



ASHIMA LIMITED

Transcript of the 41st Annual General Meeting (AGM)

17th August, 2024

AGM commenced at 11:36 a.m. and concluded at 11:57 a.m.

Mr. Chintan Parikh – Chairman and Managing Director:

Good Morning Ladies and Gentlemen,

I, Chintan Parikh, Chairman and Managing Director, welcome you all at this 41st virtual Annual General Meeting of the Company.

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 the notice of the AGM.

Quorum is present, as required number of Shareholders have already joined the AGM and so I call the meeting in order.

Now I request Mr. Jayesh Bhayani, Chief Financial Officer of the company, to explain important aspects of this virtual AGM.

Mr. Jayesh Bhayani - Chief Financial Officer:

Good morning. I am Jayesh Bhayani, CFO of the Company.

I will now record the attendance of Directors, KMPs and Auditors who are present in this meeting.

Mr. Chintan Parikh, Chairman and Managing Director, **Mr. Krishna Chintan Parikh**, Executive Director, **Mr. Shrikanth Parikh**, Director (Operations), **Mr. Nilesh Mehta**, Chairman of Nomination and Remuneration Committee, **Mr. Sanjay Majumdar**, Independent Director and Chairman of Audit Committee, **Mr. Neeraj Golas**, Independent Director and **Mrs. Koushlya Melwani**, Independent Director and Chairperson of Stakeholders Relationship Committee.



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.

This being a 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 the Annual Report for the year 2023-24 was sent only through electronic mode. The copy of Annual Report is also available on the Company's website as well as on the websites of the 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 for appointment of proxies by members is not available for this Meeting.
- d) All members who have joined the Meeting are placed on mute mode to ensure an orderly conduct of the Meeting.
- e) 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 in the AGM as intimated in the Notice. For this purpose, I will announce the names of each member and that member will be unmuted by the moderator to allow him to speak. Speakers 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.

- f) Pursuant to relevant SEBI Circular, login method for e-voting for individual shareholders is specifically provided in the Notice of the AGM.
- g) 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.



- h) The remote e-voting period commenced at 09:00 a.m. on Wednesday, 14th August, 2024 and ended at 05:00 p.m. on Friday, 16th August 2024.
- i) 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 votes through e voting system available during the AGM. E-voting on the CDSL platform will continue to be available for further 15 minutes after the conclusion of this Meeting. Members may follow the process for e-voting as provided in the notice of AGM.
- j) 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.
- k) 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.

Now I would request the Chairman to brief the shareholders on the performance of the Company and outlook for the future.

Mr. Chintan Parikh – Chairman and Managing Director:

Let me begin with my views on the state of the Indian economy:

- a) India remains a beacon of growth amidst global uncertainties with a steadfast focus on infrastructure development and strategic investments in key sectors like manufacturing and technology.
- b) India sustained its position as the fastest growing major economy in the world. Despite inflationary pressures stemming from supply chain disruptions and commodity price fluctuations, our economy continues to march ahead.

I will now move to the Company's performance.

I am pleased to present an overview of our Company's performance during the year 2023-24 and outlook for the future.

I am proud to report that despite a challenging situation, our Company has demonstrated resilience and substantial progress in our non-textile segments of business during the past year.



The Company has made significant strides in the past year marked by notable achievements in our business segments.

Textiles Division:

We have reduced losses of the Textile Division by enhancing volumes and reducing costs despite facing pricing pressures in certain segments.

Real Estate Division:

The Division is currently operating two projects, “Swan Lake” which is a project of plotted development and “The Sovereign”, which is a luxurious high rise residential apartment project. “The Sovereign” project started during the last quarter of the year having total built up area of about 646,000 square feet. Construction work thereof is going well.

“The Swan Lake” project has started booking revenue during the year.

We are confident that this Division will continue to drive our Company's growth trajectory in the coming years.

Investment Division:

As far as the Investment Division is concerned, it has delivered exceptional results, outperforming benchmark indices with an impressive XIRR of 78% for the year and 41% for the period of about three years since inception.

The Division has consistently outperformed the benchmark indices in terms of returns.

This success reflects our prudent investment strategy and expertise in navigating volatile market conditions.

Coming to the financial performance and outlook:

Financially, we have achieved a turnaround with a profit of Rs. 96.41 crores compared to a loss of Rs. 6.65 crores during the last year.

Profitability for the year includes first time recognition of deferred tax assets of Rs. 35 crores.

Despite challenges such as increased borrowing cost and inflationary pressures on operational expenses, we are confident in our ability to sustain growth momentum.



Looking ahead, our real estate business is poised to play a pivotal role in our future growth and profitability. With ongoing projects and a positive market reception, we anticipate continued success in this sector.

As regards the Investment Division, we expect to continue to generate exceptionally good returns, backed by our sound and time-tested investment strategy. We will strive to put incremental capital to generate the best possible return, thereby increasing shareholders' value.

Now, our CFO, Mr. Jayesh Bhayani will take up the formal business of the meeting.

Mr. Jayesh Bhayani - Chief Financial Officer:

I will now take up the formal business of the meeting.

With the permission of the members, I take the notice convening this AGM and the Boards' Report as read.

The Independent Director's Report on financial statements and Secretarial Audit Report, which are circulated as part of the Annual Report, do not contain any qualification or adverse remarks and therefore the same is not required to be read.

The Auditors have also stated that the Report on the accounts of the company is not modified in respect of this matter.

I now place the following businesses as mentioned in the notice before the meeting for voting:

Ordinary businesses:

1. Ordinary Resolution: Adoption of Audited Financial Statements along with reports of the Board of Directors and Auditors report thereon for the financial year ended the 31st March 2024.
2. Ordinary resolution: For appointment of a director in place of Mr. Chintan N. Parikh, Chairman and Managing Director (DIN 00155225), who retires by rotation and being eligible offers himself for reappointment.

Special Businesses:

3. Special Resolution: For appointment of Mr. Nilesh Bansilal Mehta (DIN 00199071) as an Independent Director of the Company
4. Special Resolution: Approval of payment of remuneration to the Independent Directors of the Company.



5. Ordinary Resolution: Ratification of remuneration of Cost Auditors.

All the items for special businesses 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 the conclusion of the AGM and shall place the same on its website and also on the website of the Stock Exchanges and CDSL.

We will now proceed to the Question and Answer session.

I will announce the names of the members 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. Jatin Parikh.

Mr. Jatin Parikh:

Good morning, Bhayani Sir.

Mr. Chintan Parikh, Chairman & Managing Director:

Good morning.

Mr. Jatin Parikh:

I welcome you at the Meeting. The balance sheet is very excellent. It is on the highly profitable side. I congratulate you, yourself, Shrikantbhai and all the team.

Secondly, I congratulate the Secretarial Department. They are always helpful to any shareholder and when we have some work from them, they are always helpful. So, congratulations to the Company Secretary. And thirdly, our Real Estate Division has done very good.

I congratulate you, Sir.

It is the best. The Swan Lake and these things. These schemes are doing well. I knew from the balance sheet.

Further, in Textile Division, there is a technical textile which is profitable. Some textile mills are producing. Can you have an idea of producing technical textiles?

Also, the cotton prices are little less. So, will it be helpful to us?

And I think the Bangladesh garment will be stopped now. So, our Garment Division will be helping now. I think it's a good sign for our garment division.



Mr. Jayesh Bhayani - Chief Financial Officer:

The Second speaker: Mr. Bimal Agrawal

As stated earlier, we will reply to each query at the end of these questions by all the participating speakers.

Mr. Bimal Agrawal:

Hello, can you hear me? Hello.

Mr. Chintan Parikh, Chairman & Managing Director:

Hello.

Mr. Bimal Agrawal:

My name is Bimal Kumar Agrawal. I got no question. Can I join later if you don't mind. Hello. I just speak a bit.

Mr. Jayesh Bhayani - Chief Financial Officer:

You are not audible.

Mr. Krishnachintan Parikh, Executive Director:

You are not audible. Can you speak louder?

Mr. Bimal Agrawal:

I'll just call later.

Mr. Jayesh Bhayani- Chief Financial Officer:

Other speaker.

Mr. Chintan Parikh, Chairman & Managing Director

I think he doesn't want to speak, he said.

Mr. Jayesh Bhayani- Chief Financial Officer:

Okay.

So, the third speaker: Mr. Manjit Singh.

(There is no response.)

So, we now move on to the fourth speaker, Ms. Davinder Kaur.

Currently, I think that speaker is also not online. Yes.



Mr. Dhyaneshwar Bhagwat.

Yes.

Mr. Dhyaneshwar Bhagwat:

Hello. Am I audible, Sir? Yes. Thank you very much. Thank you.

First of all, good morning to you. I am calling from, my name is DK Bhagwat, from Mumbai.

Respected Chairman, Board of Directors, DK Bhagwat from Mumbai.

I am thankful to our Company Secretary, Mr. Jayesh C. Bhayani for sending the soft copy of the Annual Report, which is full of information, facts, figures are easy to follow. Thanks to you and your team, Sir. I support all the resolutions.

Sir. No more questions regarding financials because the Chairman has given all the details of the Company, performance and all that.

Sir, which is the most important product which gives more business?

Secondly, how many new products are in the pipeline?

And third question, now the Bangladesh has not given that much. So, it is an opportunity for us. So, what is our plan for grabbing the business from other countries? This is the third question.

As for coming festival, I wish good luck. Sir. For the speaker shareholders, please give us a Diwali gift.

So, thank you very much for patient hearing. Thank you, Sir.

Mr. Jayesh Bhayani- Chief Financial Officer:

Okay. Thank you.

We have Mr. Narendra Porwal as the sixth speaker.

(There is no response.)

Okay. So, I think there are no more speakers in this meeting.

Now we request the Chairman to answer the queries.



Mr. Chintan Parikh, Chairman & Managing Director:

Okay.

Now Mr. Jatin Parikh had raised one question, which was about technical textiles.

Technical Textiles and the conventional apparel textiles. Though the name textile is common, I believe that the domain expertise for both are very, very different.

Nevertheless, Ashima is likely to explore various opportunities in technical textiles. And we are evaluating whether we would like to go for technical textiles and if at all, whether we can allocate our funds for a meaningful purpose and higher returns, if we find and we come across an opportunity. We are looking at it.

So that is my answer for technical textiles.

But please do not confuse the technical textile as an extension of apparel textiles.

Technical textiles, right from equipment, technology, market segments and the consumers, they are all different. So only the word textile does not take us to a natural extension of our activity.

The second question which has come from Mr. Dhyaneshwar Bhagwat.

He has asked what are the new products in the pipeline.

Now let me put it this way, that now-a-days, the large textile companies, their target or focus market segment are the brands. Even the exports are for the brands. And it is not conventionally looking at what is available for the retail distribution. The retail distribution forms a very small part of the business.

However, the products are always under development and the products nowadays are not only looking at the apparel fabrics, but there are some specific purpose fabrics which the customers are asking for.

For example, performance fabrics. For example, there are customers who want specific ironing requirement to be reduced. So, what we call non-iron fabric which are resinated. There are some fabrics which are supposed to be antibacterial. There are fabrics for children.

Now all these developments have been continuously there for every textile mill and this development has nothing to do with how you will be able to sell because it is the customer who wants this specific requirement and it is a Company's capability that Company delivers that.



As far as the question of Bangladesh is concerned, let us be very clear that the Bangladesh phenomenon is not likely to allow that the Bangladesh garmenting industry will suffer.

In fact, I believe that there will be some push and there will be some more possibility that the western countries may allow them concessions in terms of duty, in terms of specific treatments, favorable treatments.

However, we are definitely clear that in the times to come, if there are more trade free agreements which will be signed with the western countries by India, it will benefit us.

But we must also understand that India, on one hand, is moving fast towards being closer to the developed nations. And in light of that, these regimes of duty concessions and favorable nations treatment are generally available to far more backward countries.

So it's a balance that needs to happen.

So, right now, it's too soon to understand or analyze what will be the effect of Bangladesh regime's upheaval and how soon they'll be able to restore back. It has been understood from the papers that a new government has taken place under the leadership of noble laureate Mr. Muhammad Yunus.

If they settle down very fast, they will again be back into business.

Thank you. Thanks.

Mr. Chintan Parikh, Chairman & Managing Director:

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

My sincere thanks to all the members, Directors and Auditors for attending and participating in the AGM through Video Conferencing. I wish all of you a safe and healthy future and a very happy festivities during the holidays.

Thank you.

End of transcript