want to see the Company remains out of danger.

(2) Are you planning to start the business of technical textiles?

**Mr. Chintan Parikh, Chairman & Managing Director: Thank you, we will now answer each question.**



(1) Your first question regarding the Company remains out of danger, for this we would like to inform you that we are a zero debt company and we are out of danger since long and we have huge asset base so please have patience we are working aggressively to make the Textile Division profitable. In Real Estate Division also we are working aggressively. Mr. Krishnachintan Parikh, Executive Director he is giving his full time to the Textile Division and he is also actively involved in identifying projects for real estate division. He is also actively involved in the Treasury Division of the Company. Treasury Division has shown such excellent results where very soon we are going to meet it much larger in terms of investments with our surplus funds.

(2) Your second question regarding starting the business of technical textiles is concerned, for this we would like to inform you that as of now we have no plans to start the business of technical textiles. Our Company has to go at a much faster pace to take care of the years we have lost for several reasons and with the Company's Treasury operations, Real Estate Division, Cotton Textile business, with our exports and with our Brand name we want to take our Company to a different role and we will show you the results. Thank you!

**Mr. Chintan Parikh – Chairman and Managing Director:**

There being no other business, I now formally conclude the meeting.

I thank all the members, directors and auditors for attending and participating in the AGM through video conferencing and my special thanks to the speaker shareholders for their encouraging words, for their compliments, their faith in the Company and for taking time to attend this meeting. I wish all of you a safe and healthy future.

Thank you.

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Disclaimer:

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