



ashima
LIMITED

34th Annual Report
2016-17



ASHIMA LIMITED

34th ANNUAL REPORT – 2016 – 17

BOARD OF DIRECTORS

| | | |
|---------------------------|---|--|
| Mr. Chintan N. Parikh | - | Chairman & Managing Director |
| Dr. Bakul H. Dholakia | - | Director |
| Mr. Bihari B. Shah | - | Director |
| Mr. Jaykant R. Baxi | - | Director (upto 02.08.2016) |
| Mr. Neeraj Golas | - | Director (Nominee Director of ARCIL upto 01.08.2016 and appointed as Director w.e.f. 12.08.2016) |
| Mrs. Koushlya Melwani | - | Director |
| Mr. Atulkumar Singh | - | Director (w.e.f. 15.10.2016) |
| Mr. Krishnachintan Parikh | - | Executive Director (w.e.f. 01.06.2017) |

AUDITORS

Dhirubhai Shah & Doshi
Chartered Accountants
Ahmedabad

COMPANY SECRETARY

Mr. Hiren S. Mahadevia

CHIEF FINANCIAL OFFICER

Mr. Jayesh C. Bhayani

CORPORATE IDENTITY NUMBER (CIN)

L99999GJ1982PLC005253

SHARES LISTED ON STOCK EXCHANGES

BSE Ltd.
National Stock Exchange of India Ltd.

REGISTERED OFFICE & WORKS

Texcellence Complex,
Khokhara – Mehmedabad
Ahmedabad – 380 021

NOTICE

Notice is hereby given that the 34th ANNUAL GENERAL MEETING (AGM) of Ashima Limited will be held on Friday, the 11th August, 2017 at 11.00 a.m. at the Registered Office of the Company situated at Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad –380 021, to transact the following businesses:

Ordinary Business :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Mr. Chintan N. Parikh, Managing Director (DIN: 00155225), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors.

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

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Mukesh M. Shah & Co., Chartered Accountants (Firm Registration No. 106625W) be and hereby appointed as the Statutory Auditors of the Company (in place of Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad, the retiring Auditors) for a term of five (5) years commencing from the Company’s financial year 2017-18 to hold office from the conclusion of 34th Annual General Meeting till the conclusion of 39th Annual General Meeting of the Company, subject to ratification of their appointment by the members at every intervening Annual General Meeting, on such remuneration, excluding service tax, other applicable levies and out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

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

Special Business :

4. **Re-appointment of Mr. Chintan N. Parikh as Managing Director of the Company and approval of his remuneration.**

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

“RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, if required, consent of the Company be and is hereby accorded to the re-appointment of Mr. Chintan N. Parikh (DIN-00155225) as Managing Director of the Company for a further period of three (3) years with effect from February 7, 2017 on terms and conditions of re-appointment and remuneration as set out hereunder:

I. Salary:

The Managing Director shall be entitled to a salary of Rs.5,00,000/- (Rupees five lacs only) per month.



- II. House Rent Allowance: House rent allowance of Rs.2,00,000/- p.m. (Rupees two lacs only) per month.
- III. Perquisites:
 - a. Contribution to provident fund to the extent of Rs.60,000/- p.m. (Rupees sixty thousand only) and superannuation fund to the extent of Rs.8333/- p.m. (Rupees eight thousand three hundred thirty three only).
 - b. Provision of car with chauffeur for use on Company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
 - c. Encashment of leave at the end of tenure not to exceed salary and house rent allowance for a period of 28 days in a year. The amount shall not exceed Rs.6,53,333/- p.a. (Rupees six lacs, fifty three thousand three hundred and thirty three only per annum) at current salary.
- IV. Sitting Fees - The Managing Director shall not be paid any sitting fees for attending the meetings of the board of directors or committee thereof from the date of his appointment.
- V. The headquarter of the Managing Director shall be Ahmedabad in the State of Gujarat.
- VI. Subject to the provisions of the Act the Managing Director shall be liable to retire by rotation and he shall automatically assume the office of the Managing Director on his re-appointment as director when retired by rotation at the relevant annual general meeting of the Company and this resolution shall remain valid and effective as if there is no change in date of his appointment as the Managing Director.
- VII. The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.
- VIII. Subject to the superintendence, control and direction of the Board as it may from time to time determine, the Managing Director shall have substantial powers of the management of the Company and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and also take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Appointment of Mr. Atul Kumar Singh (DIN: 00156228) as an Independent Director of the Company.

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 provision of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Mr. Atul Kumar Singh (DIN: 00156228), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from 15th October, 2016 and who holds office till the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying her intention to propose Mr. Atul Kumar Singh as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold

office for a term upto 5 (five) consecutive years commencing from 15th October, 2016, whose term of office shall not be subject to retirement by rotation.”

6. Appointment of Mr. Neeraj Golas (DIN: 06566069) as an Independent Director of the Company.

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 provision of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Mr. Neeraj Golas (DIN: 06566069), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from 12th August, 2016 and who holds office till the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Neeraj Golas as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 5 (five) consecutive years commencing from 12th August, 2016, whose term of office shall not be subject to retirement by rotation.”

7. Appointment of Mr. Krishnachintan Parikh (DIN: 07208067) as Director of the Company.

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 provision of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Krishnachintan Parikh (DIN: 07208067), who was appointed as an Additional Director by the Board of Directors with effect from 1st June, 2017 and who holds office till the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Krishnachintan Parikh as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. Appointment of Mr. Krishnachintan Parikh (DIN: 07208067) as an Executive Director of the Company.

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

“**RESOLVED THAT** pursuant to provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, permissions and sanctions, if any required, including the Central Government, the approval of members of the Company be and is hereby accorded to the appointment of Mr. Krishnachintan Parikh as an Executive Director of the Company for a period of 3 (three) years w.e.f. 1st June, 2017 to 31st May, 2020, whose period of office shall be liable to retirement by rotation, on the terms and conditions and payment of remuneration as set out hereunder:

- I. Salary: The Executive Director shall be entitled to a salary of Rs.1,43,000/- (Rupees one lac forty three thousand only) per month.
- II. House Rent Allowance: House rent allowance of Rs.57,000/- (Rupees fifty seven thousand only) per month.



III. Perquisites:

- a. Contribution to provident fund to the extent of Rs.17,160/- per month (Rupees seventeen thousand one hundred sixty only) and superannuation fund to the extent of Rs.8333/- per month (Rupees eight thousand three hundred thirty three only).
- b. Provision of car for use on Company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director.
- c. Encashment of leave at the end of tenure not to exceed salary and house rent allowance for a period of 28 days in a year. The amount shall not exceed Rs.1,86,666/- (Rupees one lac, eighty six thousand, six hundred and sixty six only) per annum at current salary.
- d. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

IV. Sitting Fees - The Director shall not be paid any sitting fees for attending the meetings of the board of directors or committee thereof from the date of his appointment.

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

VI. Subject to the provisions of the Act the Executive Director shall be liable to retire by rotation and he shall automatically assume the office of the Executive Director on his re-appointment as director when retired by rotation at the relevant annual general meeting of the Company and this resolution shall also remain valid and effective as if there is no change in date of his appointment as the Executive Director.

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

VIII. The Executive Director shall report to the Managing Director and shall subject to the superintendence, control and direction of the Board as it may from time to time determine, shall have powers that may be specifically delegated to him by the Board and those under the Companies Act, 2013 and/or under the Articles of Association of Company and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

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

9. Approval of Cost Auditor's Remuneration

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Ankit Sheth & Co., Cost Accountants, (Firm Registration No. 102785), appointed by the Board of Directors of the Company as Cost Auditor, on recommendation of Audit Committee to conduct the audit of cost records of the Company pertaining to Company's Product "Textile", be paid remuneration, for the financial year ending 31st March, 2018 amounting to Rs.60,000/- (Rupees sixty thousand only) exclusive of service tax and other applicable levies and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed."

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

10. Approval of Material Related Party Transactions

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

“RESOLVED THAT in terms of provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for ratification / approval of material related party transactions entered into by the Company with a related party as set out in the explanatory statement attached to this Notice.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

11. Alteration of Articles of Association (AOA) of the Company as per the provision of the Companies Act, 2013

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 Section 14 and other applicable provisions, if any, of Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to substitute the entire existing Articles of Association of the Company by a new set of Articles of Association.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.”

“RESOLVED FURTHER THAT any one of the Directors of the Company and/or the Company Secretary be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

Date: May 6, 2017
Place: Ahmedabad

By order of the Board of Directors
For **Ashima Limited**

Regd. Office:
Texcellence Complex,
Khokhara-Mehmedabad,
Ahmedabad – 380 021.

Hiren S. Mahadevia
Company Secretary

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company. Members holding more than 10% of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
3. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item no. 4 to 11 of the accompanying notice are annexed hereto.
4. In respect of resolution at Item no. 4 to 8 a statement giving additional information on the Directors seeking re-appointment is annexed herewith as required under Regulation no.36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 12.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting (AGM) of the Company.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 5th August, 2017 to Friday 11th August, 2017 (both days inclusive).
7. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purpose unless any member has requested for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2016-17 is being sent in the permitted mode.
8. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Link Intime India Pvt. Ltd or Secretarial Department of the Company immediately. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
9. Process and manner for voting through Electronic means –
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1)&(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
 - ii. The remote e-voting will commence on Tuesday, August 8, 2017 at 9.00 a.m. and will end on Thursday, August 10, 2017 at 5.00 p.m. During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, August 4, 2017, 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.

- iii. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their vote again.
- iv. 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 4, 2017, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- v. 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 4, 2017, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
- vi. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday August 4, 2017.
- vii. Mr. Tapan Shah, Practising Company Secretary (Membership No. FCS No.4476, CP No.2839) has been appointed as the Scrutinizer for conducting remote e-voting process in a fair and transparent manner and also voting by Poll Paper at the AGM.
- viii. The procedure and instructions for remote e-voting are as under:-

Remote E-Voting Process – Shareholders holding shares in Demat Form and Physical Form

| | | |
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| Step 1 | : | Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com |
| Step 2 | : | Click on “Shareholders” to cast your vote(s). |
| Step 3 | : | Please enter your USER ID – <ul style="list-style-type: none"> • For account holders in CDSL: Your 16 digits beneficiary ID. • For account holders in NSDL: Your 8 characters DP ID and followed by 8 digits Client ID. • Members holding shares in physical form should enter folio number registered with the Company. |
| Step 4 | : | Please enter the Image verification as displayed and Click on Login. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. |
| Step 5 | : | If you are a first time user follow the steps given below: |
| PAN | : | <ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/depository participant are requested to use the sequence number which is printed on Attendance/Address Slip, in the PAN field • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |



| | | |
|-----------------------|---|--|
| DOB | : | Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | : | <p>Enter the dividend bank details as recorded in your demat account or the Company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If DOB or Bank details are not recorded with the depository or Company please enter the Member ID / Folio No. in the Dividend bank details field as mentioned in step 3.</p> |
| Step 6 | : | After entering these details appropriately, click on “SUBMIT” tab. |
| Step 7 | : | <p>Members holding shares in physical form will then reach directly to the Company selection screen.</p> <p>Members holding shares in Demat form will reach ‘Password Creation’ menu wherein, they are required to create their login password in the new password field. Kindly note that this password can be also be 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.</p> <p>If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.</p> |
| Step 8 | : | For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice. |
| Step 9 | | Click on the EVSN of the Company i.e. 170523002 to vote |
| Step 10 | : | 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 and click on SUBMIT. |
| Step 11 | : | Click on the “RESOLUTIONS FILE LINK” if you wish to view the Notice. |
| Step 12 | : | 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. |
| Step 13 | : | Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page. |
| Step 14 | : | Shareholders can also cast their vote using CDSL’s mobile app “m-Voting” available for Apple, Android and windows based mobile. The m-Voting app can be downloaded from Google Play Store.. Please follow the instructions as prompted by the mobile app while voting on your mobile. |