



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

12th August, 2016

To, BSE Limited Corporate Relationship Department, 25 th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400001 SECURITY CODE NO. 514286	To, National Stock Exchange of India Ltd Exchange Plaza 5 th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 SECURITY CODE NO. ASHIMASYN
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Dear Sir/ Madam,

Sub: Annual Report of 33rd Annual General Meeting ('AGM') under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that the 33rd Annual General Meeting of the Shareholders of the Company was held on Friday, 12th August, 2016 at the Registered Office of the Company at 11:00 a.m.

In this regard, please find enclosed herewith the Annual Report of 33rd Annual General Meeting for the Financial Year 2015–16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You,
Yours Faithfully,

For Ashima Limited


Authorized Person

Encl: As stated

T E X C E L L E N C E

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ashima
LIMITED



33rd Annual Report
2015-16



ASHIMA LIMITED

33RD ANNUAL REPORT – 2015 – 16

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
Mr. Neeraj Golas	-	Nominee Director of ARCIL
Mrs. Koushlya Melwani	-	Director

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 33rd ANNUAL GENERAL MEETING of Ashima Limited will be held on Friday, the 12th August, 2016 at 11.00 a.m. at the Registered Office of the Company 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, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Mrs. Koushlya Melwani, Director (DIN: 01575110), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. Dhirubhai Shah & Doshi, Chartered Accountants (Firm Registration No. 102511W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorise the Board to fix their remuneration.

Special Business

4. Approval of Cost Auditors' Remuneration

To consider and if thought 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 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 of the Company pertaining to Company's Product "Textile", be paid remuneration, for the Financial Year ending 31st March, 2017, amounting to Rs.60,000/- (rupees sixty thousand only) plus tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

5. 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 related parties as set out in the explanatory statement annexed to the notice convening this meeting.

"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."

Date: 14th May, 2016

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 Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item No. 4 and 5 of the accompanying notice are annexed hereto.
4. In respect of resolution at Item No. 2, a statement giving additional information on the Directors seeking re-appointment is annexed herewith as required under Regulation 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 (10.00 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 6th August, 2016 to 12th August, 2016 (both days inclusive).
7. Electronic copy of the Annual Report for the year 2015-16 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 2015-16 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, 9th August, 2016 at 9.00 a.m. and will end on Thursday, 11th August, 2016 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, 5th August, 2016, 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. 5th August, 2016, 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. 5th August, 2016, 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. 5th August, 2016.
- 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

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 Slip, in the PAN field



		<ul style="list-style-type: none"> 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 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. 160528002 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 android based mobiles. 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.

Step 15	:	Note for Non Individual Shareholders and Custodians:- <ul style="list-style-type: none"> Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates. 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) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same
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- ix) 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 within three days after the conclusion of 33rd AGM and shall also be communicated to Stock Exchanges where the shares of the Company are listed.
- x) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details:

Company	:	Ashima Limited Regd. Office: Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad-380 021.
Registrar & Share Transfer Agent	:	Link Intime India Pvt. Ltd. 303, 3 rd Floor, Shoppers Plaza V, Opp. Municipal Market, Off C.G. Road, Ahmedabad 380 009.
E-Voting Agency	:	Central Depository Services (India) Ltd.
E-mail	:	helpdesk.evoting@cdslindia.com
Scrutinizer	:	Mr. Tapan Shah, Practising Company Secretary
Email	:	scrutinizer@tapanshah.in

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013****Item no. 4**

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Ankit Sheth & Co., Cost Accountant, to conduct the audit of the cost records of the Company for the Financial Year 2016-17 on a remuneration of Rs.60,000/- and payment of service tax as applicable and re-imbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the said audit.

In terms of the provisions of 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. 4 of the Notice for ratification of the payment of remuneration to the Cost Auditor for the Financial Year 2016-17.

The Board of Directors recommends the Ordinary Resolution set out at above Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the said Resolution.

Item no. 5

Under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Material related party transactions require shareholders' approval by way of a Resolution. The said Regulation defines the term "material" as follows:

"a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity."

The Company has entered into following material related party transactions with related parties during the year ended 31st March, 2016.

Name of related party: Ashima Dyecot Private Limited

Nature of relationship: Other related party

(Rs. In Lacs)

Nature of Transactions	Transactions during the year ended 31.03.2016
Purchases	251.21
Sales	1523.78
Expenses	2305.88
Income and other receipts	5.81
Outstanding payable (as at the end of the year)	325.43

The aforesaid transactions were in ordinary course of business and on arm's length basis.

Name of related party: Apus Investments Private Limited

Nature of relationship: Other related party

(Rs. In Lacs)

Nature of Transactions	Transactions during the year ended 31.03.2016
Expenses -interest on loan	538.60
Finance -Loans taken during the year	2800.00
Outstanding loans payable (as at the end of the year)	2491.86

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties of the Company shall abstain from voting on the said Ordinary Resolution.

The Board of Directors recommends the Ordinary Resolution set out in the above Notice for approval of the Members.

Except Mr. Chintan N. Parikh and his relatives, none of other Directors or key managerial personnel or their relatives are in any way, concerned or interested, financial or otherwise, in the said Resolution.

Date: 14th May, 2016

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

ANNEXURE TO THE NOTICE DATED MAY 14, 2016**Details of Directors seeking Appointment /Reappointment at the 33rd Annual General Meeting**

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mrs. Koushlya V. Melwani
Date of Birth	20 th April, 1961
Date of Appointment on the Board	15 th December, 2014
Qualifications	B. Com., FCMA
Expertise	Project Finance, Company Law & Cost Accounting
Directorship held in Other Companies	<ol style="list-style-type: none"> 1. Melwani Finsoft Pvt. Ltd 2. K V Melwani & Associates (Proprietor) 3. KVM & Co., (Partner)
Chairmanship / Membership of Committees	<ol style="list-style-type: none"> 1. Member- Audit Committee 2. Member-Nomination and Remuneration Committee 3. Member- Stakeholders Relationship Committee 4. Member- Share Transfer Committee
Shareholding of Director	Nil
Relationship between Directors inter-se	Nil

**BOARD'S REPORT**

Your Directors take pleasure in presenting the Thirty Third Annual Report of your Company together with audited statement of accounts for the year ended on 31st March, 2016.

1. FINANCIAL RESULTS

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

Particulars	(Rupees in Lacs)	
	March 31, 2016	March 31, 2015
Loss before Interest and Depreciation	752.43	677.23
Less : Interest	1219.98	487.69
Loss before Depreciation	1972.41	1164.92
Add : Depreciation and amortization of expenses	383.36	455.40
Loss before tax	2355.77	1620.33
Add : Provision for tax	-	-
Loss after tax	2355.77	1620.33

2. DIVIDEND

Your Directors regret their inability to recommend any dividend on the equity shares in view of the losses suffered by your Company during the year under review and carried forward losses of earlier years. They are also unable to pay any dividend on preference shares.

3. RESERVES

In view of the losses incurred by your Company, no amount has been transferred to general reserve.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The operational performance of the company showed major decline, with the loss at PBT stage going up to Rs.1813.33 lacs (arrived at after adjusting reported PBT for non-recurring expenses (net) of Rs.542.44 lacs) compared to loss of Rs.523.60 lacs in year 2014-15 (adjusted for non-recurring expenses (net) of Rs.1096.73 lacs). (Figures for previous year have been adjusted to remove impact of change in depreciation during that year in compliance with provisions of Schedule II of the Companies Act, 2013). Increase in interest cost by Rs.732 lacs is one of the major reasons for change in performance. The company paid interest to the secured creditors as well as on unsecured loans brought in by promoters to part-finance debt settlement under the Scheme of Arrangement as per the Scheme provisions. On the operational front, the performance has suffered both in Denim and Spinfab divisions mainly on account of lower volumes.

Production and sales volumes have declined both in Denim as well as in Spinfab Division with Denim division suffering more on export front primarily due to sluggish European markets and stiff competition following increased capacities on a macro level. The Spinfab division on the other hand also saw lower volumes, but it could penetrate more into domestic brand segment that provides better margins and thereby offsetting the negative impact of lower volumes to some extent.

Both the company's division continue to operate under severe limitations in terms of product offering, credit terms as well as product costing due to ageing machinery and working capital constraints. These factors have a severe adverse impact on the marketability of the products over and above the pricing and margin issues for the company. Competitors have considerable advantage when it comes to meeting the customer requirements in terms of changing fashion trends and product specifications as well as the operational efficiency affecting the product costs.

The reduced raw materials prices, especially on account of global slowdown, have helped the divisions maintain the product margins and have also helped ease the adverse impact of inflationary pressures on the prices of dyes/chemicals and other operational expenses.

The detailed discussion on performance is highlighted in management discussion and analysis attached to this report.

5. SCHEME OF ARRANGEMENT

The Scheme of arrangement for reconstruction and compromise between the Company and its equity shareholders, preference shareholders and secured creditors (hereinafter referred to as "the Scheme") under sections 391 to 394 of the Companies Act, 1956 read with Section 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 was sanctioned by the Hon'ble High Court of Gujarat vide Order dated 24.09.2015 and the same became effective on and from 5.10.2015 upon filing a certified copy of the High Court Order with the Registrar of Companies, Gujarat.

Accordingly, the Company has made payments to Secured Creditor in terms of the Scheme. However, allotment of Shares as part of secured debt settlement in terms of the Scheme to Asset Reconstruction Company (India) Ltd (ARCIL), one of the secured creditors, got delayed as the same were to be allotted simultaneously with the Rights Issue shares. Post Rights Issue formalities were delayed on account of litigation and Court order as detailed in the status on Rights Issue in this Report.

6. RIGHTS ISSUE

The Company came out with a Rights Issue of 8,00,85,089 equity shares of Rs. 10 each aggregating to Rs.8008.51 Lacs at par in the ratio of 24:10 to part-finance settlement of secured debt under Scheme of Arrangement u/s. 391 of the Companies Act, 1956. The issue closed on 2nd December, 2015 and the basis of allotment was approved by BSE Limited, the designated Stock Exchange, on 11th December, 2015. The process of refund, allotment and listing of shares was to be completed by 17th December, 2015, but the company could not complete these processes due to a status-quo order passed by the Debt Recovery Tribunal ("DRT"), Mumbai, restraining Bankers to the Issue from release of any funds and the Company from withdrawing the funds collected in the Rights Issue, in a pending case which was filed by HDFC Bank against the Company.

Subsequently, several legal cases and processes followed at DRT, the Debt Recovery Appellate Tribunal and Hon'ble Bombay High Court. As per various order of The Hon. Bombay High Court including final order dated 3rd May 2016, which directed the Bankers to release the funds collected under Rights Issue towards refund and release allotment money which allowed company to complete the further processes of the Rights Issue, allotment was made on 5th May, 2016 and refund amounts were processed on 7th May, 2016. The shares of the company under the Rights Issue have been listed upon completion of formalities.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF YOUR COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments which affect the financial position of the company occurring between the end of financial year and the date of this Report except as stated specifically in this Report.

8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any subsidiary, joint venture or associate company for the year ended 31st March, 2016.

9. 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 31st March, 2016.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo forms part of this Report and annexed at **Annexure-1**.

**11. RISK MANAGEMENT**

The Company has set up a risk management framework to identify, monitor, minimize, mitigate and report and also to identify business opportunities. The executive management oversees the risk management framework and the Audit Committee evaluates internal financial controls and risk management systems. In the opinion of Board, there are no risk which may threaten the existence of the Company.

12. CORPORATE SOCIAL RESPONSIBILITIES INITIATIVES

The requirements of corporate social responsibility in terms of Section 135 of the Companies Act, 2013 does not apply to your company.

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

There are no loans granted or guarantees given or security provided or investments made under Section 186 of the Companies Act, 2013.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions with Related Parties are placed before the Audit Committee and also at the Board of Directors for approval. Prior omnibus approval of the Audit Committee and Board of Directors is obtained for the transactions which are of a for foreseeable and repetitive nature. The transactions entered into pursuant to omnibus approval are placed before Audit Committee and Board of Directors on quarterly basis. The policy on Related Party Transaction (RPT) as adopted by the Board of Directors is available at the Company's website at the weblink, http://www.ashima.in/Policy_Related_Party_Transactions.pdf.

The members may note that all transactions entered into by the Company with the Related Parties were on arm's length basis and in the ordinary course of business and therefore provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Details of all material transactions, if any, with related parties have been disclosed quarterly along with the compliance report on corporate governance. Transactions with related parties as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to financial statements.

15. NOMINATION AND REMUNERATION POLICY

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company's policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management and approved by the Board of Directors at its meeting held on 07.03.2015. The said policy may be referred to, at the Company's website at <http://www.ashima.in>

16. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Board of Directors has carried out an annual evaluation of its performance, its Committees of the Board of Directors and all individual Directors pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also in accordance with the policy laid down by the Nomination and Remuneration Committee (NRC) approved by the Board of Directors.

In a separate meeting of Independent Directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director was evaluated. After such evaluation the Board came to the conclusion that the Board as a whole as well as all its Members individually and the Committees of the Board continued to adhere to the standards of good governance and continuous improvement in processes and procedures. The Board notes that every individual member of the Board and its Committees have contributed in the sustained operations and overall performance of the Company. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

17. ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure-2**.

18. WEBSITE OF YOUR COMPANY

Your Company maintains a website www.ashima.in where detailed information of the Company and specified details in terms of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been provided.

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

During the year 4 meetings of the Board of Directors were held as required under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of Board meetings held during the financial year 2015-2016 have been furnished in the Corporate Governance Report forming part of this Annual Report.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in the Board of Directors of the company.

In accordance with the Article of Association of the Company and the provision of the Companies Act, 2013, Mrs. Koushlya Melwani, Director (DIN: 01575110) retires by rotation and being eligible seeks reappointment.

21. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3) (c) and 134 (5) of the Act, that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

22. DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have given their declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013. The terms and conditions of the appointment of Independent Directors have been disclosed on the website of the Company at www.ashima.in

23. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has put in place a Familiarization Program for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarization Program is available on the website of the Company www.ashima.in.

24. INSURANCE

The Company's plant, property, equipments and stocks are adequately insured against major risks. The Company has also taken Directors' and Officers' Liability Insurance Policy to provide coverage against the liabilities arising on them.

**25. PARTICULARS OF EMPLOYEES**

- (A) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and is annexed as **Annexure - 3** to this Report.
- (B) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary.

26. STATUTORY AUDITORS

M/s. Dhirubhai Shah & Doshi, Chartered Accountants (Firm Registration No. 102511W) hold office upto the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

27. COST AUDITOR

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Ankit Sheth & Co., Cost Accountant (Membership No: M/ 34404) as Cost Auditor of the Company, for the financial year ending on 31st March, 2017, on a remuneration as mentioned in the Notice convening the 33rd Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. Ankit Sheth & Co., Cost Accountant has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

28. SECRETARIAL AUDIT REPORT

Pursuant to provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed Mr. Tapan Shah, Practising Company Secretary, Ahmedabad (Certificate of Practice No. 2839) to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2016. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as **Annexure - 4**.

29. EXPLANATIONS/ COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY

The observations of Statutory Auditors in their report on the financial statements are self explanatory and therefore do not call for any further comments.

Mr. Tapan Shah, Practising Company Secretary was appointed to carry out the secretarial audit for the year ended 31st March, 2016 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed with this Report. There are no qualifications, reservations or adverse remarks in the said Secretarial Audit Report.

30. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM

The details of composition of Audit Committee have been furnished in the Corporate Governance Report forming part of this Annual Report.

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 and displayed on the website of the Company.

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

32. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details on Internal Control Systems and their adequacy are provided in the Management's Discussion and Analysis which forms part of this Report.

33. LISTING WITH STOCK EXCHANGES

Your Company is listed with the BSE Limited and National Stock Exchange of India Ltd. and the Company has paid the listing fees to each of the Exchanges.

34. AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been given in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

35. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 (3) read with Schedule V (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 a report on Corporate Governance along with Management Discussion and Analysis Report and Certificate of compliance from M/s. Dhirubhai Shah & Doshi, Chartered Accountants, forms part of this report.

36. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme including Employee Stock Option Scheme.
- c. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees.

37. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Directors state that during the year under review, there were no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

38. APPRECIATION

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

39. ACKNOWLEDGEMENTS

Your Directors places on record their sincere thanks to the customers, vendors, investors, banks and financial institutions for the 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

Place: Ahmedabad

Date: 14th May, 2016

Chintan N. Parikh

Chairman and Managing Director



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 31st March, 2016 is given herein below and forms part of the Board's Report.

A. Conservation of Energy

i. Energy Conservation measures taken:

- Replacement of conventional Reciprocating Air Compressors & LT motors by Centrifugal Air Compressor with compact and high efficient HT motor thereby saving power.
- In weaving and preparatory sections, conventional tube fixtures were replaced by LED tubes, thereby achieving better illumination at work places as well as saving power.
- Regular monitoring of power factor to reduce overall power cost.

ii. Utilization of alternate source of energy

During the year under review, the sludge from Effluent Treatment Plant was dried by heating with solar energy instead of electricity/fuel.

iii. The cost of the equipment for the energy conservation is Rs.104.08 Lacs

B. Technology Absorption

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

- Conversion of old model PLC of Warping machine were replaced by latest version of PLC with connected electric panel.
- Old design soft starter of existing Centac air compressor motor was replaced by advanced technology soft starter,

ii. The benefit of the above effort was improvement in working of the machines and reduction in breakdowns.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): 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 Rs.1013.35 lacs excluding deemed export and foreign exchange outgo was Rs.318.18 lacs.

ANNEXURE-2
FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L99999GJ1982PLC005253
2.	Registration Date	17 th June, 1982
3.	Name of the Company	Ashima Limited
4.	Category/Sub-Category of the Company	Public Company having Share Capital
5.	Address of the Registered office and Contact details	Texcellence Complex, Khokhara Mehmedabad, Ahmedabad 380 021 Phone: 079-67777000 E-mail: texcellence@ashima.in
6.	Whether listed Company (Yes/No)	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited 303, 3 rd Floor, Shoppers Plaza V, Opp. Municipal Market, Off. C. G. Road, Ahmedabad – 380 009 Phone: 079 - 26465179 Fax: 079 - 26465179 Email: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product	NIC Code of the Product	% of total turnover of the Company
1	Cotton Fabrics	1711	93.80%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
	NIL	NIL	NIL	NIL	NIL


IV. Shareholding pattern (Equity Share Capital Breakup as % of total Equity)
i. Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	265201	-	265201	0.79	265201	-	265201	0.79	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	10872092	-	10872092	32.58	10872092	-	10872092	32.58	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	11137293	-	11137293	33.38	11137293	-	11137293	33.38	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total share-holding of Promoter (A) = (A)(1) + (A)(2)	11137293	-	11137293	33.38	11137293	-	11137293	33.38	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	3300	3300	0.01	-	3300	3300	0.01	-
b) Banks / FI	22985	89	23074	0.07	22985	89	23074	0.07	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investors	-	-	-	-	150000	-	150000	0.45	+0.45
Sub-total (B) (1)	22985	3389	26374	0.08	172985	3389	176374	0.53	-
(2) Non-Institutions									
a) Bodies Corporate	4741326	14522	4755848	14.25	4766004	14522	4780526	14.33	+0.08
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 Lac	8377369	669123	9046492	27.11	10002654	661089	10663743	31.96	+4.85

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lac	7084888	-	7084888	21.23	5266688	-	5266688	15.78	+5.45
c) Others, Specify	-	-	-	-	-	-	-	-	-
i) OCBs	600000	492465	1092465	3.27	600000	492465	1092465	3.27	-
ii) Individuals (Non Resident Individuals)	180425	45002	225427	0.68	206696	45002	251698	0.75	+0.07
Sub-total (B) (2)	20984008	1221112	22205120	66.54	20842042	1213078	22055120	66.09	-
Total Public Shareholding(B)= (B)(1) + (B)(2)	21006993	1224501	22231494	66.62	21015027	1216467	22231494	66.62	-
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	32144286	1224501	33368787	100.00	32152320	1216467	33368787	100.00	-

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year i.e. 01.04.2015			No. of Shares held at the end of the year i.e. 31.03.2016			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Uttara Chintan Parikh	100463	0.30	-	100463	0.30	-	-
2.	Chintan Navnit Parikh	43500	0.13	-	43500	0.13	-	-
3.	Shefali C. Parikh	31600	0.09	-	31600	0.09	-	-
4.	Krishnachintan Chintan Parikh	31300	0.09	-	31300	0.09	-	-
5.	Chintan Navnitlal Parikh (HUF)	30425	0.09	-	30425	0.09	-	-
6.	Parikh Ayesha Chintan	27913	0.08	-	27913	0.08	-	-
7.	Albus Investments Private Limited	5437871	16.30	1.50	2137871	6.41	23.39	-9.89%
8.	Apus Investments Private Limited	5434221	16.28	1.50	8734221	26.17	5.72	+9.89%
	Total	11137293	33.38	3.00	11137293	33.38	29.11	-

**iii. Change in Promoters' Shareholding (Please specify, if there is no change)**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		Change in Shareholding , i.e. Increase/Decrease		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Albus Investments Private Limited	5437871	16.30	-3300000	-9.89	2137871	6.41
2.	Apus Investments Private Limited	5434221	16.28	+3300000	+9.89	8734221	26.17

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the Financial year as on 01.04.2015		Change* in shareholding, i.e. Increase / (Decrease) (Date & No. of Shares)	Shareholding at the end of the Financial year as on 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	GEEK TECHNOLOGIES PRIVATE LIMITED	2194200	6.58	—	2194200	6.58
2.	M P INVESTMENTS (INDIA) LIMITED	1077465	3.23	—	1077465	3.23
3.	ADITYA H PATEL	494635	1.48	—	494635	1.48
4.	PATEL HEMANG SUKHDEVPRASAD	413069	1.24	—	413069	1.24
5.	NEHABEN HEMANGBHAI PATEL	391272	1.17	—	391272	1.17
6.	JMP SECURITIES PVT. LTD.	-	-	18.12.2015 7000 25.12.2015 (3776) 31.12.2015 512775 08.01.2016 (8298) 15.01.2016 (18702) 29.01.2016 5452 05.02.2016 (5452)	381468	1.14
7.	MENTOR CAPITAL LIMITED	480141	1.44	29.05.2015 (54000) 06.11.2015 (17470) 27.11.2015 (10000) 04.12.2015 (20000)	378671	1.13
8.	MALAY JAYENDRA DALAL	334404	1.00	-	334404	1.00
9.	MSPL LIMITED	208906	0.63	10.04.2015 10000 07.08.2015 6950 21.08.2015 8450 30.10.2015 6042 06.11.2015 15000 31.12.2015 29880 08.01.2016 4900 15.01.2016 24090	314218	0.94

Sr. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the Financial year as on 01.04.2015		Change* in shareholding, i.e. Increase / (Decrease) (Date & No. of Shares)	Shareholding at the end of the Financial year as on 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
10.	RAJNIKA A MEHTA	175000	0.52	(20000)	155000	0.46
11.	ROSY BLUE SECURITIES PVT. LTD.	325000	0.97	-	-	-
12.	VISHAL MUKESHKUMAR SHAH	252150	0.76	-	-	-
13.	ASHOK LILADHAR SHAH	245271	0.74	-	-	-
14.	MITTAL MUKESHKUMAR SHAH	210000	0.63	-	-	-

* The reason for change of shareholding as described above is due to Share Transfer.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year 01.04.2015		Change in Shareholding, i.e. Increase/Decrease		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Chintan N. Parikh	43500	0.13	-	-	43500	0.13
2.	Dr. Bakul H. Dholakia	1000	0.00	-	-	1000	0.00
3.	Mr. Jaykant R. Baxi	1200	0.00	-	-	1200	0.00
4.	Mr. Hiren S. Mahadevia	10450	0.03	-	-	10450	0.03

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. In lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	44066.50	1543.64	--	45610.14
ii) Interest due but not paid	104.14	--	--	104.14
iii) Interest accrued but not paid	--	--	--	--
Total (i+ii+iii)	44170.64	1543.64	--	45714.28
Change in Indebtedness during the financial year				
Addition	--	--	--	--
Reduction	33888.26	473.17	--	34361.43
Indebtedness at the end of the financial year				
i) Principal Amount	10282.38	1070.47	--	11352.85
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not paid	--	--	--	--
Total (i+ii+iii)	10282.38	1070.47	--	11352.85


VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Director and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (Rs. In lacs)
MD - MR. CHINTAN PARIKH			
1	Gross salary		
	(a) Salary as per section 17(1) of IT Act, 1961		84.40
	(b) Value of Perquisites u/s 17(2) of IT Act, 1961		--
2	Stock Option		--
3	Sweat Equity		--
4	Commission:		
	- as % of profit		--
	- others, specify		--
5	Others, specify		--
	TOTAL		84.40
	Ceiling as per Act		84.40

B. REMUNERATION TO OTHER DIRECTORS:
1. INDEPENDENT DIRECTORS

Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
	Dr. Bakul Dholakia	Mr. Jaykant Baxi	Mr. Bihari B. Shah	
Fee for Attending Board / Committee Meetings	72000/-	39000/-	63000/-	174000/-
Commission	--	--	--	--
Others, Please Specify	--	--	--	--
TOTAL	72000/-	39000/-	63000/-	174000/-

2. OTHER NON EXECUTIVE DIRECTORS:-

Particulars of Remuneration	Mrs. Koushlya Melwani	Mr. Neeraj Golas**	Total Amount (in Rs.)
Fee for Attending Board / Committee Meetings	69000/-	40000/-	109000/-
Commission	--	--	--
Others, Please Specify	--	--	--
TOTAL	69000/-	40000/-	109000/-

** Nominee Director of ARCIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:-

(Rupees in Lacs)

SR. NO.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
1	Gross salary			
	(a) Salary as per section 17(1) of IT Act, 1961	81.39	42.60*	123.99*
	(b) Value of Perquisites u/s 17(2) of IT Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission:-			
	- as % of profit	--	--	--
	- others, specify	--	--	--
5	Others, specify	--	--	--
	TOTAL	81.39	42.60*	123.99*

* includes arrears of remuneration for earlier years

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCE (UNDER THE COMPANIES ACT):

(Rupees in Lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OFFICER IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

**ANNEXURE-3**

Details Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Particulars
1.	Ratio of Remuneration of Chairman & Managing Director to the median remuneration of employees of the company is 50.80 : 1. Other directors have been in receipt of only the fees for attending Board / Committee Meetings.
2.	The Increase in remuneration of Chairman and Managing Director is 39.64%, of Group CFO and Company Secretary is -0.72% and that of Chief Financial Officer is 5.47%.
3.	The percentage increase in the median remuneration of employees is 3.38%.
4.	There were 984 permanent employees on the rolls of the company as on 31 st March, 2016.
5.	The company incurred a loss of Rs. 2355.77 lacs for FY 2015-16. The average increase in the remuneration is 5.34%, which was to partially offset the average inflation in 15-16 as also to prevent any significant employee attrition.
6.	The company incurred a loss of Rs. 2355.77 lacs for the FY 15-16. The Key Managerial Personnel including Chairman & Managing Director were paid a remuneration of Rs.227.19 lacs for the year.
7.	The market capitalisation of the company has increased from Rs. 2669.50 lacs as on 31 st March, 2015 to Rs.3587.14 lacs as on 31 st March, 2016. The PE ratios are not relevant due to losses of the company. There is an increase of 9.30% in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer, a Rights Issue (the shares of the company under this Rights Issue were not listed as on 31 st March, 2016).
8.	Average increase in remuneration of Managerial Personnel (KMP including CMD) is 14.92% while that of other employees is 4.44%.
9.	The company incurred a loss of Rs. 2355.77 lacs for the FY 15-16. The remuneration of Chairman and Managing Director is Rs. 98.73 lacs , of Group CFO and Company Secretary is Rs. 87.94 lacs and that of Chief Financial Officer is Rs. 40.52 lacs.
10.	There is no variable component in remuneration of the directors.
11.	There is no employee who has received remuneration in excess of the highest paid director during the year.
12.	The remuneration is as per the Nomination and Remuneration Policy of the company.

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

ANNEXURE - 4

SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2016

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ASHIMA LIMITED
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 also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 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 the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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 there under to the extent of Foreign Direct Investment and Overseas 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, 1992 and 2015, as amended from time to time;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (applicable w.e.f 01/07/2015)

I have also examined compliance with the applicable clauses and Regulations of the Listing Agreements and Listing Regulations entered into by the Company with BSE Limited and National Stock Exchange of India Limited.



Further being a Textile Industry, there are no specific applicable laws to the Company, which requires approvals or compliances under any Acts 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.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings.

I further report that -

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

I further report that -

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

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, except as stated below :

I further report that during the audit period -

1. The Scheme of arrangement for reconstruction and compromise between the Company and its equity shareholders, preference shareholders and secured creditors (hereinafter referred to as "the Scheme") under sections 391 to 394 of the Companies Act, 1956 read with Section 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 was sanctioned by the Hon'ble High Court of Gujarat vide Order dated 24.09.2015.

Accordingly, the Company has made payments to Secured Creditor in terms of the Scheme. However, allotment of Shares as part of secured debt settlement in terms of the Scheme to Asset Reconstruction Company (India) Ltd (ARCIL), one of the secured creditors got delayed as the same were to be allotted simultaneously with the Rights Issue of Equity Shares. Post Rights Issue formalities were delayed on account of litigation and Court order as detailed in the status on Rights Issue in this Report.

2. The Company came out with a Rights Issue of 8,00,85,089 equity shares of Rs. 10/- each aggregating to Rs.8008.51 Lacs at par in the ratio of 24:10 to part-finance settlement of secured debt under Scheme of Arrangement u/s. 391 of the Companies Act, 1956. The issue closed on 2nd December, 2015 and the process of refund, allotment and listing of shares was to be completed by 17th December, 2015, but the company could not complete these processes due to a status-quo order passed by the Debt Recovery Tribunal ("DRT"), Mumbai, restraining Bankers to the Issue from release of any funds and the Company from withdrawing the funds collected in the Rights Issue, in a pending case which was filed by HDFC Bank against the Company.

Subsequently, several legal cases and processes followed at DRT, the Debt Recovery Appellate Tribunal and Hon. Bombay High Court. As per various order of The Hon. Bombay High Court including final order dated 3rd May, 2016, which directed the Bankers to release the funds collected under Rights Issue towards refund and release allotment money which allowed company to complete the further processes of the Rights Issue which includes allotment of shares and refund of excess amount. Said Rights shares will be listed and traded shortly upon completion of certain other formalities.

Signature

(Tapan Shah)

Practicing Company Secretary

FCS No. 4476

C.P. No. 2839

Place: Ahmedabad

Date : 14th May, 2016

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
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.

Place: Ahmedabad
Date : 14th May, 2016

Signature
Tapan Shah
Practicing Company Secretary
FCS No.: 4476
C P No.: 2839

CEO AND CFO CERTIFICATION

The Board of Directors
Ashima Limited
Ahmedabad.

We certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2016 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.

Chintan N. Parikh
Chairman & Managing Director

Jayesh C. Bhayani
Chief Financial Officer

Place: Ahmedabad
Date : 14.05.2016



CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended on 31st March, 2016:

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 levels 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 maximise 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. Ashima recognizes that an efficient and strong corporate governance is indispensable to resilient and vibrant capital markets and is therefore important instrument of investor protection. Ashima believes that contribution to the society is integral part of its being and hence strives to preserve environment, energy and heritage. Thus good corporate governance is integral part of its value system.

A Report on compliance with the principles of Corporate Governance as prescribed by Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

2. Board of Directors:

- a. 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) of SEBI Regulations, 2015. The Board of Directors of the Company as at 31st March, 2016 comprises of 6 directors including woman director with 50% of it as non-executive independent directors. Further none of the Directors are members 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 is a Director. None of the Independent Directors of the Company serve as an Independent Director in more than 7 (seven) listed companies and none of the Independent Directors is serving as an Independent Director in more than 3 (three) listed entities if he is serving as a Whole Time Director in any listed entity. The board comprises of 6 (six) Directors as on 31st March, 2016, details of which are as follows:-

Category	Name of Directors
Promoter Director	1. Mr. Chintan N. Parikh - Chairman and Managing Director
Independent Directors Non-Executive	2. Dr. Bakul H. Dholakia 3. Mr. Jaykant R. Baxi 4. Mr. Bihari B. Shah
Nominee Director (Non-Executive)	5. Mr. Neeraj Golas
Non – Executive Non Independent Director	6. Mrs. Koushlya Melwani

Information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with respect to the directors retiring and seeking appointment / re-appointment or directors sought to be appointed as under:-

At the ensuing annual general meeting, Mrs. Koushlya Melwani, Non-Executive Non Independent Director of the company, retires by rotation and being eligible is seeking re-appointment. A brief profile of the said Director is as under:

Mrs. Koushlya Melwani is a Fellow Member of Institute of Cost Accountants of India and having 28 years of professional experience in the field of project finance, company law & cost accounting.

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	3	Yes
2.	Dr. Bakul H. Dholakia	4	Yes
3.	Mr. Jaykant R. Baxi	3	Yes
4.	Mr. Bihari B. Shah	4	Yes
5.	Mr. Neeraj Golas	4	No
6.	Mrs. Koushlya Melwani	4	No

c. Number of other Companies in which the Directors are Director/ Chairman and other Board Committees in which they are Member or Chairperson:

Sr. No.	Name of the Director(s)	Number of Directorships including alternate director	No. of memberships in board committees	Whether Chairman/ Member
1.	Mr. Chintan N. Parikh	7	-	-
2.	Dr. Bakul H. Dholakia	6	3	Chairman
3.	Mr. Jaykant R. Baxi	-	-	-
4.	Mr. Bihari B. Shah	-	-	-
5.	Mr. Neeraj Golas	-	-	-
6.	Mrs. Koushlya Melwani	1	-	-

d. Number of board meetings held during the year 2015-16

The board meets at least once in a quarter to review the quarterly results and consider other items on agenda. During the year 2015-16 Board of Directors of the Company met 4 (four) times on following dates:- 27th June, 2015, 8th August, 2015, 28th October, 2015 and 5th February, 2016.

The gap between any two meetings never exceeded four months. 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 Regulations is being made available to the board at respective board meetings.

e. Disclosure of relationships between directors inter-se:

There is no relationship between the Directors inter-se.


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

Sr. No.	Name of Directors	Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the Company
1.	Mrs. Koushlya Melwani	Nil	---
2.	Mr. Neeraj Golas	Nil	---
3.	Mr. Bihari B. Shah	Nil	--
4.	Dr. Bakul H. Dholakia	1000	0.00
5.	Mr. Jaykant R. Baxi	1200	0.00

g. Details of familiarization programmes imparted to Independent Directors:

The Independent Directors, who are from diverse fields of expertise and having immense experience and expert knowledge in their respective fields are very relevant as well as considerable value for the Company's business. As a part of familiarization programme as required under SEBI Regulations, the Independent Directors are apprised during the board meetings and committees meetings on the Company operations, governance, internal control process and other relevant matters. They are also updated about the amendments to the various enactments viz., Companies Act, 2013, SEBI Regulations and other important changes in the regulatory framework and business environment having impact on the Company. The details of familiarization programmes imparted to independent directors is placed on website of the company www.ashima.in

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 been changed as and when required. The Audit Committee acts as link between the statutory and internal auditors and the Board of Directors. It assist the Board of Directors in fulfilling its oversight responsibilities of monitoring financial reporting processes, review the Company's established system & processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Audit Committee at present comprises of 3 (three) directors viz. Dr. Bakul H. Dholakia, Mr. Bihari B. Shah and Mrs. Koushlya Melwani. The constitution of audit committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Regulations.

The terms of reference of audit committee as approved by the Board of Directors are as per guidelines set out in the SEBI Regulations read with Section 177 of the Companies Act, 2013, stipulated hereinbelow:

1. The audit committee will meet at least four times a year and not more than four months shall elapse between two meetings.
2. Powers of audit committee
 - a. to investigate any activity within its terms of reference.
 - b. to seek information from any employee.
 - c. to obtain outside legal or other professional advice.
 - d. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee and Review of Information by Audit Committee

3. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

4. Recommending to the Board, the appointment / re-appointment, replacement or removal if any required, of Statutory Auditors, Cost Auditors and or any other auditors including fixation of remuneration.
5. Approval of payment to Statutory Auditors for any other services rendered by them.
6. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval with reference to:-
 - Matters required to be included in Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.
 - Significant adjustments made in financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Modified Opinion(s) in the draft audit report.
7. Reviewing with the management, the quarterly financial statement before submission to the board for approval.
8. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in the matter.
9. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
10. Approval or any subsequent modification of transactions of the company with related parties.
11. Scrutiny of inter-corporate loans and investments.
12. Valuation of undertakings or assets of the company, wherever it is necessary.
13. Evaluation of internal financial controls and risk management systems
14. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
15. To formulate in consultation of internal auditor the scope, functioning, periodicity and methodology for conducting the internal audit and Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
16. Discussion with internal auditors on any significant findings and follow up thereon.
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
18. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
19. To review the functioning of the Whistle Blower Mechanism..
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.



21. Approval of appointment of CFO (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
22. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

In addition to the above, the following items will be reviewed by the Audit Committee:-

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions, (as defined by the Audit Committee) submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- appointment, removal and terms of remuneration of the internal auditor.

During the year 2015-16, the Audit Committee met 4 times on 27th June, 2015, 8th August, 2015, 28th October, 2015 and 5th February, 2016. The Audit Committee normally reviews those functions which are assigned to it as per the terms of reference approved by Board of Directors. The meeting held on 27th June, 2015 was to review annual accounts for the year ended on 31st March, 2015.

The Chairman of the audit committee was present at the last (32nd) Annual General Meeting held on 18.09.2015.

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

Sr. No.	Name	Designation	No. of meetings held	No. of meetings attended
1.	Dr. Bakul H. Dholakia	Chairman	4	4
2.	Mr. Bihari B. Shah	Member	4	4
3.	Mrs. Koushlya Melwani	Member	4	4

4. Nomination & Remuneration Committee:

The Board of Directors of the Company has constituted a Nomination & Remuneration committee in the year 2003. The composition of committee has been changed as and when required.

The powers, roles and terms of reference of the Nomination & Remuneration Committee covers the area as contemplated under Regulation 19 of SEBI Regulations and Section 178 of the Companies Act, 2013, besides other terms as may referred by the Board of Directors. The roles includes formulation of criteria for determining qualifications, positive attributes and independence of director and recommending to the Board a policy, relating to remuneration for the directors, key managerial personnel and other senior level employees, formulation of criteria for evaluation of performance of Independent Directors and the Board, devising a policy on Board diversity and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal, 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.

The nomination and remuneration committee has formulated a nomination & remuneration policy and the same was approved by the board of directors. The policy is available on the website of the company www.ashima.in

The nomination and remuneration committee evaluated the performance of the Independent Directors on the basis of the criteria such as contribution of Independent Directors in regard to monitoring of company's governance standard and practices, actively participating in the Board and Committees meetings and

fulfilling fiduciary responsibilities and giving ideas & valuable suggestions for long term strategic planning. In addition, the committee also evaluated the performance of non independent directors including the Chairman & Managing Director on the various key aspects such as leadership abilities, problem solving skills and instrumental in contributing by new ideas etc.

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Regulations, Dr. Bakul H. Dholakia – Independent Director is the Chairman of the committee, Mr. Chintan N. Parikh, Mr. Jaykant R. Baxi and Mrs. Koushlya Melwani are the members of the committee. The Nomination & Remuneration Committee met thrice on 27th June, 2015, 8th August, 2015 and 5th February, 2016. The details of members participation at the meetings are as under:

Sr. No.	Name	Designation	No. of meetings held	No. of meetings attended
1.	Dr. Bakul H. Dholakia	Chairman	3	3
2.	Mr. Jaykant R. Baxi	Member	3	2
3.	Mr. Chintan N. Parikh	Member	3	2
4.	Mrs. Koushlya Melwani	Member	3	3

5. Remuneration of Directors for the financial year 2015-16:

The terms of appointment of Mr. Chintan N. Parikh, Managing Director has been approved by the nomination & remuneration committee, board of directors, shareholders and Ministry of Corporate Affairs, New Delhi for a period of 3 years w.e.f. 7th February, 2014 to 6th February, 2017 vide Letter no. C00297036/4/2014 CL VII dated 08.01.2015, along with payment of remuneration payable to Mr. Chintan N. Parikh as Managing Director for the period 7th February, 2014 to 31st March, 2014 of Rs.66.00 lacs per annum and vide Letter no. C42018614/4/2014 CL.VII dated 06.01.2016 for the payment of remuneration of Rs.84 lacs per annum for the period 01.04.2014 to 31.03.2015.

During the year, the nomination & remuneration committee at their meeting held on 08.08.2015 recommended the enhanced remuneration payable to Mr. Chintan Parikh to Rs.84 lacs per annum as per Schedule V of the Companies Act, 2013 for the remaining period of the term i.e. 01.04.2015 to 06.02.2017, which was approved by the Board of Directors at their meeting held on 08.08.2015 and also by the shareholders at 32nd Annual General Meeting held on 18th September, 2015.

The remuneration paid for the financial year ended on 31st March, 2016 to Mr. Chintan N. Parikh, Managing Director of the company is Rs.92.60 lacs which includes salary, perquisites, contribution to provident fund and superannuation fund. Besides this the Managing Director, is also entitled to encashment of leave as per the rules of the company.

The company pays sitting fees to all of its Non-Executive Directors. The same is paid at the rate of Rs.10000/- per meeting for board meeting, Rs.5000/- per meeting for the audit committee meeting and Rs.3000/- per meeting for the nomination and other committees subject to tax. The separate meeting of Independent Directors were also paid Rs. 3000/- per meeting subject to tax. The total sitting fees paid for the year ended on 31st March, 2016 to the directors is as follows:-

No.	Name of Directors	Amount (in Rs.)
1.	Dr. Bakul H. Dholakia	72000
2.	Mr. Jaykant R. Baxi	39000
3.	Mr. Bihari B. Shah	63000
4.	Mr. Neeraj Golas	40000
5.	Mrs. Koushlya Melwani	69000



None of the non-executive directors have any material pecuniary relationship or transactions with company. Except sitting fees for attending board meetings and various committee meetings no other fees are paid to the non-executive directors.

The Managing Director is paid remuneration and perquisites as per the agreement entered into between the Company and the Managing Director. The term of agreement entered into by the Company with Managing Director is valid till 06.02.2017 but it may be renewed at a time for further period of 3 years subject to necessary approvals if any required under the Companies Act, 2013. No severance fee is payable by the company to the Managing Director on termination of the agreements. The Company is not having Stock Option scheme for Directors.

6. Stakeholders Relationship Committee

The company constituted shareholders' / investors' grievances committee in the year 2002 to look into redressal of investors complaints like transfer of shares, non-receipt of annual report and other investor related matters. The composition of same has been changed as and when required. The nomenclature of this committee has been changed since 30.05.2014 to "Stakeholders Relationship Committee" in compliance with the requirement of the Companies Act, 2013 and the Listing Agreement. As at 31st March, 2016, the committee consists of Mr. Biharibhai B. Shah, Mr. Jaykant R. Baxi and Mrs.Koushlya Melwani, Directors. Mr. Hiren S. Mahadevia, Company Secretary is the Compliance Officer. In order to expedite the process, the committee has authorised Mr. Dipak Thaker, Authorised Person to attend and redress day to day investor complaints and report the same to committee at their meetings. The committee met 3 (three) times in the year on 27th June, 2015, 8th August, 2015 and 5th February, 2016 to take stock of redressal of investors complaints and the same was attended by all the members of the committee. The company had received 125 investors complaints during the financial year under review, and there is no complaint pending as at 31st March, 2016. The details of members participation at the meetings are as under:

Sr. No.	Name	Designation	No. of meetings held	No. of meetings attended
1.	Mr. Jaykant R. Baxi	Chairman	3	3
2.	Mr. Biharibhai B. Shah	Member	3	3
3.	Mrs. Koushlya Melwani	Member	3	3

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 Regulations, the company has suitably revised the Code of Conduct & Business Ethics of the board members. 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

8. Risk Management

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 board takes responsibility for the total process of risk management in the organization which includes framing, implementing & monitoring the risk management plan.

9. Meeting of Independent Directors

As per Companies Act, 2013 and Regulation 25 of SEBI Regulations, the Independent Directors met on 30th March, 2016 inter-alia to discuss:

- Evaluation of the performance of Non Independent Directors and Board of Directors as whole.
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and non Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

The details of members participation at the meetings are as under:

Sr. No.	Name	Designation	No. of meeting held	No. of meeting attended
1.	Dr. Bakul H. Dholakia	Chairman	1	1
2.	Mr. Jaykant R. Baxi	Member	1	1
3.	Mr. Bihari B. Shah	Member	1	1

10. General Body Meetings:

Location and time for the last three AGMs:

Year	Date	AGM	Venue	Time
2013	21/09/2013	AGM	Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380021.	10.30 a.m.
2014	29/09/2014	AGM	As Above	10.30 a.m.
2015	18/09/2015	AGM	As Above	12.00 p.m

Three special resolutions were passed by the Shareholders at the 32nd Annual General Meeting of the company held on 18th September, 2015 as set out in notice of the last AGM. Six special resolutions were passed by the Shareholders at the 31st Annual General Meeting of the company held on 29th September, 2014 as set out in the notice of the AGM. No other special resolutions were placed before the previous AGM i.e. 21.09.2013 nor passed as special resolution through postal ballot. At present no special resolution is proposed through postal ballot.

11. Means of Communication:

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

*	Half yearly reports sent to shareholders	:	No
*	Quarterly / half yearly and annual results normally published in which newspaper	:	English Daily news paper Gujarati Daily newspaper
*	Any website	:	www.ashima.in
	Whether it displays official news release and the presentation made to institutional investors or to analyst	:	There have been no presentations made.
*	Whether management discussion and analysis report is a part of annual report	:	Yes

12. General Shareholders' Information:

- AGM date, time and venue: 12th August, 2016 at 11.00 a.m. at Texcellence Complex, Khokhara - Mehmedabad, Ahmedabad – 380021.
- Date of book closure: 6th August, 2016 to 12th August, 2016.
- Listing on stock exchanges:
 - BSE Limited
 - National Stock Exchange of India Limited



- d. Listing fees: Paid for all the above stock exchanges for financial year 2015-2016.
- e. Address of Registered Office: Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad - 380021.
- f. Financial calendar: 1st April, 2016 to 31st March, 2017.

Results for 1st quarter ending on 30th June, 2016 : Within 45 days of the end of the quarter

Results for 2nd quarter ending on 30th September, 2016 : Within 45 days of the end of the quarter

Results for 3rd quarter ending on 31st December, 2016 : Within 45 days of the end of the quarter

Results for 4th quarter ending on 31st March, 2017 : Within 60 days of the end of the quarter

Annual General Meeting : September, 2017.

- g. Stock exchange security code:

- The Bombay Stock Exchange Ltd : 514286
- The National Stock Exchange of India Ltd : ASHIMASYN

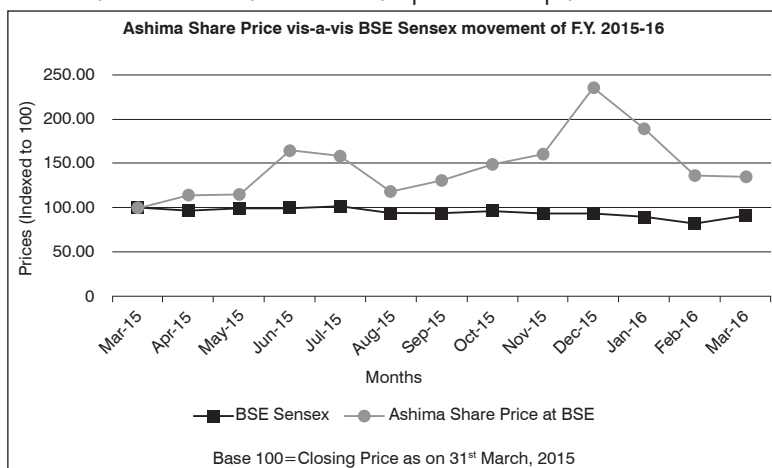
Demat ISIN numbers in NSDL and

CDSL for equity shares : ISIN No. : INE440A01010

- h. Monthly high and low quotations along with the volume of shares traded at National Stock Exchange and Bombay Stock Exchange during the financial year ended 31st March, 2016:

MONTH	NSE			BSE		
	High Rs.	Low Rs.	Volume Nos	High Rs.	Low Rs.	Volume Nos
April 2015	11.40	8.05	373709	11.20	8.05	233770
May 2015	9.80	8.50	198800	10.03	8.55	181777
June 2015	13.75	8.00	1465581	13.50	8.05	1067243
July 2015	13.65	11.00	883480	13.94	10.96	805838
Aug.2015	14.40	9.20	987487	14.40	9.27	1296477
Sept.2015	10.80	8.50	244440	10.83	8.75	198004
Oct.2015	18.40	10.05	3201173	18.08	10.21	2847102
Nov.2015	13.35	10.50	2596262	13.35	10.60	1639368
Dec.2015	21.85	12.50	114806503	20.86	12.50	5237257
Jan. 2016	21.60	12.80	3400419	21.35	13.00	2268475
Feb. 2016	15.90	9.50	784807	15.35	9.45	594818
Mar. 2016	13.60	10.10	958285	13.58	10.20	486932

- i. Performance of Ashima Limited share price in comparison to BSE Sensex.



j. Distribution of shareholding:

As on 31st March, 2016 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	16711	79.81	2648338	7.94
501-1000	2008	9.59	1806469	5.41
1001-2000	934	4.46	1535489	4.60
2001-3000	392	1.87	1044917	3.13
3001-4000	175	0.84	651753	1.95
4001-5000	233	1.11	1138512	3.41
5001-10000	274	1.31	2160692	6.48
10001 and above	212	1.01	22382617	67.08

Shareholding Pattern of the Company:

No.	Category	No. of shares held	Percentage (%) of share holding
A.	Promoter's holding		
	Indian Promoters & Promoter Group	11137293	33.38
	Sub Total A	11137293	33.38
B.	Non- Promoter holding		
1.	Institutional Investors	-	-
a.	Mutual Funds and UTI	3300	0.01
b.	Venture Capital Funds	-	-
c.	Alternate Investment Funds	-	-
d.	Foreign Venture Capital Investors	-	-
e.	Foreign Portfolio Investors	150000	0.45
f.	Financial Institutions/ Banks	23074	0.07
g.	Insurance Companies	-	-
h.	Provident Funds/ Pension Funds	-	-
i.	Any other	-	-
	Sub Total B(1)	176374	0.53
2.	Central Government/State Government (s)/ President of India	-	-
	Sub Total B(2)	-	-
3.	Non Institutions		
a. i.	Individual shareholders holding nominal share capital upto Rs. 2 Lakhs	10950798	32.82
ii.	Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	4036785	12.10
b.	NBFCs registered with RBI	-	-
c.	Employee Trusts	-	-
d.	Overseas Depositories (holding DRs) (balancing figure)	-	-
e.	Any Other (specify)	7067537	21.18
	Sub Total B(3)	22055120	66.63
	Grand Total	33368787	100.00



k. Registrar and Share Transfer Agents:

The company had appointed Link Intime (India) Private Limited, Ahmedabad to carry out transfer related activities of shares of the company both in physical and demat form in pursuance to SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27/12/2002.

l. Share Transfer System :

All the shares related work is undertaken by Link Intime India Pvt. Ltd, Ahmedabad in pursuance of SEBI guidelines. All the statements relating to share transfer, transmission, split up, consolidation, demat etc., are regularly placed before the meeting of share transfer committee, which meets regularly for their approval and thereafter is placed before the meeting of the board of directors of the company for noting and ratification. Further the share transfers are registered and returned within 15 days from the date of receipt, if the documents are complete and clear in all respects.

m. Dematerialisation Details:

The shares of the company have been under compulsory trading in demat effective from 24th March, 2000. The company had entered into tripartite agreement with NSDL, CDSL and Link Intime (India) Private Limited, for dematerialisation of the securities. Upto 31st March, 2016, 13625 shareholders have sought dematerialisation of their 3,21,52,320 equity shares which constitutes 96.36% of total share capital of the company.

n. Liquidity:

The company's shares are among the most liquid and actively traded shares on BSE Limited and National Stock Exchange of India Limited. The monthly trading volumes of company's shares have been given at point "h" hereinabove.

o. Dividend:

The board of directors of the company have not recommended any dividend for the year ended on 31st March, 2016.

p. Plant Location:

Texcellence Complex, Khokhara – Mehmedabad, Ahmedabad – 380021.

q. Address for Correspondence:- Investors / shareholders should address their correspondence to the Registrar and Share Transfer Agents at the address mentioned below :-

Link Intime India Pvt. Ltd

Unit No.303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Off. C.G. Road,
Ahmedabad – 380009.

All the 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.

r. Compliance with Code of Business Conduct and Ethics,

As provided under SEBI 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 31st March, 2016.

- s.** 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.
- t.** There being no shares in the demat suspense account or unclaimed suspense account, no disclosure is required to be made.

13. Disclosures:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large.

Related party transactions in terms of Companies Act, 2013 were in the ordinary course of business and on arm's length basis. None of the transactions with any of the related parties were in conflict with the interest of the company. Suitable disclosures as per requirements of Accounting Standard (AS) 18, are disclosed in the notes to accounts annexed to the financial statements. Related party transactions in terms of Companies Act, 2013 were in the ordinary course of business and on arm's length basis. In terms of Regulation 23 of the SEBI Regulations the company is obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties during the year. Policy on dealing with related party transactions is placed on the Company's website at www.ashima.in.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Ltd and the company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the company by above Stock Exchanges, SEBI or any other authority, or any matter relating to the capital markets during the last three (3) years.

c) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The company has adopted Whistle Blower policy for Directors and Employees which has been placed on the website of the company. No personnel has been denied access to the Audit Committee.

d) Subsidiary Company.

As the Company has no Subsidiary as on date, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

14. Details of compliance with mandatory requirements and adoption of the non mandatory requirements

During the year, the company has fully complied with the mandatory requirements as stipulated in the SEBI Regulations. The status on the compliance with the non-mandatory requirements of the SEBI Regulations is as under:

Board: The Chairman of the company is Executive Chairman and hence the requirements of maintaining chairman office is not applicable.



Shareholder's Rights: The company's financial results are published in the news papers and are also posted on website i.e. www.ashima.in. Hence, the financial results are not sent to the shareholders of the company. However, the company furnishes the financial results on receipt of request from shareholders of the company.

Modified Opinion(s) in Audit Report: The financial statements presented for the year 2015-16 do not have qualifications.

Separate posts of chairperson and chief executive officer: The company does not have separate post of Chairman & Managing Director / Chief Executive Officer.

Reporting of internal auditor: The internal auditor of the company presently reports to the Chief Financial Officer.

15. Disclosure of 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.

The information as required under Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been disseminated on the Company's website i.e. www.ashima.in.

The above report has been placed before the board of directors of the company at their meeting held on 14th May, 2016 and the same was approved thereat.

For and on behalf of the board

Place: Ahmedabad
Date: 14th May, 2016

Chintan N. Parikh
Chairman and Managing Director

AUDITOR'S CERTIFICATE

To,
The Members of
Ashima Limited
Ahmedabad.

We have examined the compliance of conditions of corporate governance by Ashima Limited, for the year ended on 31st March, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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, **Dhirubhai Shah & Doshi**
Chartered Accountants
Firm Registration No.102511W

Date: 14th May, 2016
Place: Ahmedabad

Kaushik D Shah
Partner
Membership No. 016502

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the company has adopted a code of conduct for directors and senior management personnel.

I confirm that the company has in respect of the financial year ended on 31st March, 2016, received from the members of the board and senior management personnel declaration of compliance with code of conduct as applicable to them.

Date: 14th May, 2016
Place: Ahmedabad

Chintan N. Parikh
Chairman and Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Amidst tumultuous times in the global macroeconomic landscape, international trade and commerce was adversely affected by slowing down of China's economy as a major consumer, turbulent financial markets, bottoming of prices of several commodities and volatile exchange rates. This led to risk-aversion by international investors and put several economies under considerable stress. India however remained a relatively bright spot with its growth story continuing to bloom, partly due to the benefit that it derived from a sharp reduction in crude oil prices. In addition, the Indian economy's domestic economic parameters like inflation and fiscal and current account deficits continued to be moderate. However, its exports faltered and manufacturing trended downwards. New investments were hard to come by despite the efforts of the government to showcase India as an attractive investment destination. The banking sector, especially government owned banks, prodded by the Reserve Bank of India's tough stand on stressed assets, disclosed and provided for massive amounts of bad and irrecoverable loans, pushing many of them in the red in their quarterly performance reviews. We are in a situation just ahead of the monsoon and there could be some nervousness in terms of weather patterns and the monsoon being good or bad.

Indian textile industry had a lackluster and flat performance over the last financial year. There are a few important factors that explain the trend. The first and major one is China changing the cotton and yarn importing policy via maintaining a huge government reserved stock of cotton. The second key factor is the continued and recessionary demand from key export destinations such as the US, EU, South Korea and Japan. The third factor and a serious concern is the strong emergence of Bangladesh, Vietnam, Cambodia, Myanmar and Ethiopia as the fast-growing producers and exporters, with many concessions including duty free imports from the US and EU. Going forward, India may become less competitive when the TPP (Trans-Pacific Partnership) agreement comes into force in 2018 which would allow huge duty free advantage to several competing countries.

On domestic front, a weak demand for fabrics and yarns owing to a fall in exports vis-a-vis competition from five small, newly emerging countries played a disturbing role. Weaker mills could not handle the high working capital requirements necessitated due to liquidity crunch and had to reduce production capacities.

In light of this scenario, the performance of the company during the year saw a setback on account of increased interest burden and decline in performance of Denim and Spinfab divisions. Losses at the Denim division increased further and profitability of Spinfab division came under pressure. Capacity utilization in both the divisions suffered due to lower volumes, primarily due to reduced exports of Denim division. Continued limitations of the company in terms of product offerings, credit terms and product costing due to ageing machinery and working capital constraints have had added impact on its bottom line. A number of larger textile corporates also introduced state-of-the-art dyeing and finishing machinery and have made it more difficult for the company to compete. For this specific reason, the Company had to take a hard decision of closing down its spinning activity at Denim division since its machinery were not able to produce required quality yarn at competitive costs.

SEGMENT ANALYSIS AND REVIEW

The company operates only in one segment i.e. Textiles. The different products within textiles in which company has its presence are discussed below:

Denim Division:

Denim Division reported further deterioration in performance as market conditions worsened. It witnessed significantly lower export volumes in light of slowdown in global markets, especially the European markets. The division is not able to offer product varieties expected by the market in line with changing trends. For products which are very generic, the prevailing prices make the orders financially non-viable. It continues to outsource speciality fabrics to the extent possible and thereby retaining the customers, however this has many limitations in terms of availability of facilities and associated costs as well as meeting tight delivery schedules.

Spinfab Division:

The volumes at the Spinfab division, which mainly consist of domestic trade, have also declined in the backdrop of weak domestic demand. A good sign is that the business with domestic brands increased where the value additions are better compared to other market segments. The division could also improve upon its pricing and margin in a limited way for its business with the Garment Exporters and Buying Houses. This has helped the division to off-set the impact of tight pricing prevalent in the distributor segment and also to maintain overall margin level in terms of per meter contribution.

Attires Division:

The division reported decline in sales turnover due to sluggish market conditions and increased competition due to entry of new players and hence reported reduced volumes and lower realisations. The division continues to face increased pressure due to growth in Readymade Garment segment that adversely impacts demand for ready-to-stitch product line of the division.

FINANCIAL RESULTS AND OUTLOOK:**Financial performance:**

The company has reported a loss of Rs. 2355.77 lacs for the year at PBT level compared to loss of Rs.1620.33 lacs in previous year. The operational performance showed major decline, with the loss at PBT stage going up to Rs.1813.33 lacs (arrived at after adjusting reported PBT for non-recurring expenses (net) of Rs.542.44 lacs) compared to loss of Rs.523.60 lacs in year 2014-15 (adjusted for non-recurring expenses (net) of Rs.1096.73 lacs). (Figures for previous year have been adjusted to remove impact of change in depreciation during that year in compliance with provisions of Schedule II of the Companies Act, 2013.) Increase in interest cost by Rs.732 lacs, as detailed later in the report, is one of the major reasons for change in performance. On the operational front, the performance suffered both in Denim and Spinfab divisions mainly on account of lower volumes.

Raw material:

The prices of cotton and yarn further softened during the year on account of lower demand and good availability of the raw materials. The global slow down especially in China and the European countries has a significant impact on the demand-supply position of the materials and thereby impacting the prices significantly. The reduced prices have helped the divisions maintain the product margins and have also helped ease the adverse impact of inflationary pressures on the prices of dyes/chemicals and other operational expenses

Dyes and Chemicals:

Expenditure on dyes and chemicals has reduced mainly on account of reduction in volumes. Cost in per meter terms has marginally increased due to rise in prices and change in product mix.

Utilities:

Utility costs have also reduced considerably. Over and above volumes, the reduction is partly on account of higher gains on sourcing of power through open access system and partly due to usage of fuel with different specifications offering cost advantages.

Other expenses:

Lower volumes have also had effect on the related manufacturing expenses that have reduced across most of the expense heads. Additionally, cost of spares went down due to various reasons including lower machine utilization, cessation of spinning activity at Denim as well as continued efforts to control spares cost by deferring repairs wherever possible in light of limited resources. Fixed costs have gone up marginally due to normal increase in salary and other costs.

Interest:

The company settled its entire outstanding secured debts by way of a Scheme of Arrangement u/s 391 of the Companies Act, 1956. The company was required to pay interest to secured creditors under debt settlement option I as provided in the Scheme. Moreover, as provided in the Scheme, the promoters brought in funds in form of unsecured loans for the purpose of payments to secured creditors. As a result the interest cost has moved up. It would also be relevant to note that a part of the funds brought in by the promoters were adjusted during the year towards acquisition of equity shares under the Rights Issue of the Company as provided for in the Scheme and hence no interest was paid on these funds from the date of such adjustment.

Outlook:

With its raw materials base and large size of all sectors of the textile industry, India has vast potential to grow in many textile segments. However, policy issues at the macroeconomic level and weak global trends are likely to weigh high. There are uncertainties surrounding the inflation path emanating from the likely spatial and temporal distribution of monsoon, the low reservoir levels by historical averages, and the strength of the recent upturn in commodity prices, especially oil. Benefits of sluggish global prices of commodities like oil do not get fully passed on due to government policies. With the fear that China could unleash its huge cotton reserve at lower auction prices, cotton and yarn prices are likely to remain under pressure. The weak global sentiments for cotton would also put a spoke in the wheel. Under the circumstances, the Denim and Spinfab divisions are likely to face challenging times ahead. The outlook for Denim and Spinfab markets is also troubled by the downturn in global markets as a result of which most of the players are trying to penetrate more into the domestic market.



There is already a supply glut, especially in the Denim segment which is likely to be aggravated by the global phenomenon. With the Indian economy not showing any signs of revival, the domestic market is also likely to remain subdued.

RESOURCES AND LIQUIDITY

For many years, the company has been facing severe resource crunch as well as issues related to ageing machinery resulting into suboptimal functioning. There is huge requirement for capital expenditure in order to upgrade the machinery and remove bottlenecks in the production processes. Limitations in form of product developments and uncompetitive costing has affected the financials of the company very hard. Going forward, there is a silver line in form of successful implementation of the debt settlement under the Scheme of Arrangement, as a result of which the company is likely to gain favourably in terms of getting supplier credits and other working capital facilities, which though they would add to costs, will provide the company with much needed flexibility to handle the operations in a better way.

OPPORTUNITIES:

Debt settlement as implemented by the Company may have positive impact going forward as stated above. Moreover, softening of interest rates may make the fund availability economical for the company and it can be used to gain technological edge with regard to product innovation and development. Improvement in overall global situation coupled with revival of domestic markets may also shape the outlook of the textile industry positively.

THREATS, RISKS AND CONCERNS:

Availability of good quality yarns at competitive prices and access to working capital facilities is of major concern for the company going forward. The prices of yarn continue to go through high volatility and thereby making it difficult to enter into long term contracts with customers. The volatility faced on the foreign exchange market is also very pivotal as far as exports business of the company is concerned. Moreover, as stated earlier, the strong emergence of Bangladesh, Vietnam, Cambodia, Myanmar and Ethiopia as the fast-growing producers and exporters, with many concessions including duty free imports from the US and EU may pose enhanced threat.

INTERNAL CONTROL SYSTEMS

There are adequate internal control system existing in the company across all the areas of operations and processes. This ensures efficiency of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. The audit committee reviews the adequacy and effectiveness of the internal control systems and improvements are carried out to strengthen them. Present internal control system is adequate considering the size of the company and nature of its operations.

RESEARCH AND DEVELOPMENT:

Company recognizes the importance of research and development across all important areas and continues to maintain and update its operational facilities, in spite of its tight financial position, in order to meet the changing product requirements of the customers, achieve cost efficiencies and meet compliance requirements of statutory agencies.

HEALTH, SAFETY AND ENVIRONMENT:

The safety, health and welfare of workers and employees is of paramount importance for the company. It follows appropriate work practices and maintains high standards of safety. There is a safety committee to look after various aspects of working conditions of workers, health related issues, minimizing risk of accidents at workplace etc. It takes sufficient measures to ensure environment protection, including compliance with emission standards and applicable safety regulations. It provides clean, healthy and pleasant work environment and ambience to its employees.

HUMAN RESOURCES DEVELOPMENT:

The company follows proper policies and practices for the welfare of its employees and takes adequate measures for attracting and retaining the right talent.

CAUTIONARY STATEMENT:

Statements in the Board's Report and the management discussion and analysis containing the objectives, expectations or predictions of the company may be forward-looking within the meaning of securities laws and regulations. Actual results may differ materially from those expressed in the statement. The operations of the Company could be influenced by various factors such as domestic and global demand and supply conditions affecting sales volumes and selling prices of finished goods, input availability and cost, government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

INDEPENDENT AUDITOR'S REPORT

To the Members of Ashima Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Ashima Ltd. ('the Company'), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of Order.
10. As required by Section 143(3) of the Act, we report that:
- 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.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - On the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - 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"; and
 - 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:
 - The company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 27 and 28 of the financial statements.
 - The company has made provisions as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For, Dhirubhai Shah & Doshi
Chartered Accountants
FRN No: 102511W

Kaushik D. Shah
Partner
Membership Number: 016502

Place: Ahmedabad
Date: 14/05/2016

ANNEXURE - A TO THE AUDITOR'S REPORT

Referred to in Paragraph 9 of the Independent Auditors' Report of the even date to the members of Ashima Limited on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. In our opinion, the program of verification is reasonable having regard to the size of the company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.
- (c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management except inventories lying with third parties (other than stock lying with Ashima Dyecot Pvt. Ltd.) which have been confirmed and stock in transit which have been subsequently received. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of inventory as compared to book records were not material and the same have been properly dealt with in books of account.
- (iii) According to information and explanations provided to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, and therefore, the provisions of clauses (iii) (a), (iii) (b) & (iii) (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loan, provided any guarantee or made any investment as per Section 185 and 186 of Companies Act, 2013, hence this clause is not applicable.
- (v) According to the information and explanations provided to us, the Company has not accepted any deposits from the public under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder where applicable. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) According to the information and explanations provided to us, the Company has maintained proper cost records as prescribed by Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the accounts and record of the Company in this connection and are of the opinion that prima facie the prescribed accounts and records have been maintained. However we have not made a detailed examination of the same.
- (vii) (a) According to the information and explanations provided to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, duty of custom, service tax, duty of excise, value added tax cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, wealth tax, duty of custom, service tax, duty of excise, value added tax cess and other material statutory dues applicable to it were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations provided to us, the details of disputed statutory dues which are disputed are as follows:

Sr. No.	Nature of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Foreign Trade (Dev.& Regu. Act), 1992	Custom Duty and Interest	63.78	1997	Gujarat High Court
2	The Income Tax Act, 1961	Income tax	41.04	A.Y. 1994-95	Gujarat High Court
3	The Income Tax Act, 1961	Income tax	676.66	A.Y. 1996-97	Assessment Officer (matter remanded by ITAT)
4	The Income Tax Act, 1961	Income tax	0.87	A.Y. 2001-02	Assessment Officer
5	Gujarat Sales Tax Act, 1969	Sales Tax	1,906.01	F.Y. 1999-2000 and 2000-2001	Joint Commissioner (Appeals) of Commercial Tax
6	Gujarat Value Added Tax Act, 2003	VAT	30.45	F.Y. 2007-08	VAT Tribunal
7	Gujarat Value Added Tax Act, 2003	VAT	7.38	F.Y. 2008-09	VAT Tribunal
8	Gujarat Value Added Tax Act, 2003	VAT	1.34	F.Y. 2011-12	Commissioner (Appeals) of Commercial Tax
9	Employees' State Insurance Act, 1948	ESI Contribution	81.20	Part of FY 1994-95 to FY 1996-97	ESI Court

- (viii) As per scheme of arrangement u/s 391 of the Companies Act, 1956 examined by us and information and explanations provided in Note No.44 of notes to financial statements, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

An amount of Rs. 750 lacs in suspense account remains unsettled. Refer Note 40 of notes to financial statements.

- (ix) According to information and explanation provided to us, the Company has made a Rights Issue of equity shares for Rs.8008.51 Lacs for part-financing debt settlement under Scheme of Arrangement. The process of allotment, refund and credit of allotment money to the company has been completed after the end of reporting period as the same was delayed due to court cases. Of the total issued amount, the company has already applied Rs.6217.73 lacs towards payment to secured creditors against the amounts due for debt settlement under Scheme of Arrangement.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has paid managerial remuneration to its Chairman and Managing Director as permissible as per provisions of the Section 197 read with the Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations provided to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations provided to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 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 and Companies Act, 2013.
- (xiv) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. As provided in the Scheme of Arrangement, the Company has issued 150 lac equity shares at par to one secured lender by converting debt of Rs. 1500 lacs after the date of Balance Sheet.
- (xv) According to the information and explanations provided 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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, **Dhirubhai Shah & Doshi**
Chartered Accountants
FRN No: 102511W

Kaushik D. Shah
Partner
Membership Number: 016502

Place: Ahmedabad
Date: 14/05/2016



ANNEXURE - B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Ashima Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 Companies Act, 2013.

Auditors' Responsibility

3. 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. 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

8. 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 31 March 2016, 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, Dhirubhai Shah & Doshi

Chartered Accountants

Firm's Registration Number: 102511W

Kaushik D. Shah

Partner

Membership Number: 016502

Place: Ahmedabad

Date: 14/05/2016

**BALANCE SHEET AS AT MARCH 31, 2016****(Rupees in lacs)**

	Note Number	As at Mar. 31, 16	As at Mar. 31, 15
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	5,386.88	5,386.88
(b) Reserves and surplus	3	(11,479.39)	(32,253.46)
2 Share Application Money Pending Allotment		8,008.51	-
3 Non-current liabilities			
(a) Long-term borrowings	4	6,130.96	45,740.96
(b) Other Long term liabilities	5	506.49	510.93
(c) Long-term provisions	6	158.51	251.77
4 Current liabilities			
(a) Short-term borrowings	7	9,448.42	8,231.34
(b) Trade payables	8	3,161.75	3,393.61
(c) Other current liabilities	9	970.76	753.20
(d) Short-term provisions	10	47.21	-
TOTAL		22,340.10	32,015.22
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		13,736.83	14,467.97
(ii) Intangible assets		22.50	38.69
(b) Long term loans and advances	12	354.23	269.84
(c) Other non-current assets	13	77.85	92.45
2 Current assets			
(a) Inventories	14	4,669.83	4,764.95
(b) Trade receivables	15	802.89	3,210.72
(c) Cash and bank balances	16	1,204.81	749.09
(d) Short-term loans and advances	17	155.78	8,154.35
(e) Other current assets	18	1,315.37	267.16
TOTAL		22,340.10	32,015.22
Significant Accounting Policies	1		
Other Notes to Financial Statements	27-53		

As per our report of even date attached

For **Dhirubhai Shah & Doshi**
Chartered Accountants
(Firm Registration No. 102511W)

Chintan N. Parikh
Chairman & Managing Director

Kaushik D. Shah
Partner
Membership No. 016502

Hiren S. Mahadevia
Company Secretary

Jayesh C. Bhayani
Chief Financial Officer

Ahmedabad
May 14, 2016

Ahmedabad
May 14, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**(Rupees in lacs)**

	Note Number	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
I. Revenue from operations	19	21,328.19	27,107.87
II. Other income		38.98	54.19
III. Total Revenue (I + II)		21,367.17	27,162.05
IV. Expenses:			
Cost of materials consumed	20	8,711.22	12,171.89
Purchases of Stock-in-Trade	21	987.95	976.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	1.28	672.01
Employee benefits expense	23	3,980.78	3,473.34
Finance costs	24	1,219.98	487.69
Depreciation and amortization expense	25	383.36	455.40
Other expenditure	26	8,438.38	10,545.64
Total expenses		23,722.95	28,782.38
V. Loss before tax (III-IV)		2,355.77	1,620.33
VI. Tax expense-Current tax		-	-
VII. Loss for the year from continuing operations (V-VI)		2,355.77	1,620.33
VIII. Loss for the year		2,355.77	1,620.33
IX. Earnings per equity share:			
(1) Basic		(7.06)	(5.56)
(2) Diluted		(7.06)	(5.56)
Significant Accounting Policies	1		
Other Notes to Financial Statements	27-53		

As per our report of even date attached

For **Dhirubhai Shah & Doshi**
Chartered Accountants
(Firm Registration No. 102511W)

Chintan N. Parikh
Chairman & Managing Director

Kaushik D. Shah
Partner
Membership No. 016502

Hiren S. Mahadevia
Company Secretary

Jayesh C. Bhayani
Chief Financial Officer

Ahmedabad
May 14, 2016

Ahmedabad
May 14, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in lacs)

Sr. No.	PARTICULARS	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	LOSS BEFORE TAX, EXCEPTIONAL AND EXTRAORDINARY ITEMS (NET)	(2,355.77)	(1,620.01)
	Add:		
	Depreciation	369.17	441.22
	Amortization of expenditure	14.19	14.19
	Interest expenses (Net)	1,219.98	487.69
	(Profit)/Loss on sale of fixed assets (Net)	85.05 1,688.40	1,085.47 2,028.57
		(667.38)	408.57
	Deduct:		
	Sundry balances written off/(back)	(16.05)	10.00
	Excess provision written back	14.85	(0.98)
	Rent income	1.13 (0.07)	37.42 46.44
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(667.31)	362.13
	Add/(Less): Decrease/(Increase) in inventories	95.12	894.54
	Add/(Less): Decrease/(Increase) in sundry debtors	2,391.79	(862.72)
	Add/(Less): Decrease/(Increase) in loans and advances	(880.89)	(267.84)
	Add/(Less): Increase/(Decrease) in current liabilities	(229.07) 1,376.94	492.18 256.16
	CASH GENERATED FROM OPERATIONS	709.63	618.29
	Less:		
	Tax paid	(6.04)	(2.94)
	NET CASH INFLOW FROM OPERATING ACTIVITIES	703.60	615.35

(Rupees in lacs)

Sr. No.	PARTICULARS	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(153.88)	(78.50)
	Sale of fixed assets	285.15	128.23
	Decrease/(Increase) in bank FDR	65.03	(10.63)
	Share Application Money through Escrow Accounts	(813.13)	-
	Rent received	1.13	37.42
		(615.69)	76.52
	NET CASH FLOW FROM INVESTING ACTIVITIES	(615.69)	76.52
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	(Decrease)/increase in borrowings	(1,978.92)	(387.19)
	Share Application Money Pending Allotment	1,790.78	-
	Interest paid (Net)	(371.28)	(185.84)
	Share Application Money to be refunded to non allottees	179.12	-
		(380.29)	(573.03)
	NET CASH FLOW FROM FINANCING ACTIVITIES	(380.29)	(573.03)
	TOTAL CASH INFLOW (A + B + C)	(292.38)	118.85
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	170.83	463.22
	OPENING BALANCE OF CASH AND CASH EQUIVALENTS	463.22	344.37
		(292.38)	118.85

Note:

- 1 Cash and cash equivalents presented in Cash Flow Statements consists of Cash on hand and unencumbered, highly liquid bank balances.
- 2 The Cash Flow statement is prepared using the "Indirect Method" set out in Accounting Standard 3 "Cash Flow Statements".

As per our report of even date attached

For **Dhirubhai Shah & Doshi**
Chartered Accountants
(Firm Registration No. 102511W)

Chintan N. Parikh
Chairman & Managing Director

Kaushik D. Shah
Partner
Membership No. 016502

Hiren S. Mahadevia
Company Secretary

Jayesh C. Bhayani
Chief Financial Officer

Ahmedabad
May 14, 2016

Ahmedabad
May 14, 2016



Notes to Financial Statements

1. ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost convention basis (except for revaluation of fixed assets and provision for depreciation on revalued amounts) and as a going concern with revenues considered and expenses accounted for wherever possible on their accrual, including provisions/adjustments for committed obligations.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision of accounting estimates is recognized prospectively in current and future periods.

c. Fixed Assets

Fixed assets have been shown at revalued figures as on January 1, 2005. Subsequent additions to fixed assets are accounted for at the cost of acquisition or construction.

In case of new project/expansion of existing projects, expenditure incurred during construction period, including interest and finance cost, prior to commencement of commercial production is capitalised.

d. Capital Work-In-Progress

These are stated at cost relating to items of project incurred during construction/pre-operative period.

e. Depreciation

Depreciation is provided as per provisions of Schedule II of the Companies Act, 2013, which have come into effect from 1st April 2014. Useful life of tangible fixed 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.

Category of Assets	Useful life in years
Plant & Machinery (Other than Continuous Process Plants)	22.50
Continuous Process Plants	45.00
Office Equipment	20.00
Computers & Printer	6.00
Vehicle	10.00
Furniture & Fixture	20.00

f. Insurance

The company has accounted for insurance claims for damage of goods/machinery on the basis of claims filed with the insurance company.

Notes to Financial Statements

g. Investments

Investments of the company are valued at the cost of acquisition. Dividend on investments is accounted for as and when received.

h. Inventories

Inventories are valued at cost except;

- (i) finished goods and trading stock which are valued at lower of cost or net realisable value;
- (ii) waste and export incentives, which are valued at net realisable value;

Cost is ascertained on the following basis:

- | | | |
|---|---|----------------------------|
| (i) Raw materials | : | Specific identification |
| (ii) Dyes, chemicals, stores and spares | : | First-in, First-out (FIFO) |
| (iii) Semi-finished and finished goods | : | Weighted average |
| (iv) Trading stock | : | Specific identification |

i. Inter-divisional Transactions

Inter-divisional transactions are eliminated as contra items. Any unrealised profit on unsold stock on account of inter-divisional transactions is eliminated while valuing the inventory.

j. Employees Benefits

The company accounts for retirement benefits in compliance with the revised AS-15 as per following details:

(i) Gratuity

Liability on account of gratuity, which is a defined benefit plan, 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.

(ii) Provident fund

Contribution to provident fund, which is a defined contribution plan, is made as per the provisions of Provident Fund Act, 1952 and charged to revenue account.

(iii) Superannuation

Liability on account of superannuation, which is a defined contribution plan, is accounted for on accrual basis and funded to an approved superannuation fund.

(iv) Leave encashment

Provision for leave encashment is made on undiscounted basis for accumulated leave that employees can encash in future.

**Notes to Financial Statements**

(v) Payment under VRS

Compensation and gratuity paid on account of Voluntary Retirement Scheme (VRS) is treated as revenue expenditure and charged to statement of profit and loss account. Also, the amount of compensation relating to employees who are eligible for and have yet not opted for VRS is treated as contingent liability and disclosed accordingly.

k. Foreign Currency Transactions

- (i) Transactions covered under forward contracts are accounted for at the contracted rate.
- (ii) All export proceeds have been accounted for at a fixed rate of exchange at the time of raising invoices. Foreign exchange fluctuations as a result of the export sales have been adjusted in the statement of profit and loss account and export proceeds not realised at the balance sheet date are restated at the rate prevailing as at the balance sheet date.
- (iii) Balance of foreign currency loans as at the balance sheet date if any is restated at the exchange rate prevailing as at the balance sheet date and difference arising thereon is adjusted in the cost of fixed assets acquired out of the said loans.

l. Sales

The company recognises sales of goods on transferring property of underlying goods to customers. Sales include all charges and duties collected. However, for waste sales, value added tax collected is credited to VAT collected on sales account. Export sales of "F O R Destination" contracts are recognised on goods having reached the destination or on the basis of the estimated average time taken to reach the destination of the respective customers.

Export benefits in respect of exports made under the duty entitlement passbook scheme as per EXIM policy have been accounted on accrual basis.

m. Excise Duty

Liability for excise duty on finished goods is accounted for on accrual basis as per the provisions of Central Excise Laws.

n. Deferred Revenue Expenditure

Premium on account of reduction in rate of interest in respect of term loans and non-convertible debentures has been deferred and is written off over a period of ten years.

o. Recognition of Income and Expenditure

Income and expenditure are recognised on accrual basis.

p. Taxes on Income

Income tax provision comprises current tax provision and deferred tax provision. Current tax provision is made annually based on the tax liability computed after considering tax allowances and deductions.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Notes to Financial Statements

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

q. **Borrowing Costs**

Borrowing cost includes interest, fees and other charges incurred in connection with the borrowing of funds. It is calculated on the basis of effective interest rate in accordance with Accounting Standard – 30 and considered as revenue expenditure and charged to Statement of Profit and Loss over the period of borrowing, except for borrowing costs either generally or specifically attributed directly to the acquisition or improvement of qualifying assets up to the date when such assets are ready for intended use, which are capitalised as part of cost of such assets.

r. **Impairment Loss**

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in the arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

s. **Provisions and Contingencies**

Provisions are recognised when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. The same are not provided for in the books of accounts and are separately disclosed in the notes forming part of accounts. Contingent assets are neither recognised nor disclosed.



Notes to Financial Statements

2 SHARE CAPITAL

2.1 The Company has two classes of shares referred to as equity shares and preference shares. The details thereof are as under:

		(Rupees in lacs)	
		As at Mar. 31, 16	As at Mar. 31, 15
AUTHORISED SHARE CAPITAL			
12,95,00,000	Equity shares of Rs. 10/- each (Previous year 12,50,00,000)	12,950.00	12,500.00
20,50,000	Preference shares of Rs. 100/- each (Previous year 25,00,000)	2,050.00	2,500.00
TOTAL		15,000.00	15,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
3,33,68,787	Equity shares of Rs. 10/- each fully paid (Previous year 3,33,68,787)	3,336.88	3,336.88
4,50,000	13% redeemable cumulative preference shares of Rs. 100/- each fully paid (Previous year 4,50,000) to be redeemed in three equal installments at the end of 3rd, 4th and 5th year from the date of allotment	-	450.00
16,00,000	11% redeemable cumulative preference shares of Rs. 100/- each fully paid (Previous year 16,00,000) to be redeemed at the end of 24 months from the date of allotment	-	1,600.00
20,50,000	1% redeemable non-cumulative preference shares of Rs. 100/- each fully paid (previous year Nil) 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.	2,050.00	-
TOTAL		5,386.88	5,386.88

Notes to Financial Statements

2.2 Reconciliation of number of shares outstanding:

1 Equity Share : The company has issued shares on Right Basis, which are pending allotment, as per Note No.41. As a result, there is no addition to issued equity share capital during the year.

2 Preference Shares : The company has not issued or bought back any preference share during the year under review. However, as provided for in the Scheme of Arrangement under section 391 of the Companies Act, 1956, which has become effective on 5th October, 2015 the company has issued 20,50,000 1% Redeemable Non-cumulative Preference Shares of Rs.100/- each aggregating to Rs.2050.00 Lacs as fully paid up against existing 4,50,000 13% redeemable cumulative preference shares of Rs.100/- each fully paid up and 16,00,000 11% redeemable cumulative preference shares of Rs.100/- each fully paid up, with 1 new Preference share being issued against every existing Preference Share. The aggregate issued and paid up Preference Share Capital remains the same in number and value terms.

2.3 Shares Held by holding/ultimate holding company and/or their subsidiaries/associates

Out of issued, subscribed and paid up capital:

Nil (Previous Year Nil) Equity Shares are held by holding company

Nil (Previous Year Nil) Equity Shares are held by ultimate holding company

Nil (Previous Year Nil) Equity Shares are held by subsidiary of holding company

Nil (Previous Year Nil) Equity Shares are held by associates of holding or ultimate holding company.

2.4 (a) The details of equity shareholders holding more than 5 % of issued equity share capital:

Name of Shareholder	As at Mar. 31, 16		As at Mar. 31, 15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Albus Investments Pvt. Ltd.	21,37,871	6.41	54,37,871	16.30
Apus Investments Pvt. Ltd.	87,34,221	26.17	54,34,221	16.29
Geek Technologies Pvt. Ltd.	21,94,200	6.58	21,94,200	6.58

(b) The details of preference shareholders holding more than 5 % of issued preference share capital :

Name of Shareholder	As at Mar. 31, 16		As at Mar. 31, 15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
20,50,000 shares @ 1% - redeemable non cumulative preference shares of Rs.100/- each [previous year : 4,50,000 shares @ 13% and 16,00,000 shares @ 11% redeemable cumulative preference shares of Rs.100/- each].				
Arth Trading Pvt. Ltd.	18,50,000	90.24	18,50,000	90.24
The New India Assurance Company Limited	1,50,000	7.32	1,50,000	7.32



Notes to Financial Statements

2.5 The details of bonus shares issued, shares issued for consideration otherwise than in cash and shares bought back in preceding five years:

The company has not issued any bonus shares, shares for consideration otherwise than in cash and has not bought back any shares in year under review and preceding five years.

2.6 Details of Unpaid calls due from Directors or officers

There were no unpaid calls due from Directors/Officers of the Company.

2.7 Rights of Shareholders, Dividend and Repayment of Capital:

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 the 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 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.

Rights of Preference Share holders

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

Notes to Financial Statements

3 RESERVES & SURPLUS

(Rupees in lacs)		
	As at Mar. 31, 16	As at Mar. 31, 15
3.1 The Reserves & Surplus includes:		
(A) Capital Reserve (Created on account of reissue of shares/debentures forfeited)	38.05	38.05
(B) Capital Redemption Reserve - I	-	1.50
(C) Capital Redemption Reserve - II	-	37.50
(D) Securities Premium Account	-	12,388.07
(E) Debenture Redemption Reserve	-	2,900.50
(F) Reconstruction Reserve	-	984.44
(G) Revaluation Reserve		
Balance as per last Balance Sheet	7,404.39	4,891.95
Add/(Less): Adjusted upon sale of scrapped assets	191.17	2,512.44
Sub total	7,595.56	7,404.39
(H) Surplus (being balance of Profit & Loss Account)		
Debit Balance as per last Balance Sheet	(56,007.91)	(51,875.15)
Less: Adjusted against Premium on Redemption of Debenture	54.99	-
Add: Net Loss for the current year	(2,355.77)	(1,620.33)
Add: Adjusted against Revaluation Reserve	(191.17)	(2,512.44)
Sub total - closing balance of profit and loss account	(58,499.87)	(56,007.91)
Less:		
Capital Redemption Reserve - I	1.50	-
Capital Redemption Reserve - II	37.50	-
Securities Premium Account	12,388.07	-
Debenture Redemption Reserve	2,900.50	-
Reconstruction Reserve	984.44	-
Business Reconstruction Reserve	23,074.85	-
Net	(19,113.01)	(56,007.91)
TOTAL	(11,479.39)	(32,253.46)

3.2 Appropriations out of Balance in Profit and Loss Account:

There is no appropriation out of Profit and Loss Account for the period / previous year.



Notes to Financial Statements

4. LONG TERM BORROWINGS

(Rupees in lacs)

		As at Mar. 31, 16	As at Mar. 31, 15
4.1 SECURED BORROWINGS			
(A) NON CONVERTIBLE DEBENTURES	1	-	3,147.20
(B) TERM LOANS			
(from parties other than Banks)			
[1] Principal Amount	1	5,035.66	32,410.36
[2] Interest accrued and due		-	104.14
Sub total		5,035.66	32,514.50
(C) WORKING CAPITAL FACILITIES FROM OTHERS	2	-	8,508.94
Sub total		5,035.66	44,170.64

Notes :

- All the debentures and loans are secured/ to be secured by charge on plant and machinery and land and building of the company situated at Mouje Karannagar, Taluka Kadi, District Mehsana, North Gujarat; and at Mithipur, Ahmedabad in the State of Gujarat and the land and building situated at Mouje Rajpur-Hirpur, District Ahmedabad and 201, Tulsiani Chambers situated at Nariman Point, Mumbai-400021. The details of debentures in terms of respective debenture trust deeds and/or memorandum of entry signed and executed by the company are as per details given below.
- Secured by current assets including stock of raw materials, stock-in-process, finished goods, stores, spares, colour chemicals and book debts and second charge on movable and immovable assets of the company.

(Rupees in lacs)

		As at Mar. 31, 16	As at Mar. 31, 15
4.2 UNSECURED LOANS			
(from parties other than Banks)			
(A) TERM LOANS		750.00	750.00
(B) OTHER LOANS		320.47	793.64
(C) DEPOSITS		24.83	26.69
Sub total		1,095.30	1,570.32
TOTAL		6,130.96	45,740.96

Notes to Financial Statements

4.3 Terms of Repayment of Term Loans:

The rate of interest and terms of repayment of debt outstanding as on 31.03.2016 is as follows, which are as provided in the Scheme of Arrangement u/s. 391 of the Companies Act, 1956 which became effective on 5.10.2015:

Nature of Borrowing	Rate of Interest	Repayment Schedule
Term Loans (representing deferred payment component under the Scheme of Arrangement)	Interest rate ranges from Nil to 15.00% p.a.	Total 1 to 5 yearly installments. First installment due date ranges from 30.06.2016 to 31.03.2017. In case of one lender, loan of Rs.1500 lacs has been converted into equity shares, issued at par, on 5th May 2016 as provided in the Scheme of Arrangement, with some delay due to constraints arising out of court order in a legal case.

4.4 Period and Amount of Default:

There are no defaults in repayment of dues to lenders.

(Rupees in lacs)

	As at Mar. 31, 16	As at Mar. 31, 15
5. OTHER LONG TERM LIABILITIES		
(A) Bills Payables	462.65	462.65
(B) Trade Payables	43.83	48.28
TOTAL	506.49	510.93
6. LONG TERM PROVISIONS		
(A) Provision for employee benefits		
- For Gratuity	60.66	100.65
- For Leave Encashment	97.85	95.81
(B) Others (For wealth tax, service tax & for premium on redemption of debentures)	-	55.31
TOTAL	158.51	251.77



Notes to Financial Statements

(Rupees in lacs)		
	As at Mar. 31, 16	As at Mar. 31, 15
7. SHORT-TERM BORROWINGS		
secured*		
(A) TERM LOANS		
(from parties other than Banks)		
[1] Principal Amount**	5,246.72	-
Sub total	5,246.72	-
Unsecured		
(A) From related parties***	4,201.70	8,191.34
(B) From Directors***	-	40.00
Sub total	4,201.70	8,231.34
TOTAL	9,448.42	8,231.34
* For security offered refer notes 1 and 2 to note No.4.1.		
** For Terms of repayment refer note No.4.3.		
*** Terms of repayment has not been specified.		
8. TRADE PAYABLES		
(A) Micro, Small and Medium Scale Industries	-	-
(B) Others	2,836.32	3,393.61
(C) To Related Party	325.43	-
TOTAL	3,161.75	3,393.61
9. OTHER CURRENT LIABILITIES		
(A) Other payables		
[1] Share Application Money to be Refunded from Escrow Accounts	179.12	-
[2] Statutory Authorities	76.77	118.91
[3] Other liabilities	714.86	634.29
TOTAL	970.76	753.20
10. SHORT-TERM PROVISIONS		
(A) Provision for Gratuity	47.21	-
TOTAL	47.21	-

Notes to Financial Statements

11. FIXED ASSETS

Name of assets	GROSS BLOCK			DEPRECIATION			IMPAIR- MENT LOSS	(Rupees in lacs)	
	As at April 1, 2015	Additions during the year	Disposals during the year	As at Mar. 31, 2016	Up to March 31, 2015	For the year	On Disposals during the year	Up to Mar. 31, 2016	NET BLOCK As at Mar. 31, 2016 As at Mar. 31, 2015
A. TANGIBLES									
Land									
Freehold	98.32	-	-	98.32	-	-	-	-	98.32
Leasehold	9,380.14	-	-	9,380.14	-	-	-	-	8,546.04
Buildings #	5,816.73	2.72	476.43	5,343.01	1,757.85	154.06	163.56	1,748.35	3,725.15
Plant and equipment	12,105.18	124.72	221.75	12,008.15	9,381.46	171.77	5.84	9,547.40	1,915.93
Furniture and fixtures	153.57	1.09	-	154.66	92.85	7.96	-	100.81	60.71
Vehicles	60.47	2.14	8.68	53.93	24.02	5.20	5.67	23.55	36.45
Office equipment	218.63	20.36	0.26	238.74	133.26	11.15	0.03	144.38	85.37
(A)	27,833.04	151.04	707.13	27,276.95	11,389.44	350.15	175.10	11,564.49	14,467.97
B. INTANGIBLES									
Computer softwares	152.42	2.84	-	155.26	113.73	19.02	-	132.75	38.69
(B)	152.42	2.84	-	155.26	113.73	19.02	-	132.75	38.69
TOTAL (A+B)	27,985.46	153.88	707.13	27,432.21	11,503.16	369.17	175.10	11,697.24	14,506.66
Previous year	30,240.04	78.50	2,333.08	27,985.46	12,100.68	441.22	1,038.72	11,503.16	16,163.73

Cost of building includes cost of share of the face value of Rs. 450/- received under the bye-laws of the societies.

11.1 None of the fixed assets have been written off on account of reduction of capital during preceding last five years.

11.2 The Company has not revalued any fixed assets during the preceding last five years.



Notes to Financial Statements

(Rupees in lacs)		
	As at Mar. 31, 16	As at Mar. 31, 15
12. LONG TERM LOANS AND ADVANCES		
12.1 Long Term Loans and Advances include:		
(A) Security Deposits		
Unsecured, considered good	272.86	194.11
(B) Advance Tax	71.91	65.87
(C) Loans and advances to parties other than related parties (Advance receivable in cash or kind)		
Unsecured, considered good	9.47	9.86
Considered Doubtful	178.39	178.39
Less: Provision for Doubtful Advances	178.39	178.39
Sub total	9.47	9.86
TOTAL	354.23	269.84
13. OTHER NON CURRENT ASSETS		
(A) Deferred Revenue Expenditure	10.64	24.83
(B) Claims and other receivables	72.78	73.19
Less: Provision for doubtful receivables	5.57	5.57
TOTAL	77.85	92.45
14. INVENTORIES		
(A) Raw Materials and components	650.62	589.74
Add: Goods-in transit	59.37	100.21
	709.99	689.94
(B) Work-in-progress	929.10	1,169.91
(C) Finished goods	2,288.17	2,041.18
(D) Stock-in-trade	358.47	384.57
(E) Stores and spares	334.05	341.01
Add: Goods-in transit	8.33	58.68
	342.37	399.69
(F) Others (Waste and stock of DEPB/FPS)	41.72	79.66
TOTAL	4,669.83	4,764.95

Notes to Financial Statements

(Rupees in lacs)		
	As at Mar. 31, 16	As at Mar. 31, 15
15. TRADE RECEIVABLES		
(A) Trade receivables outstanding for a period less than six months		
Unsecured, considered good	778.88	3,195.46
(B) Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	24.01	15.26
Unsecured, considered doubtful	51.64	51.64
Less: Provision for doubtful receivables	51.64	51.64
Sub total	24.01	15.26
TOTAL	802.89	3,210.72
16. CASH AND BANK BALANCES		
(A) Cash and Cash Equivalents		
(1) Balances with banks in current account	165.15	134.62
(2) Bank deposits maturing up to 3 months	-	322.20
(3) Cash on hand	5.69	6.39
Sub total	170.83	463.22
(B) Other Bank Balances		
(1) Bank deposits maturing between 3 to 12 months*	220.85	285.88
(2) Share Application money collected in Escrow Accounts of the Rights Issue	813.13	-
Sub total	1,033.98	285.88
TOTAL	1,204.81	749.09
* The Bank Deposits include amount of Rs. 219.39 Lacs (P.Y. Rs.201.73 Lacs) which is subject to repatriation restrictions.		
17. SHORT-TERM LOANS AND ADVANCES		
(A) Advance Receivable in cash or Kind		
(1) From Related Party		
Unsecured, considered good	-	328.36
(2) Other than related Party		
Unsecured, considered good	123.85	7,795.54
(B) Prepaid Expenses	31.93	30.44
TOTAL	155.78	8,154.35



Notes to Financial Statements

(Rupees in lacs)

	As at Mar. 31, 16	As at Mar. 31, 15
18. OTHER CURRENT ASSETS		
(A) Share Application money through ASBA applications under the Rights Issue	1,156.78	-
(B) Interest receivable	30.11	33.82
(C) Assets held for sale	37.92	87.52
(D) Claims and other receivables	76.38	131.64
(E) Deferred Revenue Expenditure	14.19	14.19
TOTAL	1,315.37	267.16

(Rupees in lacs)

	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
19. REVENUE FROM OPERATIONS		
(A) Sale of products	21,038.89	26,756.63
(B) Other operating revenues	289.30	351.24
TOTAL	21,328.19	27,107.87
20. DETAILS OF RAW MATERIAL CONSUMED		
(A) Cotton/Yarn	8,444.16	10,448.10
(B) Fabrics	267.06	1,723.79
TOTAL	8,711.22	12,171.89
21. DETAILS OF STOCK IN TRADE PURCHASED		
Fabrics	987.95	976.41
TOTAL	987.95	976.41
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing Stock	3,577.71	3,578.99
Less: Opening Stock	3,578.99	4,251.00
TOTAL	(1.28)	(672.01)

Notes to Financial Statements

(Rupees in lacs)		
	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
23. EMPLOYEE BENEFITS EXPENSES		
(A) Salaries and Wages	3,599.25	3,076.40
(B) Contribution to Provident and Other Funds	277.13	288.85
(C) Staff welfare expenses	104.40	108.09
TOTAL	3,980.78	3,473.34
24. FINANCE COST		
(A) Interest expense (Net)	1,161.44	434.52
(B) Other borrowing costs	58.55	53.16
TOTAL	1,219.98	487.69
25. DEPRECIATION AND AMORTIZATION EXPENSE		
(A) Depreciation	369.17	441.22
(B) Amortization	14.19	14.19
TOTAL	383.36	455.40
26. OTHER EXPENDITURE		
(A) Payments to the auditor		
As auditor	9.75	9.55
For taxation matters	1.23	1.23
For Other matters	1.26	0.30
Sub total	12.23	11.08
(B) Consumption of Stores, Spare, Dyes and Chemicals	1,895.24	2,116.12
(C) Power & Fuel	2,202.24	2,588.73
(D) Rent	6.78	6.76
(E) Repairs to Buildings	21.60	17.59
(F) Repairs to Machinery	116.81	118.86
(G) Insurance	60.72	67.76
(H) Rates and Taxes	53.45	75.07
(I) Job Charges	2,464.76	3,074.50
(J) Selling and Distribution Expenses	445.93	443.10
(K) Travelling & Conveyance	151.16	136.08
(L) Loss on sale/retirement/damage of fixed assets	85.05	1,085.47
(M) Labour Contract Charges	311.70	326.71
(N) Professional Fees and Services	287.18	185.14
(O) Miscellaneous Expenses	323.52	292.66
TOTAL	8,438.38	10,545.64



Notes to Financial Statements

(Rupees in lacs)

	As at Mar. 31, 16	As at Mar. 31, 15
27. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
(A) Claims against the company not acknowledged as debt	2,826.96	2,781.51
(B) Other money for which the company is contingently liable	35.29	44.00
(C) Contingent liability in the event of default by the Company under Scheme of Arrangement under section 391 of the Companies Act, 1956 for debt settlement :		
Principal Amount	22813.12	
Add : Interest and other charges	250931.03	
	2,73,744.15	-
Note : In case of one lender, loan of Rs.1500 lacs has to be converted into equity shares, for which the Scheme further provides that the Company shall pay shortfall amount, if any, to the lender upon sale / disposal of these equity shares as detailed in the Scheme. Considering the market price of the share of Rs.10.70 as on 31st March, 2016, no contingent liability arises as on the date of the Balance Sheet.		
TOTAL	2,76,606.40	2,825.51
28. DIVIDEND		
Arrears of fixed cumulative dividend (including Dividend Tax) on cummulative preference shares for the following period.		
(A) 11% cumulative preference shares for the period from March 26, 2001 to March 31, 2015	-	2,887.83
(B) 13% cumulative preference shares for the period from July 1, 2000 to March 31, 2015	-	1,010.13
TOTAL	-	3,897.96
29. DETAILS OF WORK-IN-PROGRESS		
(A) Up to Yarn Stage	563.77	776.19
(B) Fabrics	365.33	393.72
TOTAL	929.10	1,169.91

Notes to Financial Statements

(Rupees in lacs)

	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
30. VALUE OF IMPORTS ON CIF BASIS		
(A) Raw Materials	0.17	-
(B) Components of Stores, Spares, Dyes and Chemicals	295.61	436.29
TOTAL	295.78	436.29
31. DETAILS OF EXPENDITURE IN FOREIGN CURRENCY		
(A) Travelling Expenses	15.43	12.86
(B) Fees & Services	3.30	-
(C) Sales and Distribution exp.	3.39	2.89
(D) Others	-	1.79
TOTAL	22.12	17.54

32. VALUE OF RAW MATERIAL, STORES, SPARES, DYES AND CHEMICALS CONSUMED

Particulars	Raw Materials		Stores, Spares, Dyes and Chemicals	
	In %	Rs. In Lacs	In %	Rs. In Lacs
Imported	0.01	0.54	22.09	418.72
	(-)	(-)	(21.58)	(456.71)
Indigenous	99.99	8,710.68	77.91	1,476.51
	(100.00)	(12,171.89)	(78.42)	(1,659.41)
TOTAL	100.00	8,711.22	100.00	1,895.23
	(100.00)	(12,171.89)	(100.00)	(2,116.12)

33. FOREIGN CURRENCY TRANSACTIONS :

The company used forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company did not enter into any contract to derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2016 are as under :

Particulars	As at Mar. 31, 16		As at Mar. 31, 15	
	US \$ in lacs	INR Equivalent In lacs	US \$ in lacs	INR Equivalent In lacs
Export to Goods and services	2.12	140.74	5.69	355.65
Total		140.74		355.65

**Notes to Financial Statements**

34. Loans and advances to staff include Rs.1.41 lacs (Previous year Rs. 0.65 lacs) due from officers of the company.
35. The Sales Tax authorities have issued notices for demand of Sales Tax of Rs.747.93 lacs, penalty of Rs.619.58 lacs and interest of Rs.538.51 lacs, aggregating to Rs.1906.01 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.
36. During the year under review due to loss the company has not provided for Income-tax for the Assessment Year 2016-17 (Previous year Rs. NIL). Wealth tax has been abolished w.e.f. Assessment year 2016-17 (Wealth tax provision of Rs.0.32 lacs was made for the previous year).

As regards deferred tax as per Accounting Standard - 22 (AS-22) on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, there is a net deferred tax asset for the past years and for the current year after adjusting unabsorbed depreciation and carry forward losses of the past years. Considering the provisions of the AS-22 and as a matter of prudence, the company has not recognized the said deferred tax asset while preparing the accounts for the year under review.

The Income-tax assessments of the company are completed up to A.Y. 2013-14. In respect of assessment for A.Y. 1996-97, income-tax department had disputed some of the claims and raised demand of Rs. 676.66 lacs for tax and interest. The company had preferred an appeal against the said assessment and had succeeded before Commissioner of Income-tax (Appeal) and demand has been deleted. However, Income-tax department has preferred further appeal before the Income-tax Appellate Tribunal for which Tribunal has sent back file to Assessing Officer with certain directions for which appeal effect order is yet to be received from the Assessing Officer.

37. The cost of purchase is arrived at after considering effect of any settlement reached with the suppliers during the year.
38. Export benefits/incentives in respect of duty draw back and purchase of raw material from local suppliers (against advance released orders under duty exemption scheme) are accounted on accrual basis in order to follow the system of accounting which is mandatory as per the provisions of section 209 of the Companies Act, 1956.
39. There are no amounts outstanding for more than 30 days in respect of small scale industrial undertakings. The company has provided for interest of Rs.NIL (Previous year Rs.NIL) on outstanding for more than 45 days payable to Micro, Small and Medium enterprises. The total amount due to these parties is Rs. NIL (Previous year Rs.NIL) as at the balance sheet date. This information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
40. The unsecured loans include Rs. 750.00 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 dispute is the subject matter of notice correspondence between HDFC Bank and BBK and under dispute between the company, BBK and HDFC Bank in various courts.

The Debt Recovery Tribunal (DRT), Mumbai, vide its order dated 18.4.2016, has directed BBK to refund amount received by it to HDFC and thereupon increase loan amount of Ashima with continuing rate of interest as contractually applicable on the loan amount under intimation to Ashima. No such intimation has been received by Ashima in pursuance to the said Order and the Company has decided to appeal against this order, hence the said amount of Rs.750 lacs is continued in the suspense account.

Notes to Financial Statements

41. The Company came out with a Rights Issue of 8,00,85,089 equity shares of Rs. 10 each aggregating to Rs.8008.51 Lacs at par in the ratio of 24:10 to part-finance settlement of secured debt under Scheme of Arrangement u/s. 391 of the Companies Act, 1956. The issue closed on 2nd December, 2015 and the basis of allotment was approved by BSE Limited, the designated Stock Exchange, on 11th December, 2015. The process of refund, allotment and listing of shares was to be completed by 17th December, 2015, but the company could not complete these processes due to a status-quo order passed by the Debt Recovery Tribunal ("DRT"), Mumbai, restraining Bankers to the Issue from release of any funds and the Company from withdrawing the funds collected in the Rights Issue, in a pending case which was filed by HDFC Bank against the Company.

Subsequently, several legal cases and processes followed at DRT, the Debt Recovery Appellate Tribunal and Hon. Bombay High Court. As per various orders of The Hon. Bombay High Court including final order dated 3rd May 2016, which directed the Bankers to release the funds collected under Rights Issue towards refund and release allotment money which allowed company to complete the further processes of the Rights Issue, allotment was made on 5th May, 2016 and refund amounts were processed on 7th May, 2016. The shares of the company under the Rights Issue will be listed shortly upon completion of certain other formalities.

The Company has sufficient authorized share capital to cover the shares issued under the Rights Issue.

The "share application money pending allotment" amounting to Rs. 8008.51 lacs has been disclosed as a separate item below Shareholders' Funds in the Balance Sheet. Refunds due, amounting to Rs.179.12 lacs, under non-ASBA applications has been disclosed as part of Other Current Liabilities. Share application money amounting to Rs.813.13 Lacs collected through non-ASBA applications has been disclosed as part of Cash and Bank Balance. Allotment money collected through ASBA applications amounting to Rs.1156.78 lacs has been disclosed as part of Other Current Assets.

42. The expenditure incurred in respect of assets damaged for which insurance claim has been received has been debited under respective heads.
43. The company has componentized its fixed assets and has separately assessed the life of the major components forming part of the main asset. Consequently, the depreciation charge for the year is higher by Rs.30.56 lacs.
44. During the year, the Company filed a Scheme of Arrangement for Reconstruction and Compromise between the Company and its Equity Shareholders, Preference Shareholders and Secured Creditors under sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 (the "Scheme"). The Equity Shareholders, Preference Shareholders and Secured Creditors of the company, present and voting, approved the said Scheme unanimously at their respective court convened meetings held on 20th August, 2015. The Honourable High Court of Gujarat sanctioned the Scheme vide its order dated 24th September, 2015 and the Scheme became effective on 5th October, 2015 upon filing of the same with the Registrar of Companies at Ahmedabad.

Key features of the Scheme are as follows:

- (a) As full and final settlement of the entire Outstanding Secured Debts of the Secured Creditors, the Company has offered three different settlement options consisting of cash payments (to be made upon the Scheme becoming effective), deferred payments (to be paid in annual installments over a period of 5 years) and conversion of a part of debt into equity shares. The deferred payments will be secured by an exclusive charge on assets and will carry interest @15% under Option I. In case of equity shares, the Company shall also pay to Secured Creditors the "Shortfall Amount", if any, upon disposal of shares by the Secured Creditors as more particularly detailed in the Scheme. As per the options selected by various secured creditors, cash payments amount to Rs.11,075.21 lacs, deferred payments amount to Rs.8,782.60 lacs and amount of debt to be converted into equity shares amounts to Rs.1,500 lacs.



Notes to Financial Statements

- (b) The balance outstanding secured debts together with outstanding interest, penalty and other charges, etc. whether provided or not in the books of the Company to be regarded as waived.
- (c) Existing charge or security held by the Secured Creditors shall be released upon occurrence of various milestones provided in the Scheme.
- (d) Preference Shareholders to be allotted 1 (one) 1% Redeemable Non Cumulative Preference Share of the face value of Rs.100/- each for every 1 (One) Redeemable Cumulative Preference Share of the face value of Rs.100/- each held by them. Arrears of dividend of the Preference Shareholders shall be considered as waived.
- (e) Funds required for the purpose of payments under the Scheme are to be raised through various sources including funding by the Promoters, proceeds from the Rights Issue of the equity shares of the company and realisation of its current/fixed assets.
- (f) The Scheme provides for various Events of Default that include non-payment of any amount as per the provision of the Scheme, default in issuance of Equity Shares, non-payment of Shortfall amount, if any, etc. In case of occurrence of any of the Event of Default, the Secured Creditors have stringent rights including cancellation of reliefs and concessions given under the Scheme, forfeiture of monies already paid to them and taking over the management control and enforcement of security interest subject to applicable laws.

The Company has given effect to the Scheme in its books of accounts during the year.

45. Retirement Benefits (Accounting Standard – 15) :

Provision for Gratuity

The following table sets out the status of the gratuity plan as required under AS 15 on “Employee Benefits”.

45.1 Reconciliation of opening and closing balances of the present value of the defined benefit and fair value of the plan assets.

		(Rupees in lacs)	
Sr. No.	Particulars	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
1	Assumptions:		
	Interest rate	7.80%	8.00%
	Estimated rate of return on plan assets	7.80%	9.00%
	Rate of growth in salary levels	3.00%	3.00%
2	Changes in present value of obligation		
	Present value of obligation as at beginning of the year	954.17	876.64
	Add: Service cost	47.52	50.05
	Add: Interest cost	72.76	76.51
	Add: Actuarial loss	153.80	16.47
	Less: Benefits paid	406.17	65.50
	Net being present value of obligation as at end of the year	822.09	954.17
3	Changes in the fair value of plan assets		
	Fair value of plan assets at beginning of the year	983.90	834.64
	Add: Expected return on plan assets	86.94	74.35
	Add /(Less) : Actuarial gain / (loss)	(50.00)	63.74
	Add: Contributions	99.54	76.67
	Less: Benefits paid	406.17	65.50

Notes to Financial Statements

		(Rupees in lacs)	
Sr. No.	Particulars	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
	Net being fair value of plan assets at end of the year	714.21	983.90
4	Actuarial Loss recognized		
	Actuarial Loss for the year – Obligation	153.80	16.47
	Less/ (Add) : Actuarial Gain / (Loss) for the year - plan assets	(50.00)	63.74
	Net being Actuarial loss / (gain) recognised in the year	(203.80)	(47.27)
5	The amounts to be recognised in Balance sheet		
	Present value of obligations as at the end of the year	822.09	954.17
	Less: Fair value of plan assets as at the end of the year	714.21	983.90
	Net being liability to be recognised in the balance sheet as at the end of the year – see note	107.88	(29.73)
6	Expenses Recognised in Statement of Profit and Loss		
	Current Service cost	47.52	50.05
	Add: Interest cost	72.76	76.51
	Less: Expected return on plan assets	86.94	74.35
	Add: Actuarial loss recognised in the year	203.80	(47.27)
	Net being expenses to be recognised in statement of Profit and Loss – Note	237.15	4.94
	Less/(Add) – Adjustment for carried forward surplus/ excess provision	130.38	(55.06)
	Net being expenses recognized in statement of Profit and Loss	106.77	60.00
7	Estimated amount of contribution to be paid to the plan within the next year	47.21	NIL

Note: The company has not recognised cumulative positive impact of Rs. NIL (previous year Rs.130.38 lacs) in the Statement of Profit and Loss for the year ended March 31, 2016 as a measure of prudence.

45.2 Percentage of each category for Plan Assets to total fair value of Plan Assets as at close of the year.

Particulars	% invested as at Mar. 31, 16	% invested as at Mar. 31, 15
a) Insurer managed funds	99.54%	99.68%
b) Bank balances	0.46%	0.32%
Total	100.00%	100.00%


Notes to Financial Statements
45.3 Amount of Current year and Previous four years are as follows:

Particulars	(Rupees in lacs)				
	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
a) Present Value of Defined Benefit obligation	822.09	954.17	876.64	815.94	715.76
b) Fair Value of Plan Assets	714.21	983.90	834.64	686.06	608.85
c) Surplus/(Deficit) in the Plan	(107.88)	29.73	(42.00)	(129.88)	(106.91)
d) Experience Adjustments on plan Liabilities losses/(gains)	141.91	(58.69)	54.99	31.24	42.77
e) Experience Adjustments on plan Assets (losses)/gains	50.00	(63.73)	3.30	(6.31)	(24.43)

46. Segment reporting (Accounting Standard - 17):

The company's operations relate only to manufacture and sale of textile and related products and hence primary reporting disclosure is not applicable.

The company sells goods in domestic market and also exports them to various countries. Accordingly, secondary segment reporting is based on sales in India and exports outside India.

Disclosure has been made relating to debtors only, as other assets and liabilities are used interchangeably between the segments and hence cannot be allocated to segments.

Secondary segment reporting: (Rupees in lacs)

Particulars	In India	Outside India	Total
Sales	19,414.67	1913.52	21,328.19
	(22,680.98)	(4,426.89)	(27,107.87)
Debtors	692.46	110.43	802.89
	(2,855.07)	(355.65)	(3,210.72)

47. Related parties disclosures (Accounting Standard – 18):
(i) Relationships
(a) Key management personnel and their relatives:

Mr. Chintan N. Parikh	- Chairman & Managing Director
Mr. Krishnachintan C. Parikh	- Relative of key managerial personnel (Vice President – Denims)–up to 30.11.2015

(b) Other related parties:

Ashima Dyecot Private Limited	Atrium Exports Private Limited
Elephants Enterprises Limited -(up to 14.09.2015)	Lahar Trading and Investments Limited
Apus Investments Private Limited	Albus Investments Private Limited

Notes to Financial Statements

- (ii) Transactions carried out with related parties referred to in (i) above are in ordinary course of business.

Nature of transactions	(Rupees in lacs)	
	Related parties	
	Key management personnel	Other related parties
Purchases	-	251.25
	(-)	(33.22)
Sales	-	1,539.74
	(-)	(1,658.63)
Expenses	-	2,308.30
	(-)	(2,905.57)
Directors' remuneration	92.60	-
	(71.42)	(-)
Salary	6.05	-
	(4.88)	(-)
Income	-	0.62
	(-)	(36.41)
Other receipts	-	5.19
	(-)	(6.04)
Finance		
Loan Taken	-	2800.00
	(-)	(8400.00)
Loan Repaid	-	1400.00
	(-)	(500.00)
Unpaid Interest	-	844.99
	(-)	(307.97)
Appropriation of loan amt. towards Right Issue share application money	-	6,217.73
	(-)	(-)
Outstanding		
Payables	-	325.43
	(-)	(-)
Receivables	-	-
	(-)	(330.82)
Loans Payable	-	4,201.70
	(-)	(8,191.34)



Notes to Financial Statements

48. Earning per share (Accounting Standard - 20):

(Rupees in lacs)

Particulars	2015- 16	2014- 15
Loss for the year	(2,355.77)	(1620.33)
Add: Preference dividend		
13% Redeemable	-	58.50
11% Redeemable	-	176.00
Loss for the year including preference dividend	(2,355.77)	(1854.83)
No. of equity shares outstanding during the year	3,33,68,787	3,33,68,787
Nominal value of ordinary shares	Rs. 10	Rs. 10
Basic and diluted earning per share (Rs.)	(7.06)	(5.56)

Note: For F.Y. 2015-16, the Preference shares being non-cumulative in nature, no dividend is considered in view of loss. For F.Y. 2014-15 the old 13% and 11% Preference shares being cumulative in nature, its dividend has been added to loss for the year in the above calculation, though the appropriation for the same has not been done.

49. Based on review carried out as on 31.03.2016, no impairment loss is required to be provided for as per Accounting Standard 28 on "Impairment of Assets".

50. Previous year figures have been regrouped / rearranged wherever necessary to confirm to this year's figures.

51. Remittances in foreign currency on account of dividend: NIL

52. Earnings in foreign currency:

(Rupees in lacs)

Particulars	For the year ended Mar. 31, 16	For the year ended Mar. 31, 15
Total export sales	1,913.52	4,426.89
Of which F.O.B. value of exports	1,866.16	4,357.00

53. Figures less than Rs. 500/- which are required to be shown separately have been shown as actual in brackets.

As per our report of even date attached

For **Dhirubhai Shah & Doshi**
Chartered Accountants
(Firm Registration No. 102511W)

Chintan N. Parikh
Chairman & Managing Director

Kaushik D. Shah
Partner
Membership No. 016502

Hiren S. Mahadevia
Company Secretary

Jayesh C. Bhayani
Chief Financial Officer

Ahmedabad
May 14, 2016

Ahmedabad
May 14, 2016



ASHIMA LIMITED
Regd. Office: Texcellence Complex, Khokhara-Mehmedabad
Ahmedabad – 380 021
CIN: L99999GJ1982PLC005253
Website: www.ashima.in

ATTENDANCE SLIP

Folio No./DP ID/Client Id	
No. of Shares held	

I certify that I am registered shareholder/proxy for the registered shareholder of the company.
 I hereby record my presence at the 33rd Annual General Meeting of the Company held at the Registered Office of the Company at Texcellence Complex, Khokhara, Mehmedabad, Ahmedabad – 380 021 on Friday, August 12, 2016 at 11.00 a.m.

Name of the Shareholder(s) (In Block Letter)	
Signature of the Shareholder(s)	
Name of Proxy (In Block Letter)	
Signature of Proxy	

Note: You are requested to sing and handover this slip at the entrance of the meeting venue

Form MGT-11

Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	:	L99999GJ1982PLC005253
Name of the Company	:	ASHIMA LIMITED
Registered Office	:	Texcellence Complex, Khokhara - Mehmedabad, Ahmedabad – 380 021
Name of the Member(s)	:	
Registered Address	:	
Email ID	:	
Folio No./Client ID/DP ID	:	

I/we being the member(s) of _____ shares of the above named company, hereby appoint

1. Name _____
 Address _____
 email Id _____
 Or failing him _____ Signature _____
2. Name _____
 Address _____
 email Id _____
 Or failing him _____ Signature _____
3. Name _____
 Address _____
 email Id _____
 Or failing him _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Friday, August 12, 2016, 11.00 a.m. at the Registered Office of the Company at Texcellence Complex, Khokhara-Mehmedabad, Ahmedabad – 380 021 and any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of annual Accounts of the Company as on March 31, 2016. (Ordinary Resolution)
2. Re-appointment of Mrs. Koushlya Melwani, Director, retiring by rotation and being eligible offering herself for re-appointment. (Ordinary Resolution)
3. Re-appointment of Statutory Auditors of the Company till the conclusion of the next Annual General Meeting. (Ordinary Resolution)

Special Business

4. Approval of Cost Auditor's Remuneration. (Ordinary Resolution)
5. Approval to Material Related Party Transactions. (Ordinary Resolution)

Signed this _____ day of _____ 2016

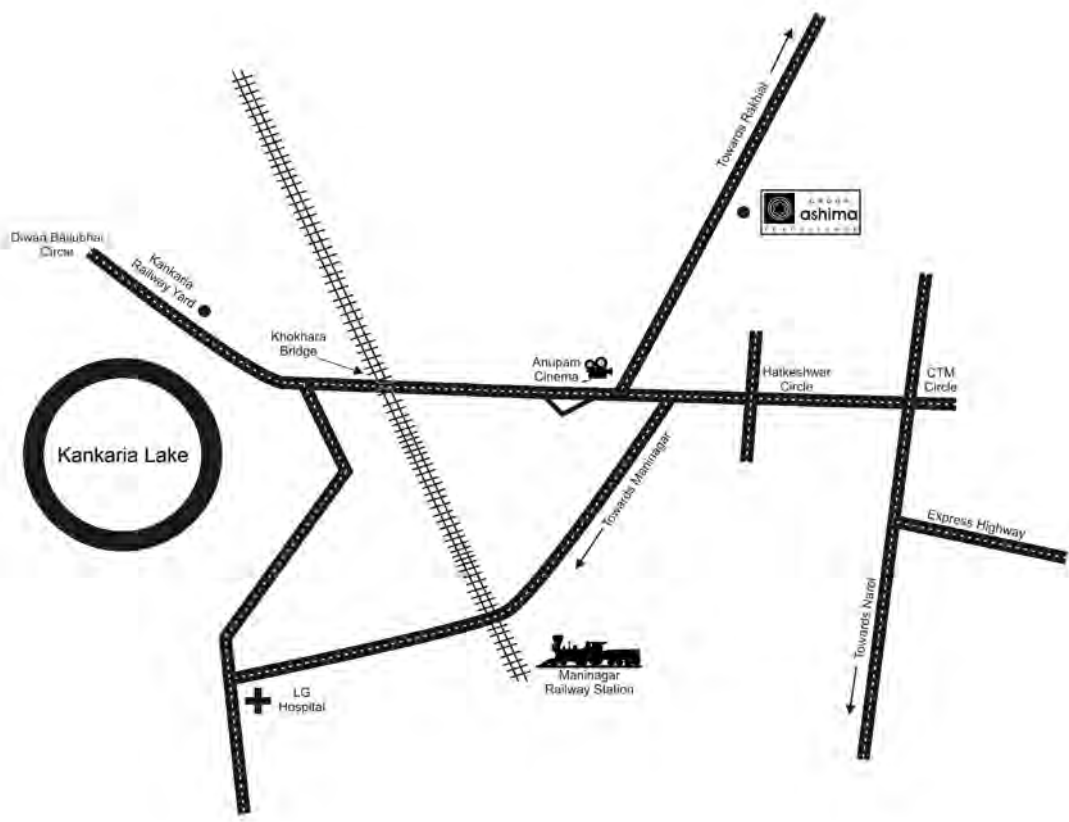
Signature of Shareholder : _____

Signature of Proxy Holder : _____

Affix a 1 Re. Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, Not less than 48 hours before the commencement of the Meeting.

ROUTE MAP



This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

If undelivered
Please return to :

ASHIMA LIMITED

CIN No. L99999GJ1982PLC005253
Texcellence Complex,
Khokhara-Mehmedabad, Ahmedabad-380021