

Regd. Office : Texcellence Complex, Near. Anupam Cinema, Khokhra, Ahmedabad - 380 021, India.
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CIN No : L99999GJ1982PLC005253

17th August, 2021

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

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

Dear Sir/ Madam,

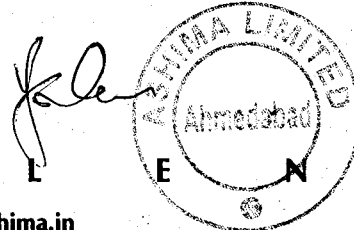
Sub: Proceedings of 38th Annual General Meeting ('AGM') under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby inform you that the following businesses were transacted at the 38th Annual General Meeting (AGM) of the Company, held on today i.e. **Tuesday, 17th August, 2021** through Video Conferencing / Other Audio Visual Means (OVAM):

1. Ordinary Resolution-Approval and adoption of Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. Ordinary Resolution - Re-appointment of Mr. Shrikant S. Pareek, Director (Operations) (DIN: 02139143), a retiring Director of the Company and being eligible offers himself for re-appointment.
3. Ordinary Resolution - Appointment of Mr. Krishnachintan C. Parikh (DIN:07208067) as Director and also as an Executive Director of the Company.
4. Special Resolution - Re-Appointment of Mr. Neeraj Golas (DIN:06566069) as an Independent Director of the Company for second term.
5. Special Resolution - Revision in Remuneration of Mr. Shrikant Pareek (DIN:02139143), Whole Time Director of the Company.
6. Ordinary Resolution - Approval of payment of remuneration to Independent Directors of the Company.
7. Ordinary Resolution - Ratification of remuneration of Cost Auditor.

The above businesses were transacted through remote e-voting and e-voting during the meeting as required under the Companies Act, 2013 and Listing Regulations.

We enclose herewith Chairman's Speech delivered at the AGM on the performance of the Company and outlook for future.



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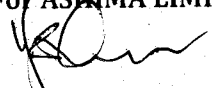
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Details of voting results as required under Regulation 44(3) of Listing Regulations and rule 20(4)(xii) of the Companies (Management and Administration) Rules, 2014, will be disclosed to the Stock Exchanges separately.

Kindly take note of the above.

Thanking You,
Yours Faithfully,

For **ASHIMA LIMITED**


DIPAK THAKER
COMPANY SECRETARY



Encl : As Stated

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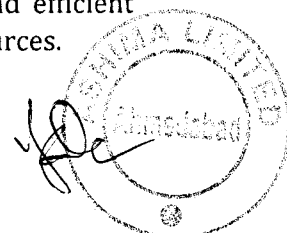
Chairman's speech to Shareholders on the performance of the Company and outlook for future

1. Let me start with my views on the state of the economy in the current pandemic situation:

- a. The country continues to be faced with the Covid pandemic, which got more severe in the recent period, after the second wave started. Various parts of the country have been under lockdown or restrictions in varying degrees. While this has seen so many people losing their lives and many more suffering from the infection and its after effects, this phase has also affected businesses and economic activities, across sectors, including textile industry, in most parts of the country. Market closures and disruptions of logistics sector have aided to the woes of the businesses.
- b. However, there appears to be good relief recently, with much lesser number of new infection cases since about a month or so except in few regions. This may help easing of restrictions and lead to a recovery in business.

2. Financial performance:

- a. As mentioned, the businesses were completely disrupted across the industries for six to eight months and the Company also faced similar disruptions. Hence, performance for the year is not comparable with the previous year. In such an adverse business situation, though the company reported a higher loss of Rs.1159 lacs for the year at PBT level compared to Rs.339 lacs in the preceding year, if we consider one-time expenses of Rs.675 lacs in aggregate in form of labour rationalization costs and stamp duty expenses on merger of the group company, the performance has not deteriorated much compared to the previous year, in context of the fact that practically no operations happened during 6 to 8 months of the year. The company has successfully managed to protect the bottom-line.
- b. The company had put up a very attractive VRS scheme for workers, which many workers have accepted. The VRS cost has been fully expensed out in the accounts, and will result in long term advantage in terms of substantial savings in labour cost for years to come.
- c. The Company has managed to run the business in a significantly better way. It has proactively looked into various aspects of operations including product and customer segment development, prudent cashflow management and cost management. It took timely decisions and action, which helped in optimizing the performance in such difficult situation. The company made focused efforts for better working capital management and brought down the levels of inventories, receivables and payables by exercising tighter controls. Prudent and efficient cashflow management helped the company operate with limited resources.





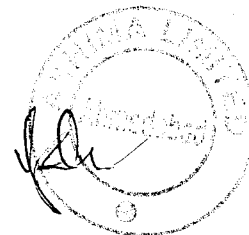
- d. In order to partly mitigate the adverse impact of the changed circumstances, the company aggressively pursued tighter cost control strategies and achieved good results on that front. This includes employees cost, which was reduced by 19%, with cost going down significantly to Rs. 36.31 Crs in 2020-21 compared to Rs.44.91 Crs in 2019-20. We have taken several of initiatives in restructuring staff function by undertaking review of individual job profiles, workflow, etc. to achieve significant salary cost saving on sustainable basis.
- e. Due to continued lockdown for several months, economic activities had come to a halt across the country and the company also faced similar problems. Various divisions of the company have witnessed lower volumes during the year. At the same time raw material prices of cotton, yarns and griege fabrics saw unprecedented increase during the year, which have continued till date.
- f. The company has faced the challenges head-on with its continued efforts on enhancing its product profile and customer segments, which have helped it improve upon the margins across all its product segments. The steps taken by the company during last few years in terms of improving the operational capabilities and targeting value-added products has helped it cater to niche customers and improve its customer profile. This has helped the company to partly off-set the adverse impact of lower volumes.
- g. A close watch on the receivables and inventories and well-managed business operations helped the company avoid any major losses in the form of bad debt or stock losses. The Company had made provisions for such possible losses in the previous year due to the harsh Covid situation. But as the Company did not make any such losses, the said provisions were not required and were therefore reversed during the year.

3. Temporary suspension of yarn dyed shirting activity:

- a. The Spinfab Division is engaged in the manufacture of yarn dyed shirting fabrics. The plant was set up in late 90's, so it has old machinery, which is still running. As a result, the Division has been facing issues in competitive market due to cost-inefficiency and low plant productivity. In such a situation, the management has considered it prudent to temporarily suspend its operations w.e.f. 1st June, 2021.

4. Going Forward:

- a. Our strategy is to debottleneck our capacity, so that we can take advantage of above average incremental return on investments.
- b. We are also looking at certain products that will complement our existing product range and increase the wallet share with every customer. For future, we are looking at the following areas, where the Company would like to concentrate and specialize:





- 1) Textiles – We are increasing our product range by adding women's wear. We are expanding our garment manufacturing capacity by adding one more line for Jeans.
- 2) The Company has identified real estate as one of the areas of diversified growth and has soft-launched a week-end home project named "Swan Lake" near Ahmedabad, which has got very good initial response in the market. The company is on track in various aspects of project execution. The Company is likely to start earning revenue from the project from the current financial year.
- 3) The company has also started treasury operations and we believe this will become a significant growth driver going forward. : This is not done with the intention of parking surplus cash, but is done with the intention to actively earn above average returns, for which funds would be specifically allocated. We are pursuing a value investing approach where we will try to buy long term securities under various instruments using fundamental analysis in companies with high entry barriers and ability to reinvest retained earnings at above average returns for long periods of time. We are also on the lookout to acquire partially or in full companies that meet our above requirement or may form part of our strategic goals through mergers and acquisitions route. We have two substantial advantages. One is that capital gains tax on public equity at 10% is substantially lower than 25% on other regular business income and is payable once when you sell it after many years vis a vs paying every year. The other advantage we have will be against other institutional managers who have to show returns quarter on quarter and can be hit by redemptions and hence can't take a long term view vis-a-vis the patient capital base Ashima enjoys. We are highly confident of our skill set and our ability to achieve these objectives.

