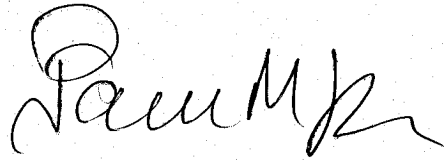


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

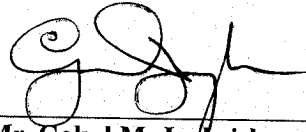
1. Name of the Company : **Asahi Songwon Colors Limited**
2. Annual Financial Statement for the year ended : **31st March, 2014**
3. Type of Audit Observation : **Un-qualified**
4. Frequency of observation : **Not applicable**
5. To be signed by:

a. CEO/Managing Director



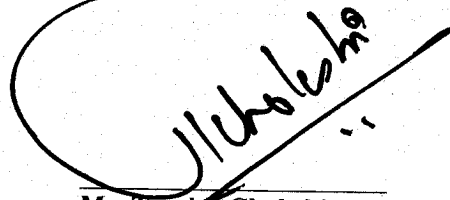
Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

b. CFO

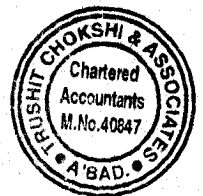


Mr. Gokul M. Jaykrishna
Joint Managing Director

c. Auditor of the Company



Mr. Trushit Chokshi
Proprietor
Membership No. 040847
Trushit Chokshi & Associates
Chartered Accountants
Firm Registration No. 111072W



d. Audit Committee Chairman



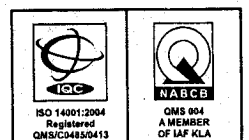
Mr. Gaurang N. Shah
Director

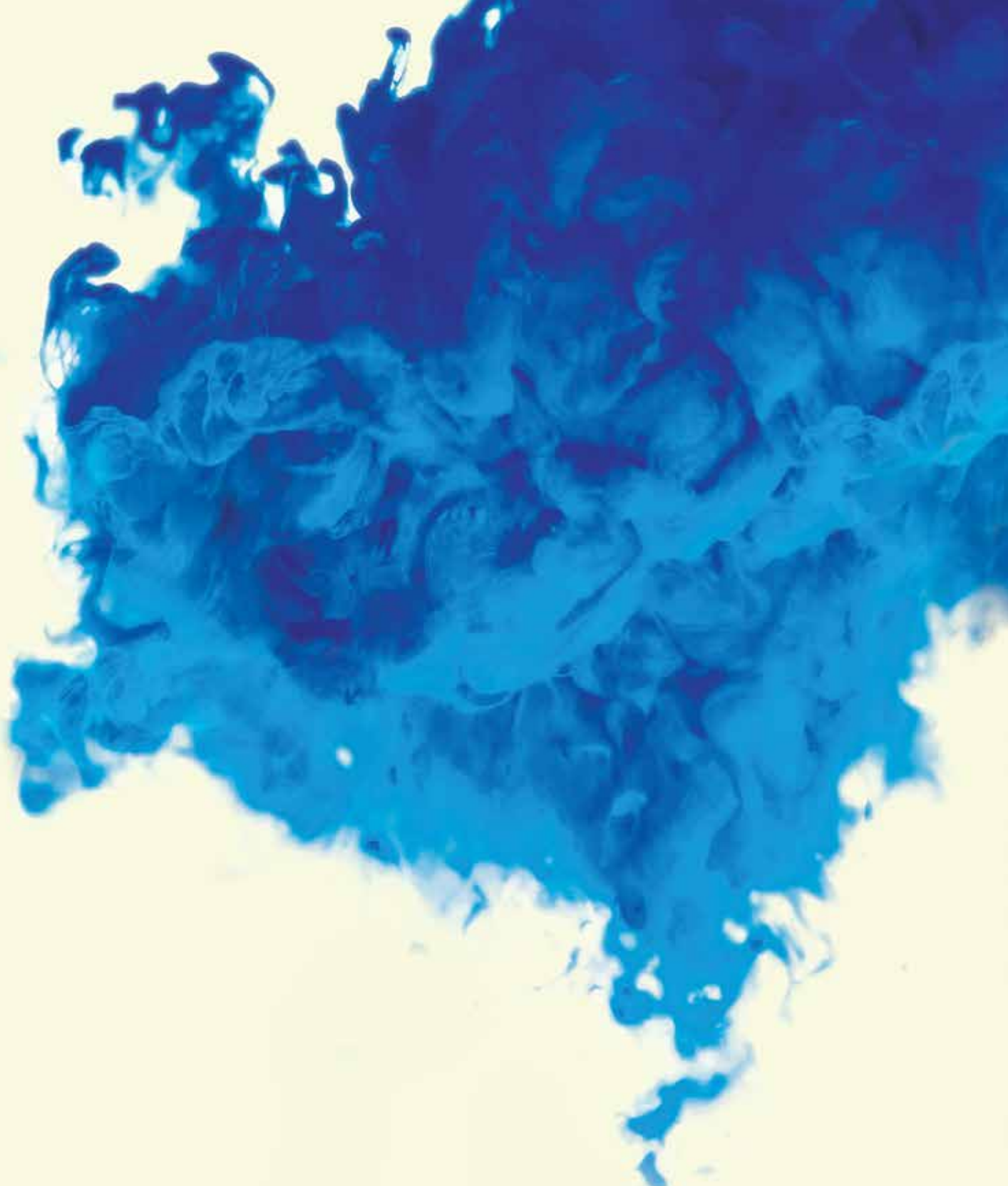
Asahi Songwon Colors Ltd.

"Asahi House" Chhatral - Kadi Road, Indrad - 382 721, Mehsana, India.

Tele : 91-2764 233 007 - 10 • Fax : 91-2764 233 020 • E-mail: admin@asahisongwon.com

Regd. Office : 167-168, Village Indrad, Kadi - Kalol Road, Mehsana, Gujarat - 382 715, India. www.asahisongwon.com CIN : L24222GJ1990PLC014789





business continuity

ASAHI SONGWON COLORS LIMITED | ANNUAL REPORT 2013-14

Disclaimer

The disclosures of forward-looking information contained in this annual report are made to enable investors to comprehend the prospects and make informed investment decisions. This report and other statements – written or oral – may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Maximum effort has been made to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. However, the entire realisation of these forward-looking statements cannot be guaranteed, although the assumptions have been prudent enough to rely upon. The achievement of results is subject to risks, uncertainties and unforeseen events. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. The management does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future event or otherwise.

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THERE COMES A TIME IN THE EXISTENCE OF A SUCCESSFUL COMPANY WHEN IT MUST LEVERAGE ALL THAT IT HAS STOOD FOR AND ACCELERATE GROWTH OVER THE FORESEEABLE FUTURE.

SO EVEN AS ASAHI SONGWON EXPECTS TO LEVERAGE ITS RICH LEGACY, NETWORK AND INTELLECTUAL CAPITAL, IT WILL RESPOND TO NEW DYNAMICS, FRESH OPPORTUNITIES AND SUNRISE POSSIBILITIES WITH RENEWED VIGOR.

TRANSLATING INTO A SINGULAR FOCUS.

**business
continuity**



For nearly two and a half decades, Asahi Songwon emerged as a national leader and one of the fastest growing global pigment manufacturers.

The Company reinforced its industry leadership through enhanced capacities, superior quality, delivery dependability, customer stability, value-addition and responsible environment-friendly practices.

As a result, the Company finds itself perched at an inflection point, following which growth is expected to be quicker, profitable and more sustainable.

Background

The Company was incorporated in 1990 by Mrs. Paru M. Jaykrishna.

Products

The Company is one of the leading manufacturers of Phthalocyanine pigments (Blue and Green) and derivatives in India and one of the fastest growing in the world within its sector. Pigments (coloring agents that impart color) are generally classified into Phthalo and Azo.

Asahi Songwon is engaged in the manufacture of Phthalo pigments (one of the largest categories of pigments manufactured in India) comprising CPC Green, CPC Blue Crude and a range of Beta Blue Pigments.

Applications: About 60 percent of all Phthalocyanine pigments are used in the manufacture of printing inks while the rest find application in paints, plastics, textiles and paper.

Manufacturing capacities: The Company's principal manufacturing facilities are at Padra (Vadodara), manufacturing Blue pigment with an installed capacity of 11,400 TPA. The Company also has manufacturing facilities at Kadi, (Mehsana) manufacturing Green pigment with an installed capacity of 1,440 TPA.

Clientele

The Company's Blue pigment clientele comprises global giants like DIC (Japan), Sun Chemicals (USA), Clariant Chemical India Ltd. and BASF (Korea).

Awards and accolades

The Company's Padra plant is certified with ISO 9001:2008 and ISO 14001:2004, resulting in stringent health, safety and environmental compliances.

Award for outstanding export performance for four years by GDMA.

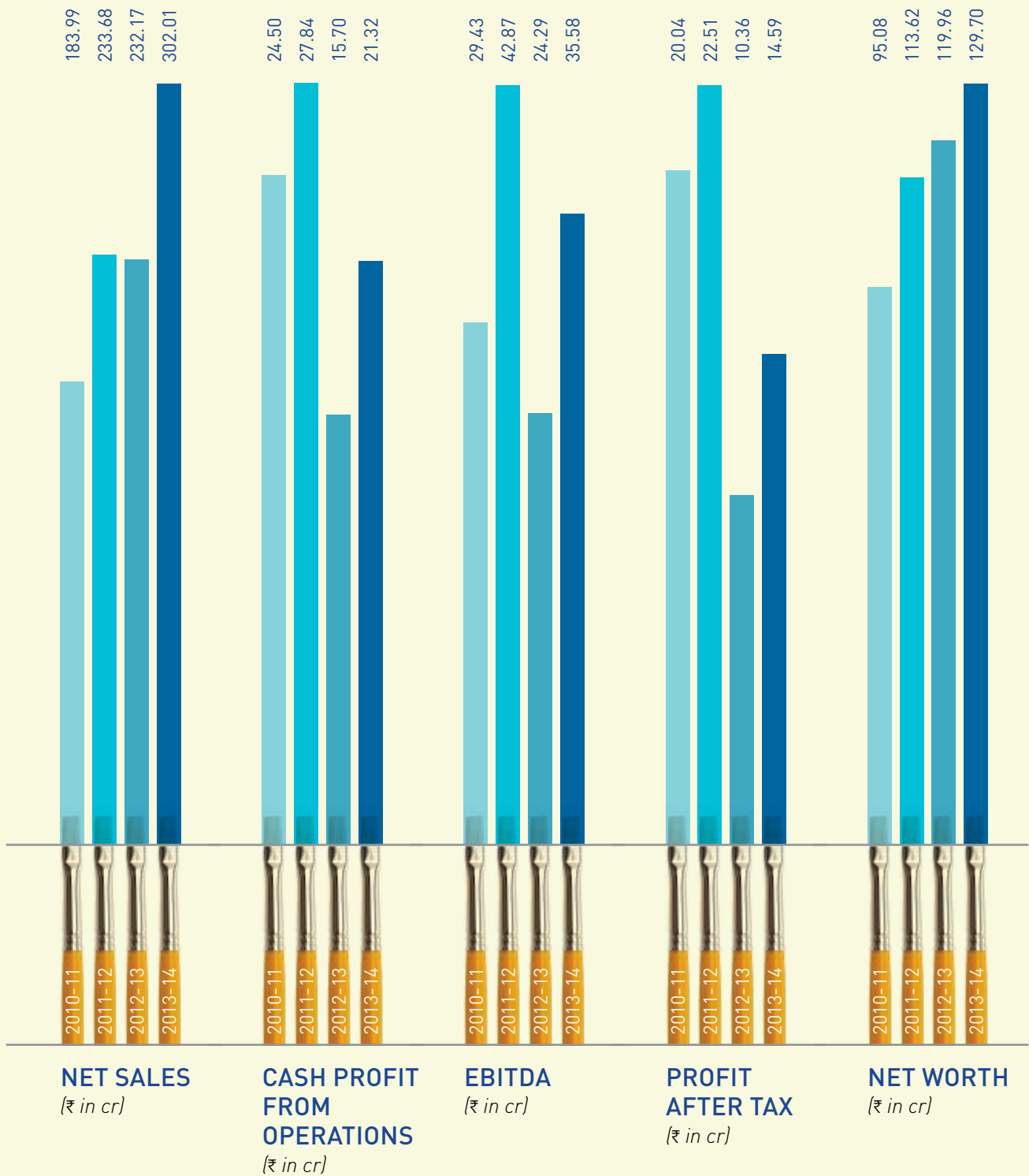
Award for 'Outstanding performance in the export of dye and dye intermediaries' by CHEMEXCIL for three years.

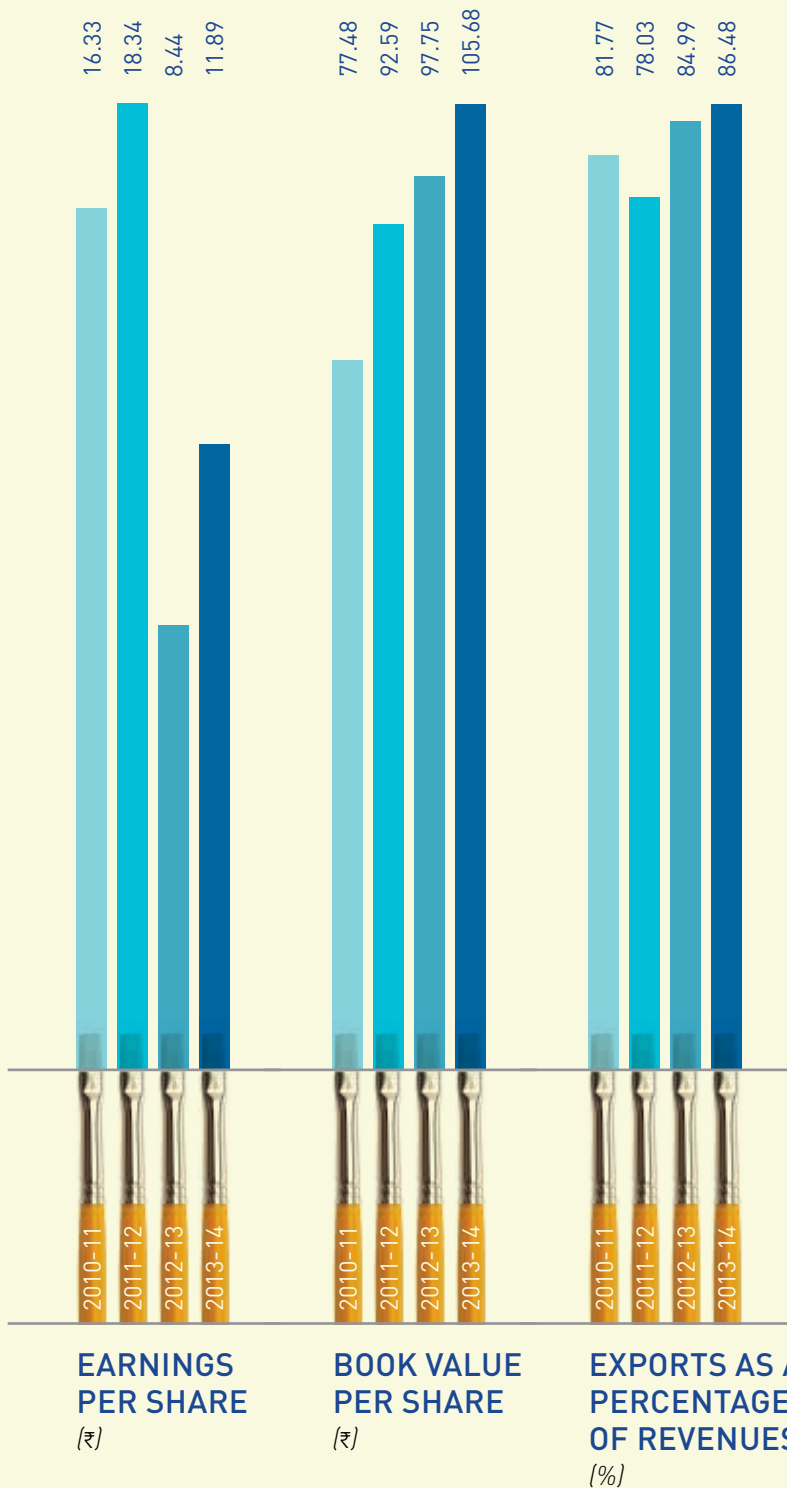
Award for 'Excellent export performance' in the category of 'Export House' by FIEO in 2000-01.

Award for 'Emerging SME' across all sectors in India by Dun and Bradstreet and Fullerton India in 2008; given an award for 'SMEs in the chemical and petrochemical sectors' by Dun and Bradstreet and Fullerton India in 2008.

Award for 'International Trade' in the chemical category by DHL-CNBC TV 18 in 2009 and 2010-11.

Financial transformation





EARNINGS PER SHARE
(₹)

BOOK VALUE PER SHARE
(₹)

EXPORTS AS A PERCENTAGE OF REVENUES
(%)

₹ **153.40** cr
Market capitalisation as on 31st March 2014

₹ **302.01** cr
Total revenue in 2013-14

₹ **35.58** cr
EBITDA 2013-14

₹ **14.59** cr
Profit after tax in 2013-14

₹ **21.32** cr
Cash profit after tax in 2013-14

₹ **129.70** cr
Net worth in 2013-14

₹ **80.38** cr
Net debt in 2013-14

₹ **3.50**
Dividend per share in 2013-14

₹ **105.68**
Book value per share in 2013-14

11.78 %
EBITDA margin in 2013-14



product

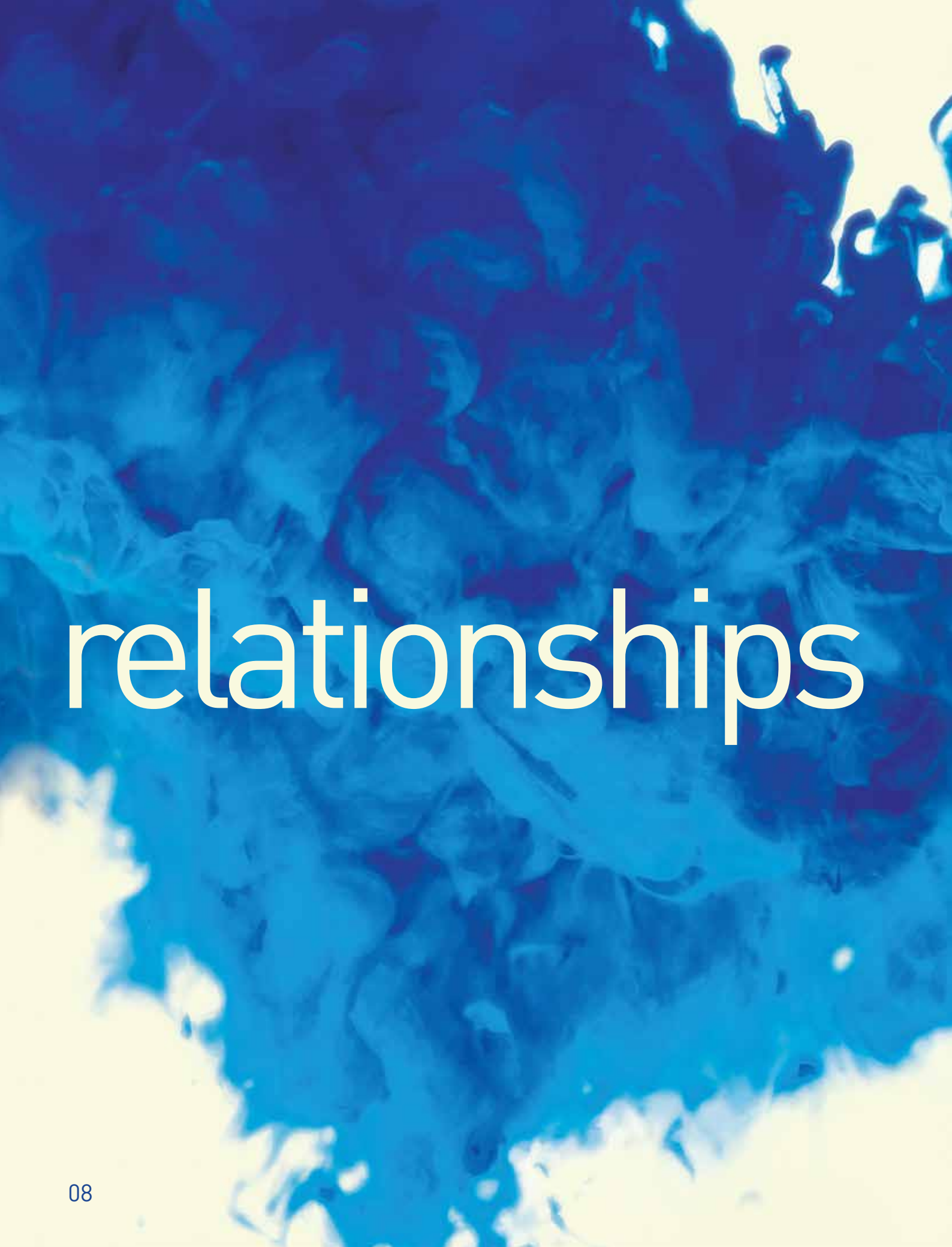


IN A BUSINESS WHERE CUSTOMER REQUIREMENTS KEEP EVOLVING ALL THE TIME, ONE OF THE MOST ENDURING STRENGTHS AT ASAHI SONGWON IS ITS CONSISTENTLY HIGH QUALITY BENCHMARK.

Over the decades, the Company invested its Blue pigment products comprising the highest quality standards through proactive investments in research, manufacturing technologies and product testing.

More than just an in-pipe approach, Asahi Songwon extended its focus to a holistically superior customer experience. This superior experience commenced from a deep understanding of customer requirements, need for corresponding customization (product and process) and the ability to make proactive improvements to take the customer's requirements ahead.

At Asahi Songwon, the comprehensive service commitment translated into a superior price-value proposition. This proposition inevitably translated into a global respect for being able to deliver a first-rate quality. In turn, this translated into a major global share and an undisputed leadership in India's pigments sector.



relationships



IN A BUSINESS MARKED BY THE NEED FOR HIGH PRODUCT QUALITY ON THE ONE HAND AND STRINGENT ENVIRONMENT COMPLIANCES ON THE OTHER, CUSTOMERS SEEK VENDORS WHO CAN BE TRUSTED INTO THE LONG-TERM.

Over the decades, the nature of engagement has evolved from one-off transactions to multi-year relationships; the nature of relationships has evolved from the usual to collaborative partnerships.

At Asahi Songwon, our relationship-driven customer engagement represents one of our biggest assets for some good reasons. One, some of our multi-year clients - Clariant Pigment (Korea), DIC Corporation (Japan), BASF and Sun Chemicals - are among the largest users of downstream products in the world, providing us with the assurance of growing offtake. Two, these companies work on the cutting-edge of downstream technologies, offering technical support and helping future-proof our product strategy. Three, these large customers run robust and sustainable businesses translating into dependable revenue visibility for us. Four, our association with these large customers has strengthened our systems in line with the global benchmark and enhanced our industry standing. Five, the strength of the Company's principal customers has translated into a low and secured receivables cycle translating into favourable terms of trade.

At Asahi Songwon, 76 per cent of the Company's revenues were derived from customers who have been working with the Company for more than five years. These realities indicate the Company's competitive advantage in a challenging sector.

CHAIRPERSON'S REVIEW



The remarkable feature of the performance of Asahi Songwon Colors Limited in 2013-14 was that the Company reported a 30.1 per cent growth in revenues and a 41 per cent growth in bottomline.

This positive divergence was remarkable given that the global economy continued to remain sluggish, affecting consumer sentiment across a number of countries. The fact that the Company responded with profitable growth – marked by a larger percentage increase in margins over a percentage increase in revenues – was the result of a global shift in sourcing towards Asia on the one hand and the Company's established competitive advantage on the other.

Holistic value

The principal reason why Asahi Songwon bucked the prevailing global trend was because the Company consistently invested in its business with the perspective of generating holistic value.

At a time when it would have been convenient to focus merely on the financial bottomline, the Company focused on the Triple Bottomline. At a time when it would have been reasonable to address the needs of only shareholders, the Company addressed the needs of the peripheral community as well. At a time when it would have been usual to focus on the transaction, the Company invested in enduring relationships. At a time when it would have been tempting to focus on the short-term, the Company played for the long-term.

Strengthening the customer's business

At Asahi Songwon, we have believed that when you strengthen the business of customers, you inevitably strengthen your own.

Over the last few years, we strengthened the business of our customers through various initiatives:

- We worked with some of the most demanding customers the world over. This helped us plug into the latest trends related to quality, product applications, evolving grades and corresponding environmental support. The result is that by working with the best, we were immediately benchmarked around the cutting-edge, which in turn became our consistent standard that benefited all our customer relationships.
- We evolved from the transaction to the relationship-driven model. This ensured that we focused only on the long-term as the basis of our decision making. Besides, the relationship-driven approach ensured that we positioned our Company as a faithful back-end of our customer premises, imbibing their operating philosophy.
- We focused on quality, quality and quality. This means that we extended from the conventional perspective of quality as an in-pipe reality to quality as a delivered application on the machines or products of our customers. The result is that the concept of quality within our Company evolved into a moving goalpost in line with the changing and cutting-edge requirements of the day.
- We invested extensively in state-of-the-art effluent and emission management systems benchmarked around the demanding standards of the developed world. While this was seen by a number of industry observers as a defensive

investment, we selected to make future-facing investments with the objective to convince buyers of the hygiene factor of our operations and the fact that our environmental compliance would result in a supply consistency for them.

Our value proposition

Over the years, the complement of these business-strengthening initiatives translated into enduring competitive realities.

For one, Asahi Songwon achieved one of the most competitive cost structures in its business the world over. This resulted in attractive growth over the years marked by strengthening margins.

Besides, even as the Company has been Indian in location, it evolved into a completely global personality with nearly 86 per cent of revenues derived from international sales.

More than 76 per cent of the sales were derived from customers engaged with the Company for five years or more.

Optimism

At Asahi Songwon, we are optimistic of our prospects for some good reasons.

The Company is located in the right geography; its presence in India makes it possible to leverage the rich intellectual capital related to the chemical and pigment sectors on the one hand and capitalize on the vast market for these products on the other.

Besides, the Company selected to locate its manufacturing operations in

Gujarat, a state that accounts for 65 per cent of all chemical businesses in India. Besides, the State enjoys access to raw materials and people resources on the one hand as well as access to ports (facilitating exports) on the other.

The Company is attractively placed to take its business ahead; it reported five quarters of successive revenue growth leading to the end of 2013-14 around reasonable margins, translating into enhanced profits.

Besides, the Company is prudently structured; the Company's gearing of 0.62 as on 31 March 2014 represented adequate safety; besides, its interest cover of 6 times indicated adequate financial comfort; its receivables of 82 days of turnover equivalent indicated strength in terms of trade.

Outlook

Asahi Songwon is optimistic of leveraging its existing business strengths and a proposed demerger to accelerate and enhance value for shareholders over the foreseeable future.

Sincerely,

Mrs. Paru M. Jaykrishna,
Chairperson and Managing Director

Our Competencies

RELATIONSHIPS

Our business is marked by enduring relationships (customer and vendor), resulting in product / quality /

production dependability at one end and revenue visibility at the other. Nearly 76 per cent of the Company's

revenues in 2013-14 were derived from clients with whom it had been working for five years or more.

REVENUE QUALITY

Our business is marked by quality revenues derived from large and respected global clients who are of the largest in their respective spaces. The quality of our revenues

was reflected in our receivables. Our business derives respect from its ability to work with some of the most demanding global customers

– DIC (Japan), Sun Chemicals (USA), Clariant Chemicals (India) and BASF (Germany) – which serves as an endorsement of our capability, helping widen the customer basket.

CREDIBLE VENDOR

Our business has acquired the reputation for being a trusted vendor for the growing and direct needs of downstream customers

the world over. Exports accounted for 86 per cent of the Company's revenues in 2013-14; besides, order sizes progressively increased,

indicating trust in the Company's comprehensive delivery capability.

TRUST

Our business has generated the trust of large downstream customer

giants for them to invest in our Company. Clariant invested 5.86 per

cent and DIC 7.05 per cent in the Company's equity.

LIQUID

Our business has reported robust growth – from ₹232 cr in 2012-13 to

₹302 cr in 2013-14, revenues growing 30 per cent and profit after tax

increasing 40 per cent during the period.

TECHNOLOGY

Our business is supported by world-class technologies – from Clariant Pigments (Korea) Ltd. and DIC Corporation (Japan) – that have

been progressively absorbed and strengthened, strengthening the Company's standing as a globally-benchmarked producer of

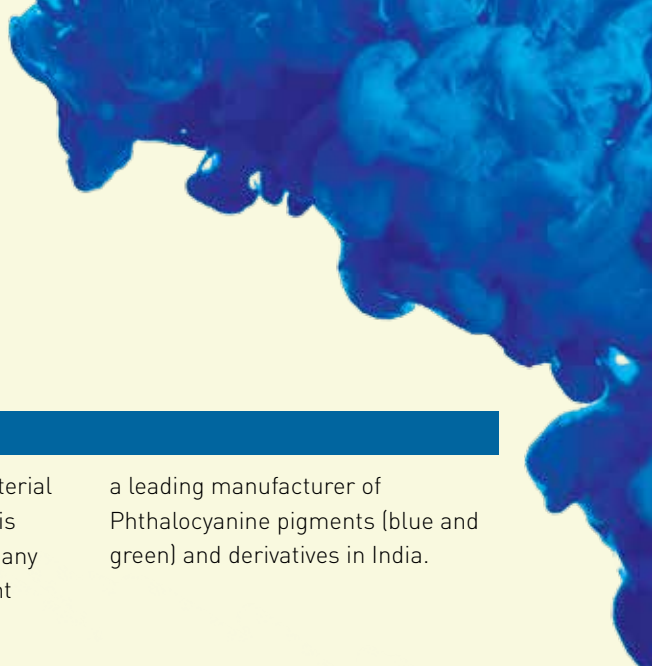
quality material customized around specific customer needs.

RESPONSIBILITY

Our business has made proactive investments in environment-protecting plants, processes and practices which provide confidence to stakeholders – communities, customers, shareholders and the

government – that the Company's business is safe and sustainable. The Company invested no less than ₹28 cr in effluent and emissions management in line with the demanding local, regional, national

and international compliance requirements. Our plants are certified for ISO 9001:2008 and ISO 14001:2004, resulting in extensive health, safety and environmental compliances.



SCALE

Our business rides large and growing capacities (especially in the Beta Blue business) in response to the growing needs of customers. This makes it possible

for the Company to provide material virtually on demand; in turn, this makes it possible for the Company to derive attractive procurement economies. The Company is

a leading manufacturer of Phthalocyanine pigments (blue and green) and derivatives in India.

QUALITY

Our business has been woven around first-rate product quality built on a foundation of Quality Maintenance System, standard operating procedures, dedicated

Quality Management team and relevant certifications (ISO 9001:2008 for quality management system); the result has been zero product rejection,

translating into client accretion on the one hand and increasing revenue per client on the other.

INTELLECTUAL CAPITAL

Our business enjoys a rich intellectual capital spanning more than two decades, resulting in knowledge on trends, customer,

vendors and evolving benchmarks. The result is that the Company has emerged as one of the fastest growing industry players with

attractive headroom, translating into the possibility of years of sustained growth.

RESEARCH-DRIVEN

Our business is driven by its R&D center, the R&D centre delivered

process and product improvements over the last few years, making

the Company one of the most competitive the world over.

RAW MATERIAL ACCESS

Our business is attractively located in Gujarat, the largest petrochemical producing state in India accounting for nearly 65 per cent of all of India's

chemical businesses; this strengthened access to raw material sources on the one hand and made it logistically convenient to

export through proximate ports on the other.

GLOBAL PLAYER

Our business has established a global presence in the phthalo space, having carved out a sizable global share. Rather than be merely

content with a linear increase in the share for phthalo dyes, our business selected to extend its product basket – from green and beta to alpha

blue – with the objective to carve out a larger share of the customer's wallet.

Risk management

INDUSTRY RISK

The business may cease to be attractive

- Global volume demand for pigments is expected to keep growing 4 per cent annually by 2018.
- The global market for pigments is expected to grow to \$11.7 billion by 2018. The global pigments market is projected to grow at a CAGR of 4.5 per cent from 2013 to 2018.
- The role of organized players such as Asahi Songwon is growing as rigorous quality, performance and environmental standards are being enforced.
- Phthalocyanine pigments account for 60 per cent of the world's organic pigment market.
- The demand for phthalocyanine pigments is catalysed by a range of sectors like printing, paints, plastics, automobile coatings and textiles

STRATEGY RISK

Intense competition and strategic errors could result in a loss in market share

- Asahi Songwon maintained excellent relationships with its clients.
- Clariant and DIC made strategic equity investments in Asahi Songwon.
- 76% of the Company's 2013-14 revenues were derived from sales to international giants.
- The Company's order book was secured through long-term contracts with large global players across various countries.

ENVIRONMENTAL RISK

Increasing in stringency of environmental norms might result in the Company being on the back-foot.

- The Company complied with all relevant statutory and environmental requirements. Safety and environmental standards were periodically reviewed and upgraded.
- The consumer preference for eco-friendly products is growing. The Company installed a state-of-the-art emissions and effluent management system

TECHNOLOGY RISK

Technology might become redundant

- The Company constantly upgraded its manufacturing technology in line with international standards.
- The Company drew on technical support from industry leaders like DIC Japan and Clariant Pigments (Korea) Ltd. to manufacture quality products.
- The Company made investments in ERP for enhanced organizational synergy.

QUALITY CONSISTENCY RISKS

Quality of key products may deteriorate

- The Company prioritized product quality. An inflexible Quality Management System helped to improve quality, reliability and customer-service.
- Stringent quality checks helped moderate production rejection to nil.
- Records of testing of raw material to finished goods were maintained.
- Raw material was mainly imported from stable international vendors. Visits were made to suppliers to ensure raw material quality.
- The Company is ISO 9001:2008 -certified.
- The R&D department helped enhance efficiency and quality.

Statutory section

Directors profile

MRS. PARU M. JAYKRISHNA

Chairperson and Managing Director

Mrs. Paru M. Jaykrishna, is the Chairperson and Managing Director of the Company. She is B.A. & M. A. in Philosophy, Sanskrit and English Literature and also holds a degree in Law. She is one of the renowned women entrepreneurs of India. She was the first lady elected as Executive Member and President of Gujarat Chambers of Commerce and Industry. She has been founder director, president to many of the Gujarat Government Boards and Organizations. She is the founder of the Company and looks after policy making and growth strategies of the Company.

MR. H. K. KHAN

Mr. H. K. Khan, IAS (Retd.), held very senior position both in Government of India and Government of Gujarat. Besides holding Chairman / Director on the Board of several public sector as well as private sector companies, he has served very important position in Gujarat Government as Chief Secretary, Adviser to Chief Minister, Additional Chief Secretary and Principal Secretary of Industry. In 1988, he was appointed as Secretary to the Government of India in the Department of Chemicals and Petrochemicals. He held following Corporate posts: Chairman – Gujarat State Fertilizer Company, Chairman – Gujarat Narmada Fertilizer Company, Chairman – Gujarat Alkalies and Chemicals Ltd., Chairman – Gujarat Power Corporation and Ahmedabad Electric Company, Chairman – Gujarat Ambuja Cement Ltd., Director – I.P.C.L. He is a director of Calcom Visions Ltd.

MR. R. K. SUKHDEVSINHJI

Mr. R. K. Sukhdevsinhji, is the son of late Maharaja Rajendrasinhji. He graduated from St. Stephens College, Delhi. In 1981 he was deputed to the Ministry of Petroleum and Natural Gas, as Director (Operations) in the Oil Coordination Committee (OCC). He has also served as Chairman and Managing Director of Bharat Petroleum Corporation Ltd. He has held Board level position in various Central Government, Public Sectors Companies / Corporations.

MR. ARVIND GOENKA

Mr. Arvind Goenka, is a graduated from St. Xavier College, Kolkatta, is an industrialist hailing from the renowned family of late Sir Badridas Goenka associated with the Industrial Group popularly known as DUNCAN. Mr. Goenka commands rich experience over 26 years in managing and / or looking after industries of diverse business interests such as jute, cotton textiles, rubber, chemical and sophisticated industrial engineering products. He is on the board of reputed companies like Oriental Carbon and Chemicals Ltd. and Schrader Duncan Ltd.

MR. GAURANG N. SHAH

Mr. Gaurang N. Shah, is an industrialist having more than 33 years experience in business and in particularly in the chemical industry.

DR. PRADEEP JHA

Dr. Pradeep Jha, is an academician with over 36 years of experience in teaching. He has published research papers on inventory management. He has remarkable contribution in operation research. He is a professor in L. J. Institute of Engineering and Technology, Ahmedabad.

MR. GOKUL M. JAYKRISHNA

Mr. Gokul M. Jaykrishna, is the Joint Managing Director of the Company looking after the finance, marketing and overall development of the Company. He is a major in finance and marketing from Lehigh University, Bethlehem. He has the experience of working with Krieger Associates, New Jersey, USA, one of the most influential currency and currency option traders in the World. He is with the Company since 1996.

MR. MUNJAL M. JAYKRISHNA

Mr. Munjal M. Jaykrishna, is the Joint Managing Director of the Company looking after production, marketing, quality control and overall development of the Company. He is a major in finance and marketing from Lehigh University, Bethlehem. Before joining the Company, he has worked with Bank of California, San Francisco as Financial Analyst & Paragon Knits, Bethlehem as a consultant.

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of ASAHI SONGWON COLORS LIMITED will be held on Friday, 26th day of September, 2014 at the Registered Office of the Company situated at 167-168, Village Indrad, Kadi - Kalol Road, Dist: Mehsana, Gujarat, at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014 including Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Paru M. Jaykrishna (holding DIN 00671721), whose period of office is not liable to determination for retirement of directors by rotation under the erstwhile provisions of the Companies Act, 1956 but who pursuant to provisions of Section 152 of the Companies Act, 2013, is liable to retire by rotation being eligible, offers herself for re-appointment.
4. To reappoint the Auditors and to fix their remuneration and to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the Annual General Meeting till the conclusion of Twenty Seventh Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors of the Company be and are hereby authorised to fix such remuneration plus applicable service tax and out of pocket expenses incurred by them for the purpose of audit in consultation with the auditors.”

SPECIAL BUSINESS:

5. **Appointment of Dr. Pradeep Jha (holding DIN No. 01539732) as an Independent Director of the Company**

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 sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Dr. Pradeep Jha (holding DIN No. 01539732), Director of the Company, who was liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956 at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the Twenty Ninth Annual General Meeting in the calendar year 2019.”

6. **Appointment of Mr. Gaurang N. Shah (holding DIN No. 00024424) as an Independent Director of the Company**

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 sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Mr. Gaurang N. Shah (holding DIN No. 00024424), Director of the Company, who was liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956 at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the Twenty Ninth Annual General Meeting in the calendar year 2019.”

7. **Appointment of Mr. H. K. Khan (holding DIN No. 00029713) as an Independent Director of the Company**

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 sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Mr. H. K. Khan (holding DIN No. 00029713), Director of the Company, who was liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956 at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the Twenty Ninth Annual General Meeting in the calendar year 2019.”

8. Appointment of Mr. R. K. Sukhdevisinhji (holding DIN No. 00372612) as an Independent Director of the Company

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 sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Mr. R. K. Sukhdevisinhji (holding DIN No. 00372612), Director of the Company, who was liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956 at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the Twenty Ninth Annual General Meeting in the calendar year 2019.”

9. Appointment of Mr. Arvind Goenka (holding DIN No. 00135653) as an Independent Director of the Company

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 sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Mr. Arvind Goenka (holding DIN No. 00135653), Director of the Company, who was liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956 at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the Twenty Ninth Annual General Meeting in the calendar year 2019.”

10. Revision in the terms of appointment of Mrs. Paru M. Jaykrishna (holding DIN No. 00671721), the Chairperson and Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of section 149, 152, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification to the Special Resolution passed at the Twenty First Annual General Meeting held on 25th August, 2011, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mrs. Paru M. Jaykrishna (holding DIN No. 00671721), the Chairperson and Managing Director of the Company, who was appointed as a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 by making her office liable to retire by rotation and said retirement by rotation shall not be construed as break in terms of her appointment.

RESOLVED FURTHER THAT all other terms and conditions as mentioned in the Special Resolution passed at the Twenty First Annual General Meeting held on 25th August, 2011, in relation to the appointment of Mrs. Paru M. Jaykrishna, the Chairperson and Managing Director of

the Company shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

11. Revision in the terms of appointment and remuneration of Mr. Gokul M. Jaykrishna (holding DIN No. 00671652), the Joint Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of section 149, 152, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification to the Ordinary Resolution passed at the Twenty First Annual General Meeting held on 25th August, 2011, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. Gokul M. Jaykrishna (holding DIN No. 00671652), the Joint Managing Director of the Company, who was appointed as a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 by making his office liable to retire by rotation and said retirement by rotation shall not be construed as break in terms of his appointment.

RESOLVED FURTHER THAT in partial modification of the resolution passed in 21st Annual General Meeting held on 25th August, 2011 and pursuant to the provisions of section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), such other approval, permissions and sanctions from the Central Government, if required, the consent of the Company be and is hereby accorded to the revision in the terms of remuneration payable to Mr. Gokul M. Jaykrishna (holding DIN 00671652), the Joint Managing Director of the Company as set out in the Explanatory Statement.

RESOLVED FURTHER THAT in the event of absence of profits or inadequate profits in any financial year during the tenure of the Joint Managing Director of the Company be paid the above salary and perquisites as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to further alter, vary and/or amend the terms and condition of remuneration so as not to exceed the limit set out in Section 196 and 197 read with Schedule V of the Companies Act, 2013 or any amendments thereto.

RESOLVED FURTHER THAT all other terms and conditions as mentioned in the Ordinary Resolution passed at the Twenty First Annual General Meeting held on 25th August, 2011, in relation to the appointment of Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

12. Revision in the terms of appointment of Mr. Munjal M. Jaykrishna (holding DIN No. 00671693), the Joint Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of section 149, 152, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification to the Ordinary Resolution passed at the Twenty First Annual General Meeting held on 25th August, 2011, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. Munjal M. Jaykrishna (holding DIN No. 00671693), the Joint Managing Director of the Company, who was appointed as a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 by making his office liable to retire by rotation and said retirement by rotation shall not be construed as break in terms of his appointment.

RESOLVED FURTHER THAT all other terms and conditions as mentioned in the Ordinary Resolution passed at the Twenty First Annual General Meeting held on 25th August, 2011, in relation to the appointment of Mr. Munjal M. Jaykrishna, the Joint Managing Director of the Company shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

13. Borrowing powers of the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013 up to ₹500 crores

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

“RESOLVED THAT in supersession of the Ordinary Resolution approved at the 20th Annual General Meeting held on 20th July, 2010 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent and approval of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of ₹500 crores (Rupees Five Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

14. Authority to charge/mortgage assets of the Company both present and future

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

“RESOLVED THAT in supersession of the Ordinary Resolution approved at the 20th Annual General Meeting held on 20th July, 2010 and pursuant to the provisions of

Section 180(1)(a) of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013, consent and approval of the Company be and is hereby accorded to the Board of Directors of the Company to charge/ mortgage/ create security/ encumber in respect of the whole or substantially the whole of undertaking/s of the Company including all or any of its moveable or immoveable property(ies), both present and future, for securing the loan(s)/ financial assistance obtained/ to be obtained from Banks, Public Financial Institutions or Bodies Corporate or any other party together with interest, compound interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable to Banks, Financial Institutions or Bodies Corporate or any other party in terms of their respective loan agreements, hypothecation agreements, letter of sanction, memorandum of terms and conditions from time to time on behalf of the Company to secure borrowings up to ₹500 crores (Rupees Five Hundred Crores Only).”

15. Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

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

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

16. Approval of remuneration of Cost Auditors for the financial year 2014-15

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

"RESOLVED THAT pursuant to Sections 148 of the Companies Act, 2013, and Rule 14 of the Companies (Audit and Auditors) Rules 2014, a remuneration of ₹20,000 (Rupees Twenty Thousand Only) plus service tax as applicable and actual out of pocket expenses, for the financial year commencing on 1st April, 2014 and ending on 31st March, 2015, as fixed by the Audit Committee and approved by the Board of Directors of the company, to be paid to Ms. Stuti R. Shah, Cost Accountants (Membership Number 29115) be and is hereby ratified and confirmed."

17. Maintenance of Register of Member and other statutory registers at a place other than the registered office of the Company

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

"RESOLVED THAT pursuant to the provisions of Section

94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members, Register and Index of Debenture Holders and other statutory registers and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Corporate office of the Company at 7, "GARDEN VIEW", Opp. AUDA Garden, Off. Sindhu Bhavan Road, Bodakdev, Ahmedabad - 380 054, instead of the Registered Office of the Company with effect from October 1, 2014."

By the Order of the Board of Directors

MRS. PARU M. JAYKRISHNA

Chairperson and Managing Director

DIN 00671721

Place : Ahmedabad

Date : August 12, 2014

Registered Office :

167-168, Village Indrad

Kadi - Kalol Road, Dist : Mehsana

Gujarat - 382 715 (India)

CIN : L24222GJ1990PLC014789

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A

SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Relevant Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
3. Register of members and share transfer books of the Company will remain closed from Thursday the 18th September, 2014 to Friday the 26th September, 2014 (both days inclusive).
4. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid:
 - a. To all beneficial owners in respect of shares held in dematerialised form as per the data as may be available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of

business hours on 17th September, 2014.

- b. To all members in respects of shares held in physical form after giving effect to valid transfer in respect of transfer request lodged with the Company on or before the close of business hours on 17th September, 2014.
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. The Members of the Company are requested to register their email addresses with their DP or with the Registrar and Share Transfer Agent of the Company, to receive documents/notices electronically from the Company in lieu of physical copies. Please note that, in case you have already registered your email address, you are not required to re-register unless there is any change in your email address. Members holding shares in physical form are requested to send email at cs@asahisongwon.com to update their email addresses.
7. Members are requested to bring their attendance slip along with their copy of Annual Report at the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Unclaimed dividends for the year 2006-2007 and onwards will be deposited with the Investors Education and Protection Fund. Those members, who have not encashed the dividend cheques are requested to immediately forward the same, duly discharged to the Company's Registrar and Share Transfer Agent to facilitate payment of the dividend.
10. All documents referred to in the notice are available for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays, up to the date of Meeting and will also be available at the venue of the Meeting.
11. The Register of Directors and key managerial personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at the venue of the Meeting by the Members attending the meeting.
12. The Register of contracts or arrangements, in which Directors are interested shall be produced at the

commencement of Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

13. Re-appointment of Directors (Information pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Mrs. Paru M. Jaykrishna, retire by rotation and being eligible, offer herself for re-appointment. The Board of Directors of the Company recommends her re-appointment. The information or details to be provided for the aforesaid Director under the corporate governance code are as under:

Mrs. Paru M. Jaykrishna, aged 71 years, is Chairperson and Managing Director of the Company. She is BA & MA in Philosophy, Sanskrit & English Literature and also holds a degree in Law. She is one of the renowned women entrepreneurs of India. She was the first lady appointed as Executive Member and President of Gujarat Chambers of Commerce and Industry. She has been former director, president to many of the Gujarat Government Boards and Organisations. She is the founder of the Company and looks after policy making and growth strategies of the Company. She is on the Board of AksharChem (India) Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Skyjet Aviation Private Limited, Asahi Energy Private Limited. As on 31.03.2014, she is holding 4,632,054 Equity Shares of the Company.

14. Revision in terms of appointment (Information pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, resolution is placed for approval of members of the Company for revision in terms of appointment of Mrs. Paru M. Jaykrishna, Chairperson and Managing Direction, revision in terms of appointment and remuneration of Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company and revision in terms of appointment of Mr. Munjal M. Jaykrishna, Joint Managing Director of the Company.

Brief information of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director is given on note no. 13 pursuant to Clause 49 of Listing Agreement.

Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company aged around 46 years is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1996. He is looking after overall finance, marketing and overall development

of the Company.

He is on the Board of AksharChem (India) Limited, Skyjet Aviation Private Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Flyover Communication Private Limited, Echke Limited, Asahi Energy Private Limited. As on 31.03.2014, he is holding 1,505,049 Equity Shares of the Company.

Mr. Munal M. Jaykrishna, Joint Managing Director of the Company aged around 44 years is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1996. He is looking after production, marketing, quality control and overall development of the Company.

He is on the Board of AksharChem (India) Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Flyover Communication Private Limited, Skyjet Aviation Private Limited, Asahi Energy Private Limited. As on 31.03.2014, he is holding 1,505,049 Equity Shares of the Company.

15. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.

16. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.asahisongwon.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.

17. 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, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "ASAHISONGWONe-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of Asahi Songwon Colors Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs@asahisongwon.com or with a copy marked to evoting@nsdl.co.in. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided separately, in below format:

EVEN [E Voting Event Number] USER ID
PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 21st September, 2014 (9:00 am) and ends on 22nd September, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 29th August, 2014.
- VII. Mr. Bipin L. Makawana, Practicing Company Secretary (Membership No. A15650) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairperson and Managing Director of the Company.
- IX. Results shall be declared on or after the Annual General Meeting (AGM) of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.asahisongwon.com and on the website of NSDL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited and National Stock Exchange of India.

By the Order of the Board of Directors

MRS. PARU M. JAYKRISHNA

Chairperson and Managing Director
DIN 00671721

Place : Ahmedabad
Date : August 12, 2014

Registered Office :

167-168, Village Indrad
Kadi - Kalol Road, Dist : Mehsana, Gujarat - 382 715 (India)
CIN : L24222GJ1990PLC014789

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 to 9

Pursuant to provisions of Section 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement. It is proposed to appoint Dr. Pradeep Jha, Mr. Gaurang N. Shah, Mr. H. K. Khan, Mr. R. K. Sukhdevsinhji and Mr. Arvind Goenka as Independent Directors of the

Company up to 5 (five) consecutive years up to conclusion of the Twenty Ninth Annual General Meeting of the Company. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from shareholders proposing the appointment of aforesaid Independent Directors.

A brief profile along with other details of the Independent Directors are as follows:

Name of the Director	Dr. Pradeep Jha
Director Identification Number	01539732
Date of Birth	28/11/1945
Date of Joining the Board	26/08/1997
Profile of the Director	Is an academician with over 38 years experience in teaching.
Number of shares held in the Company	Nil
Directorship in other companies	AksharChem (India) Limited
Committee memberships in other companies	AksharChem (India) Limited Remuneration Committee - Member Shareholder/Investors Greivance Committee - Member
Name of the Director	Mr. Gaurang N. Shah
Director Identification Number	00024424
Date of Birth	18/02/1958
Date of Joining the Board	01/09/2007
Profile of the Director	33 years experience in Chemical industry.
Number of shares held in the Company	Nil
Directorship and Committee memberships in other companies	1. Devarsons Industries Pvt Ltd 2. Madhavdas Manilal & Co. Pvt Ltd 4. Odhav Enviro Projects Limited 5. Devarsons Tradein Private Limited
Committee memberships in other companies	Nil
Name of the Director	Mr. H. K. Khan
Director Identification Number	00029713
Date of Birth	15/08/1933
Date of Joining the Board	28/11/2006
Profile of the Director	Mr. H. K. Khan IAS (Retd) has held very senior position both in Government of India and Government of Gujarat. Besides holding Chairman/Director on the Board of several public sector as well as private sector companies. He has severed important position in Gujarat Government Chief Secretary, Adviser to Chief Minister, Additional Chief Secretary and Principal Secretary of Industry. In1988 he was appointed as Secretary to the Government of India in the Department of Chemicals and Petrochemicals.
Number of shares held in the Company	Nil
Directorship in other companies	1. Calcom Visions Ltd 2. Shreewood Infrastructures (I) Pvt Ltd
Committee memberships in other companies	Nil
Name of the Director	Mr. R. K. Sukhdevsinhji
Director Identification Number	00372612
Date of Birth	06/06/1936
Date of Joining the Board	28/05/1996

Profile of the Director	He graduated from St. Stephens College, Delhi. In 1981 he was deputed to the Ministry of Petroleum and Natural Gas as Director (Operations) in the Oil Coordination Committee (OCC). He has served as Chairman and Managing Director of Bharat Petroleum Corporation Limited. He has held Board level position in various Central Government, Public Sector companies/corporations.
Number of shares held in the Company	Nil
Directorship in other companies	1. Swan Energy Limited 2. Shree Balaji Trustee Company Private Limited 3. The Hospital & Nursing Benefits Association
Committee memberships in other companies	Nil
Name of the Director	Mr. Arvind Goenka
Director Identification Number	00135653
Date of Birth	05/06/1962
Date of Joining the Board	16/04/1996
Profile of the Director	Has graduated from St. Xaviers College, Kolkata, is an industrialist hailing from the renowned family of late Sir Badridas Goenka associated with the Industrial group popularly known as DUNCANS. Mr. Goenka has rich experience over 26 years in Managing and/or looking after chemical and sophisticated industrial engineering products.
Number of shares held in the Company	Nil
Directorship in other companies	1. Oriental Carbon & Chemicals Ltd 2. Schrader Duncan Limited 3. Tomkins Consulting Services India Pvt Ltd
Committee memberships in other companies	Nil

In the opinion of the Board, Independent Directors fulfils the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management.

The Board of Directors recommends the appointment of Dr. Pradeep Jha, Mr. Gaurang N. Shah, Mr. H. K. Khan, Mr. R. K. Sukhdevsinhji and Mr. Arvind Goenka as Independent Directors as set out in Item Nos. 5 to 9 for the approval of the shareholders at the ensuing Annual General Meeting.

Except the Independent Directors of the Company and their relative, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, in the proposed Ordinary Resolutions set out in Item No. 5 to 9 This Explanatory Statement may also be regarded as a

disclosure under Clause 49 of the Listing agreement with the Stock Exchange(s).

Item No. 10

Revision in the terms of appointment of Mrs. Paru M. Jaykrishna (holding DIN No. 00671721), the Chairperson and Managing Director of the Company

Mrs. Paru M. Jaykrishna, the Chairperson and Managing Director of the Company was re-appointed pursuant to provisions of Sections 198, 269, 309 & 310 read with Schedule XIII to the Companies Act, 1956, by the Members in the 21st Annual General Meeting held on 25th August, 2011 for a period of 5 years with effect from 1st August, 2011 and her period of office is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The provisions of Section 152 of the Companies Act, 2013

provide that not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.

The Board of Directors of your Company at present consists of three (3) Non-Independent Directors. In the light of above referred provisions of the Companies Act, 2013, it is desirable that the period of office of Executive Directors is made liable to determination by retirement of directors by rotation. Accordingly, special resolution is placed for approval of the Members to change the terms of Mrs. Paru M. Jaykrishna from 'Not liable to retirement by rotation' to 'Director liable to retirement by rotation' and said retirement by rotation shall not be construed as break in terms of her appointment.

As per provision of Section 190 of the Companies Act, 2013, the draft Agreement to be entered into by the Company with Mrs. Paru M. Jaykrishna is available for inspection between 11.00 a.m. and 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company.

The above may be treated as a written memorandum under Section 190 of the Companies Act, 2013.

Mrs. Paru M. Jaykrishna, the Chairperson & Managing Director of the Company may be considered to be concerned or interested in the said Resolution and also in the draft agreement. Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna may also be considered as concerned or interested in the same, being relatives of Mrs. Paru M. Jaykrishna. Save as aforesaid, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 10.

Item No. 11

Revision in the terms of appointment and remuneration of Mr. Gokul M. Jaykrishna (holding DIN No 00671652), the Joint Managing Director of the Company

Mr. Gokul M. Jaykrishna, the Joint Managing Director of the

Company was re-appointed pursuant to provisions of Sections 198, 269, 309 & 310 read with Schedule XIII to the Companies Act, 1956, by the Members in the 21st Annual General Meeting held on 25th August, 2011 for a period of 5 Years with effect from 1st August, 2011 and his period of office is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.

The Board of Directors of your Company at present consists of three (3) Non-Independent Directors. In the light of above referred provisions of the Companies Act, 2013, it is desirable that the period of office of Executive Directors is made liable to determination by retirement of directors by rotation. Accordingly, special resolution is placed for approval of the Members to change the terms of Mr. Gokul M. Jaykrishna from 'Not liable to retirement by rotation' to 'Director liable to retirement by rotation' and said retirement by rotation shall not be construed as break in terms of his appointment.

Mr. Gokul M. Jaykrishna aged around 46 years is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1996.

He is looking after overall finance, marketing and overall development of the Company. During all these years the business activities of the Company has increased substantially. Therefore, to compensate Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company, fairly and in consonance with the industrial standards, the Board of Directors approved, subject to approval of the shareholders in the general meeting the enhancement of the remuneration. The other terms and conditions of the remuneration remaining the same as approved at the 21st Annual General Meeting held on 25th August, 2011. The terms and conditions are:

a.	Basic Salary	:		₹4,00,000/- per month with effect from 1st October, 2014 with such revisions as approved by the Board from time to time.
b.	Commission	:		In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 196 and 197 read with Schedule V of the Companies Act, 2013.

3. Perquisites:

In addition to the salary and commission as outlined above, the Joint Managing Director shall be entitled to perquisites/allowances as under:

Category "A"

a.	Housing	:	i)	The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Joint Managing Director.
			ii)	In case the accommodation is owned by the Company, 10% of the salary of Joint Managing Director shall be deducted by the Company.
			iii)	In case no accommodation is provided by the Company, Joint Managing Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.

b.	Medical Reimbursement	:		The Company shall reimburse expenses incurred for the Joint Managing Director for himself and his family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.
c.	Leave Travel Concession	:		For the Joint Managing Director and his family once in a year incurred in accordance with the rules of the Company.
d.	Insurance	:		Insurance policy to cover personal effects, personal accident and medical expenses.
e.	Club Fees	:		Fees of clubs subject to maximum five clubs. This will include admission or entrance fees and monthly and annual subscriptions.
f.	Entertainment Expenses	:		The Company shall reimburse entertainment expense actually incurred in the course of business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.

Explanation: For the purposes of Category “A” family means the spouse, the dependent children and dependent parents of the Joint Managing Director.

Category “B”	:		Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration.
Category “C”	:		The Company shall provide a car with driver and telephone at residence. Provision of Car for use on Company’s business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Joint Managing Director.

4. Overall Remuneration:

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.

5. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Joint Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

The Board of Directors thus recommends the resolution as set out in Item No. 11 of the accompanying Notice concerning his period of office as a Special Resolution.

As per provision of Section 190 of the Companies Act, 2013, the draft Agreement to be entered into by the Company with Mr. Gokul M. Jaykrishna is available for inspection between 11.00 a.m. and 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company.

The above may be treated as a written memorandum under Section 190 of the Companies Act, 2013.

Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company may be considered to be concerned or interested in the said Resolution and also in the draft agreement. Mrs. Paru M. Jaykrishna and Mr. Munjal M. Jaykrishna may also be considered as concerned or interested in the same, being relatives of Mr. Gokul M. Jaykrishna. Save as aforesaid, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 11.

Item No. 12

Revision in the terms of appointment of Mr. Munjal M. Jaykrishna (holding DIN No 00671693), the Joint Managing Director of the Company

Mr. Munjal M. Jaykrishna, the Joint Managing Director of the Company was re-appointed pursuant to provisions of Sections 198, 269, 309 & 310 read with Schedule XIII to the Companies Act, 1956, by the Members in the 21st Annual General Meeting held on 25th August, 2011 for a period of 5 Years with effect from 1st August, 2011 and his period of office is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

Mr. Munjal M. Jaykrishna aged around 44 years is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1996. He is looking after production, marketing, quality control and overall development of the Company.

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term “total number of directors” does not include Independent Directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.

The Board of Directors of your Company at present consists of three (3) Non-Independent Directors. In the light of above referred provisions of the Companies Act, 2013, it is desirable that the period of office of Executive Directors is made liable to determination by retirement of directors by rotation. Accordingly, special resolution is placed for approval of the Members to change the terms of Mr. Munjal M. Jaykrishna from ‘Not liable to retirement by rotation’ to ‘Director liable to retirement by rotation’ and said retirement by rotation shall

not be construed as break in terms of his appointment.

As per provision of Section 190 of the Companies Act, 2013, the draft Agreement to be entered into by the Company with Mr. Munjal M. Jaykrishna is available for inspection between 11.00 a.m. and 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company.

The above may be treated as a written memorandum under Section 190 of the Companies Act, 2013.

Mr. Munjal M. Jaykrishna, the Joint Managing Director of the Company may be considered to be concerned or interested in the said Resolution and also in the draft agreement. Mrs. Paru M. Jaykrishna and Mr. Gokul M. Jaykrishna may also be considered as concerned or interested in the same, being relatives of Mr. Munjal M. Jaykrishna. Save as aforesaid, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 12.

Item No. 13

Borrowing powers of the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013 up to ₹500 crores

The Members of the Company at their 20th Annual General Meeting held on 20th July, 2010 approved, by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹500 crores (Rupees Five Hundred Crores).

Section 180(1) (c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow monies in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

Considering the growth of the Company in last decade and future requirements for long term funds, it is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) of the Companies Act, 2013 and other applicable provisions of the Act, as set out at Item No. 13 of the Notice, to enable the Board of Directors to borrow monies not exceeding ₹500 crores.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the

resolution set out at Item No. 13. The Directors recommend the passing of the Special Resolution proposed at Item No. 13 of the Notice.

Item No. 14

Authority to charge/mortgage assets of the Company both present and future

The Members of the Company at their 20th Annual General Meeting held on 20th July, 2010 approved, by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, authorised the Board of Directors of the Company to create mortgage and/or charge on the immovable and movable properties of the Company in favour of Banks, Public financial institutions etc. to secure the financial assistance not exceeding ₹500 crores (Rupees Five Hundred Crores).

However, pursuant to provisions of section 180(1)(a) of the Companies Act, 2013, since notified, the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of Members of the Company by way of Special Resolution.

Accordingly, the Company seek approval of the Members by way of passing Special resolution in accordance with the requirements of section 180(1)(a) of the Companies Act, 2013.

In furtherance to the Resolution No. 13 of this notice, the said borrowings may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company. As the documents to be executed between the lenders and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1) (a) of the Companies Act, 2013 for creation of charges/mortgages/hypothecations up to the limits as mentioned in the resolution.

Your Directors recommend the Resolution at Item No. 14 of the Notice for your approval as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested in this resolution.

Item No. 15

Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

The existing Articles of Association of the Company are based

on the provisions of the Companies Act, 1956. Consequent to the notification and applicability of large number of Sections of the Companies Act, 2013 and Rules framed there under, it has become necessary to alter the existing Articles of Association of the Company to be in line with the new Act. The Board of Directors had decided to adopt new set of Articles of Association and replacing the existing Articles of Association.

As per the provisions of Section 14 of the Companies Act, 2013, approval of the Shareholders of the Company by way of a special resolution is required for alteration of Articles of Association of the Company.

A copy of the proposed new set of the Articles of Association of the Company would be available for inspection at the registered office of the Company on all working days except Sundays and Holidays between 11.00 A.M and 1.00 P.M up to the date of Meeting and will also be available at the venue of the Meeting.

None of the Directors / Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested in the Special Resolution set out at Item No. 15 of the Notice. The Board recommends the Special Resolution set out at Item No. 15 of the Notice for approval by the shareholders.

Item No. 16

Approval of remuneration of Cost Auditors for the financial year 2014-15

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Ms. Stuti R. Shah, Cost Accountant, as Cost Auditors to conduct of audit of cost records maintained by the Company in respect of Companies Product for the financial year 2014-15.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and

Auditors) Rules, 2014, the remuneration payable to the Cost Auditors should be ratified by the shareholders of the Company.

According, consent of the members is sought for passing an Ordinary Resolution as set out at the Item No. 16 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

None of the Directors / Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested in the Ordinary Resolution set out at Item No. 16 of the Notice.

Item No. 17

Maintenance of Register of Members and other Statutory Registers at a place other than the registered office of the Company

In the interest of operational and administrative convenience, it is proposed to maintain the Register of Members, Register of Debenture Holders, Index of Members/ Debenture Holders and copies of annual returns and other statutory registers at the Company's Corporate office situated at 7, "GARDEN VIEW", Opp. AUDA Garden, Off. Sindhu Bhavan Road, Bodavdev, Ahmedabad - 380 054, instead of the Registered Office of the Company with effect from October 1, 2014.

Approval of the Shareholders is required under Section 94 of the Companies Act, 2013 for effecting the change in the place at which the Register and Index of Members etc are to be kept.

The Board recommends the special resolution set out under Item No. 17 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the special resolution set out under Item No. 17 of the Notice.

By the Order of the Board of Directors

MRS. PARU M. JAYKRISHNA
Chairperson and Managing Director
DIN 00671721

Place : Ahmedabad
Date : August 12, 2014

Registered Office :

167-168, Village Indrad
Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 715 (India)
CIN : L24222GJ1990PLC014789

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 24th Annual Report together with the Audited Financial Statement of your Company for the financial year ended 31st March, 2014.

Financial Results

The financial performance of your Company in the year under review is summarized below:

(₹ In lac)

Particulars	2013-2014	2012-2013
Revenue from Operations (Net of Excise Duty)	30,200.99	23,216.59
Other Income	63.57	46.30
Total Income	30,264.56	23,262.89
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item and Taxation	3,931.32	2,533.57
Less: Finance Costs	626.76	489.56
Profit for the year before Depreciation, Extra Ordinary Item and Taxation	3,304.56	2,044.01
Less : Depreciation and Amortization Expenses	673.17	533.96
Profit for the year before Extra Ordinary Item and Taxation	2,631.39	1,510.05
Extra Ordinary Item	227.42	-
Profit for the year before Taxation	2,403.97	1,510.05
Less: Current Tax	327.06	188.60
Less: Deferred Tax	618.16	285.82
Net Profit for the year	1,458.75	1,035.63
Add: Balance brought forward from previous year	4,816.20	4,433.10
Surplus available for Appropriation	6,274.95	5,468.73
Appropriation:		
General Reserve	150.00	150.00
Proposed Dividend at Rs.3.50 (Previous Year ₹3.50) per Equity Shares	429.53	429.53
Dividend Distribution Tax	73.00	73.00
Balance Carried to Balance Sheet	5,622.42	4,816.20
Total	6,274.95	5,468.73

DIVIDEND

Your Directors are pleased to recommend final dividend of ₹3.50 (35.00%) per equity share on the face value of ₹10 each subject to approval of the shareholders in the ensuing Annual General Meeting.

The final dividend, if declared as above would involve an outflow of ₹430 lac towards dividend and ₹73 lac towards dividend distribution tax.

During the previous financial year, the Company had paid a dividend of ₹3.50 per equity share.

REVIEW OF OPERATIONS

General

The fiscal year 2013-14 proved to be a challenging year with the Indian economy witnessing a slowdown across all sectors, particularly in the industrial sector. The Indian economy had to contend with high inflation, high energy prices and weakening of Rupee to an all time low. High interest rates and rising cost of raw material further slowed the growth of the economy, which also affected all manufacturing sectors including Pigments.

The performance of the Company was remarkable given that the global economy too continued to remain sluggish, affecting consumer sentiment across the countries. The fact that the Company responded with profitable growth marked by percentage increase in margins over a percentage increase in revenues, which was a result of a global shift to Asia on the one hand and the Company's established competitive advantage on the other.

Financial Performance

During the year under review, the Company earned a total

income of ₹30,264 lac compared to ₹23,263 lac in the previous year.

The total sales of the Company increased from ₹23,217 lac to ₹30,201 lac which is a hefty growth of over 30%. The profit after tax (PAT) increased by 41% from ₹1,036 lac to ₹1,459 lac in the previous year.

Operations

Exports

During the year, the total exports value to ₹25,840 lac compared to ₹19,436 lac during the previous year, showing a growth of 33%. Your Company is constantly exploring new markets to enhance the exports of its product despite stiff competition in the global market.

Capital Expenditure

The Company has incurred a capital expenditure of ₹1,740 lac in year under review compared to ₹2,970 lac in the previous year.

TRANSFER TO RESERVE

Your Company proposes to transfer ₹150 lac (Previous Year ₹150 lac) to the General Reserves. An amount of ₹5,622 lac is proposed to be retained in the Statement of Profit and Loss.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company at its meeting held on 19th December, 2013 has approved a Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited and consequential restructure of the share capital of Asahi Songwon Colors Limited. The scheme is subject to requisite approvals, including sanction

of Hon'ble High Court. The shareholders of the Company present at the Court Convened Meeting held on 1st July, 2014 and public shareholders through voting by postal ballot have approved the said scheme of arrangement with requisite majority. It is now awaiting sanction of the Court.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

A detailed review of operations performed and future outlook of your Company and business is given in the Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) is presented in a separate section forming part of the Directors' Report.

CORPORATE GOVERNANCE

Your Company has been practicing principle of Corporate Governance over the years. As per Clause 49 of the Listing Agreement with the Stock Exchange(s) a separate section on Corporate Governance practice followed by the Company, together with a certificate from M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad, statutory auditors of the Company confirming compliance with the conditions of Corporate Governance is set out in the Annexure forming part of this report.

DIRECTORATE

Various provisions in respect of Directors contained in the Companies Act, 2013 ("the Companies Act") were notified with effect from April 1, 2014 repealing the corresponding provisions in the Companies Act, 1956 ("the 1956 Act").

Independent Directors

As per the provisions of Section 149 of the Companies Act, 2013, independent directors shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for reappointment for another term up to five years. Further, Section 152 of the Companies Act, 2013 provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ("AGM") of the Company.

Dr. Pradeep Jha and Mr. Gaurang N. Shah retire by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. Under Section 149 of the Companies Act, 2013 and Rules made there under and as per Clause 49 of the Listing Agreement, an Independent Director now shall hold office for a term of 5 (five) consecutive years on rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under the Board of Directors of the Company has appointed Dr. Pradeep Jha and Mr. Gaurang N. Shah as Independent Directors of the Company for a term of 5 (five) consecutive years up to the conclusion of the Twenty Ninth Annual General Meeting.

Mr. H. K. Khan, Mr. R. K. Sukhdevsinhji and Mr. Arvind Goenka are Independent Directors of the Company whose period of office is liable to determination under the erstwhile applicable provisions of the Companies Act, 1956. Under Section 149 of the Companies Act, 2013 and Rules made there under, and as per Clause 49 of the Listing Agreement, an Independent Director now shall hold office for a term of 5 (five) consecutive years on rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under the Board of Directors of the Company has appointed Mr. H. K. Khan, Mr. R. K. Sukhdevsinhji and Mr. Arvind Goenka as Independent Directors of the Company for a term of 5 (five) consecutive years up to conclusion of Twenty Ninth Annual General Meeting.

The aforesaid independent directors fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under, and are independent of the management.

The Board recommend to the shareholders appointment of Dr. Pradeep Jha, Mr. Gaurang N. Shah, Mr. H. K. Khan, Mr. R. K. Sukhdevsinhji and Mr. Arvind Goenka as Independent Directors of the Company for 5 (five) consecutive years up to conclusion of Twenty Ninth Annual General Meeting.

Non-Independent Directors

In terms of the provisions of Section 152 of the Companies Act, 2013, two third of the total strength of the Board (excluding Independent Directors) shall be liable to retire by rotation. One-third of such directors who are liable to retire

by rotation shall retire at every Annual General Meeting. The Board of Directors of your Company at present consists of three (3) Non-Independent Directors. In light of the above referred provisions of the Companies Act, 2013, it is desirable that the period of office of Executive Directors is made liable to determination by retirement of directors by rotation. The Board of Directors of the Company has revised the terms of appointment of Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna. Accordingly, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company, Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company and Mr. Munjal M. Jaykrishna, Joint Managing Director of the Company retire by rotation. The other terms of appointment aforesaid executive directors remain the same and there is no break in their employment. The Company seeks your approval for the variation in terms of appointment of the executive directors.

Out of three Non-Independent Directors, two directors shall be liable to retire by rotation and one of them (ie.1/3rd) will retire every year starting from Annual General Meeting - 2014. Mrs. Paru M. Jaykrishna, being the longest serving director in this category, shall retire by rotation in the ensuing Annual General Meeting of the Company. Mrs. Paru M. Jaykrishna, being eligible, offers herself for reappointment as director and the Board recommends her reappointment in the ensuing Annual General Meeting.

Executive Directors

The Board of Directors has revised the remuneration of Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company.

The Company is seeking your approval for revision in terms of remuneration of Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company.

Attention of the Members is invited to the relevant items in the notice of the Annual General Meeting for seeking your approval for aforesaid appointments. The information required under Clause 49 of the Listing Agreement is given in the Notice and the Explanatory Statement annexed thereto of the 24th Annual General Meeting as per Section 102 of the Companies Act, 2013.

Women Director

The composition of the Board of Directors of the Company includes a woman director viz. Mrs. Paru M. Jaykrishna. Accordingly, the Company is in compliance with the requirement of Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirement under section 217(2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, the Directors hereby confirm that:

- (i) in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanations in case of material departures;
- (ii) the Directors have 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 as on 31st March, 2014 and of the profit or loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts for the year ended 31st March, 2014 on a going concern basis.

AUDITORS AND AUDITORS' REPORT

The Statutory Auditors of the Company M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.111072W) hold office until the conclusion of the ensuing Annual General Meeting. Your Company has received intimation to the effect that the proposed reappointment, if made, would be within the prescribed limit under Section 141 of the Companies Act, 2013 and Rules made there under. Further, the appointment will have to be in terms of provisions of Section 141 of the Companies Act, 2013.

The said Auditors have confirmed their willingness to accept

office if reappointed. The Board on the recommendation of the Audit Committee have proposed the reappointment of M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.111072W), Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 27th Annual General Meeting – three years (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) at such remuneration to be decided by the Board of Directors in consultation with the said Auditors.

The notes on financial statement referred to in their Audit Report are self explanatory and do not call for any further explanation.

COST AUDITORS

The Board of Directors of the Company on the recommendation of the Audit Committee have reappointed Ms. Stuti R. Shah, Cost Accountants, as the Cost Auditors to audit the cost records maintained by your Company for the financial year 2014-15 on a remuneration of ₹20,000/- (Rupees Twenty Thousand Only) plus service tax and out of pocket expenses at actuals. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the shareholders and the same is given in the notice and explanatory statement annexed thereto of the 24th Annual General Meeting as per Section 102 of the Companies Act, 2013. The Cost Report for the year 2012-13 was filed in due time.

FIXED DEPOSITS

The Company did not accept/renew any fixed deposits from public and no fixed deposits were outstanding or unclaimed as on March 31, 2014.

FINANCE AND INSURANCE

The Company has been financed by State Bank of India for both working capital and term loans.

All the insurable interests of your Company including inventories, plant and machinery, building, stocks, vehicles, stores and spares have been adequately insured against

various risks and perils.

CREDIT RATING

CARE has reaffirmed credit rating of "CARE A+" (Single A Plus) for long term bank facility and "CARE A1+" (A One Plus) for short term bank facilities.

LISTING

The Equity Shares of the Company continue to be listed on BSE Limited and National Stock Exchange of India Limited. Listing Fees for the year 2014-15 has been paid to them.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given as per Annexure – A forming part of this Report.

PARTICULARS OF EMPLOYEES

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is attached herewith as per Annexure "B" forming part of this Report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Overall industrial relations of the Company during the year were harmonious and cordial. Your Directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

ENVIRONMENT, HEALTH AND SAFETY

Your Company continues to give greater importance to health and safety of its employees and its neighborhood. Safety

and environmental standards are periodically reviewed and upgraded. The Company preserves in its efforts to educate safe and environmentally accountable behavior in every employee, as well as its vendors.

The solid waste generated at the Works, after treatment of its liquid effluent is shifted to a Gujarat Pollution Control Board (GPCB) approved site.

The Company has maintained a greenbelt around its sites as a part of its commitment to environment management.

The Company continues to demonstrate its commitment to a clean and safe environment. The state of the art effluent treatment plant continues to run satisfactorily, so that the treated waste-water discharged is well within the stipulated norms set by GPCB. As a part of water conservation efforts, the Company has implemented suitable engineering solutions to utilize recycled water as much as possible in cleaning, gardening and other utilities.

Your Company has ISO 14001:2004 certification of both of its Units and ISO 9001-2008 for quality management system.

GREEN INITIATIVE

Your Directors would like to bring to your notice that the

Place: Ahmedabad

Date: August 12, 2014

Registered Office :

167-168, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN: L24222GJ1990PLC014789

Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” allowing paperless compliance by Companies through electronic mode and the Companies are now permitted to send various notices/documents (including annual report) to its shareholders through electronic mode at the registered e-mail addresses of shareholders.

To support this green initiative, we hereby once again appeal to all members who have not registered their e-mail addresses so far are required to register their e-mail addresses, in respect of electronic holdings with their concerned Depository Participant and in respect of shares held in physical form with Registrar and Share Transfer Agents of the Company.

APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and cooperation received from the Government of India, Government of Gujarat, Electricity supply companies and Bankers during the year under review.

The Company is thankful to the shareholders for reposing trust in the Company and their unflinching enthusiasm and patronage.

For and on behalf of the Board of Directors

MRS. PARU M. JAYKRISHNA

Chairperson and Managing Director

(DIN No. 00671721)

ANNEXURE – “A” TO THE DIRECTORS’ REPORT

Additional Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 and forming part of the Directors’ Report for the year ended 31st March, 2014.

I. (A) CONSERVATION OF ENERGY MEASURES TAKEN DURING THE YEAR 2013-14

a.	Energy conservation measures taken	:	<p>The Company has a continuous focus on energy conservation. The Company regularly benchmarks its energy conservation levels and consistently works on improving efficiencies towards getting the cost of energy down to every unit produced. Both units have strong teams headed by senior personnel to continuously monitor energy consumption. Efforts have been taken to upgrade plant and machinery.</p> <p>The Company has five DG sets installed at Vadodara plant out of which two are of 1010 KVA, two of 700 KVA, one of 500 KVA and the last one of 250 KVA installed at Chhatral plant as standby for continuous power supply.</p>
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	:	To conserve energy the Company has one windmill with total installed capacity of 600 KW WTG, which will help to generate energy through environmentally friendly measures and also reduce carbon emission in the atmosphere.
c.	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	:	All measure have resulted in Energy Saving and saving in the cost of production.
d.	Total energy consumption and energy consumption per unit of production	:	As per Form A

FORM 'A'

Sr. No.	Particulars	Unit of Measurement	2013-14 Current Year	2012-13 Previous Year
A)	POWER & FUEL CONSUMPTION			
1.	Electricity			
a.	Purchased			
	Unit	Thousand KWH	22,286.25	17,794.01
	Total amount	₹ in lac	1,433.70	1,227.65
	Rate/Unit	₹	6.43	6.90
b.	Own Generation			
i)	Unit generated through diesel generator	Thousand KWH	NA	NA
	Unit per liter of diesel oil	₹ in lac	NA	NA
	Cost/Unit	₹	NA	NA
ii)	Unit generated through Wind Mills	Thousand KWH	786.55	1,095.44
	Total amount	₹ in lac	49.05	69.26
	Rate/Unit	₹	6.24	6.32
2.	Diesel/Furnace Oil			
	Unit	Thousand Litres	190.25	363.26
	Total amount	₹ in lac	94.37	144.48
	Rate/Unit	₹	49.60	39.77
3.	Natural Gas			
	Quantity	Thousand SCM	178.73	189.69
	Total Amount	₹ in Lac	69.19	57.01
	Rate/Unit	₹	38.71	30.05
4.	Coal & other Fuels			
	Unit	Thousand kgs	35,782.86	33,444.88
	Total amount	₹ in lac	1,509.65	1,368.47
	Rate/Unit	₹	4.22	4.09
B)	CONSUMPTION PER UNIT OF PRODUCTION (PIGMENTS)			
	Unit Cost per MT of Production			
	Electricity	(Units/Ton)	2,222.04	2,112.66
	Diesel/furnace oil	(Ltrs./Ton.)	18.97	43.13
	Coal and other fuels	(kg/ton)	3,567.72	3,970.86
	Natural Gas	(SCM/Tone)	17.82	22.52

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption in Form "B"

RESEARCH & DEVELOPMENT (R & D)

FORM "B"

1. Specific areas in which Research & Development are carried out by the Company

The Company is carrying out Research & Development activities for improvement in the quality of the products, development of new range of products, cleaner environment, reduction in waste generation and development of cost effective processes and streamlining existing processes.

2. Benefits derived as a result of the above Research & Development

- High quality products and process rationalization.
- Improved product quality, production and cost reduction to meet the changing requirements of customer.
- With installation of Quality System and Total Quality

4. Expenditure on Research & Development

(₹ in lac)

	2013-2014	2012-2013
Capital	11.36	11.76
Recurring	19.04	22.35
Total	30.40	34.11
Total Research and Development Expenditure as percentage of total turnover	0.10	0.15

5. Technology absorption, adaptation and innovation

i) Efforts, in brief made towards technology absorption, adaptation and innovation:

The Research and Development centre of the Company is recognized by the Ministry of Science and Technology, Government of India.

The centre is engaged in development of new product, cost effective technology for existing and new product which are environment friendly, reduction back cycle time.

ii) Benefits derived as a result of the above efforts:

The above efforts have improved the quality of the product and improved the productivity and reduced wastages.

Management we have been able to get ISO 9001:2008 accreditation, which in turn, has enabled us to plan, manufacture and supply material complying with International Standards. This activity has resulted in upgradation of all the documentation on the products to specify complete manufacturing and quality assurance needs.

- The company has ISO 14001: 2004 certification.
- Cost reduction by process improvement and cycle time reduction.
- Reduction in waste generation and energy inputs.
- Successful in developing value added pigments.

3. Future plan of action

Research & Development activities are being intensified to improve quality, develop product variants, improve productivity, reduce waste generated and energy inputs.

iii) Information regarding technology imported during the last five years:

The Company has technological support from Clariant Pigments (Korea) Limited and DIC Corporation, Japan.

I (C) FOREIGN EXCHANGE EARNINGS AND OUT GO

a. Activities relating to Exports, initiatives taken to increase exports, development of new export markets for products and service and export plans

The Company is an export oriented company, where 86% of the total turnover comes from Exports. During the year the Company exported pigments (Green and Blue) valuing (FOB) ₹25,643 lac (previous year ₹19,240 lac) to various countries

around the World. The Company is a global phthalocyanine pigment exporter to various countries, majorly to Europe, USA

and Asian Markets. Your Company is constantly exploring new markets to enhance the exports of its products.

b. Foreign Exchange used and earned

(₹ in lac)

	2013-2014	2012-2013
Foreign Exchange Earned (FOB)	25,643.45	19,239.49
Foreign Exchange Used	6,660.73	3,812.64

ANNEXURE – “B” TO THE DIRECTORS’ REPORT

Particulars of Employees as per Section 217(2A) of the Companies Act, 1956 and the rules made therein and forming part of the Director’s Report for the year ended 31st March, 2014.

Name	Designation	Remuneration received (₹ in lac)	Qualification	Experience (Years)	Date of commencement of Employment	Age (Years)	Previous Employment held
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	118.42	MA, LLB	43	Since Inception	71	Skyjet Aviation Pvt Ltd
Mr. Gokul M. Jaykrishna	Joint Managing Director	67.12	Major in Finance & Marketing	24	1996	46	Krieger Associates, New Jersey, USA
Mr. Munjal M. Jaykrishna	Joint Managing Director	67.35	Major in Finance & Marketing	23	1996	44	Bank of California, San Francisco, USA

Notes:

1. The employment is contractual.
2. Remuneration received includes Salary, Commission, Company’s contribution to Provident Fund and taxable value of Perquisites.

ANNEXURE – “C” TO THE DIRECTORS’ REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Colors have acquired prominence in all walks of life. Pigments are coloring agents, which can be classified as Phthalocyanine and Azo. Phthalocyanine pigments (Blue and Green) account for 60% of the world’s organic pigments.

Your Company is engaged in the manufacturing and export of Phthalocyanine pigments. The Company’s product basket comprises Copper Phthalocyanine Green (CPC Green – Green 7), Copper Phthalocyanine Blue (CPC Blue) and its derivatives Beta Blue.

The Company has two dedicated plants operating at Kadi near Mehsana manufacturing green pigments and Padra near Vadodara manufacturing blue pigments.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Pigments address coloring needs of wide range of end user industry from paint, ink, paper, chemical, plastic, cosmetics, glass and textile sector. From the world’s total production of pigment the major chunk is used in manufacturing paints and printing inks followed by plastics. Globalization has led to creation of new infrastructure and better housing facilities resulting in robust growth in paint and coating industries. Pigment industry is shaping with the growth in end user industry.

Further there has been a shift in production from Europe, the USA and Japan to Asian countries like China, India, Taiwan, Thailand and Indonesia. India and China are now preferred source of supply of pigments in the global market. India has emerged as the leader in supply of Phthalocyanine pigments.

OPPORTUNITIES, THREATS, RISK & CONCERNS

The global pigment market revenue is expected to reach USD 14.7 billion in 2018, growing at a CAGR of 4.5% from 2013 to 2018. In terms of volumes, pigments’ demand is expected to reach 4.4 million tonnes by 2018 (Source: Transparency Market Research). Paints, ink, plastics and paper continue to be major end users of pigments manufactured by the

Company. The Company enjoys long standing relationship with key MNCs who are leaders in the industry. The technological competitiveness and upgraded environment management system, marketing strength and growing demand of pigments give the Company opportunity for growth.

The key raw materials used in the manufacture of the pigments are derivatives of crude oil. Hence, prices of raw material vary with fluctuation in the international crude oil prices. The Company has an in built system of monitoring the inventory and logistics. Further, production process of the Company is vertically integrated, where CPC Blue Crude is the primary raw material for the production of pigment green and pigment blue. This helps the Company to manage the raw material cost.

There are continuous environmental headwinds in many parts of the world, especially in Asia for stricter enforcement of environmental regulations, particularly related to water and industrial waste treatment. The Company has been investing continuously in meeting its obligations towards protecting the environment.

The Company has an exposure to the risk of foreign currency fluctuations as the major chunk of the revenue comes from exports. The Company has a constant policy to mitigate the currency variations risk.

The Company is having a well structured risk management system under the guidance of experienced Board of Directors. The Audit Committee monitors the implementation of the risk mitigation plans.

OUTLOOK

Indian economy during the year 2013-14, struggled with slow growth, persisting inflation, tight liquidity conditions and high interest rates adversely impacting business environment. The improvement is expected but no significant upturn.

The global economy is recovering especially emerging markets showing signs of revival. With robust growth in end user industry like paints and coating industry, the demand of pigments is intensifying.

The Company will continue to focus on improving operating profit through better cost control, working capital management, capacity utilization, environment management and productivity. The products of the Company were in demand in the previous year, which is expected to continue in the financial year 2014-15.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's system of internal controls is commensurate to the nature of its business and its size, to ensure better utilization of funds, safeguarding of assets against unauthorized use or disposition, true and fair reporting

and compliance with all the applicable regulatory laws and company policies.

Internal control systems are reviewed by Audit Committee on a regular basis for its effectiveness and the necessary changes suggested are incorporated into the system. Internal Audit Reports are reviewed by the Audit Committee of the Board.

FINANCIAL PERFORMANCE

Despite the tough micro economic scenario with low industrial growth throughout the country, denting profitability due high inflation, interest rates, surging raw material cost, the Company managed 30% growth in top line.

(₹ In lac)

Particulars	2013-2014	2012-2013
Revenue from Operations	30,200.99	23,216.59
Other Income	63.57	46.30
Total Income	30,264.56	23,262.89
Profit before Finance Costs, Depreciation, Extra Ordinary Item and Tax Expenses	3,931.32	2,533.57
Finance Costs	626.76	489.56
Depreciation	673.17	533.96
Profit before Extra Ordinary Item and Tax Expenses	2,631.39	1510.05
Extra Ordinary Item	227.42	-
Profit before Tax Expenses	2,403.97	1,510.05
Tax Expenses	945.22	474.42
Profit after Tax Expenses	1,458.75	1,035.63

Results of Operations

During the year under review, the Company earned a total income of ₹30,264 lac compared to ₹23,263 lac in the previous year.

The total sales of the Company increased to ₹30,201 lac from ₹23,217 lac, registering a growth of over 30%. The Profit After Tax (PAT) increased by 41% to ₹1,459 lac from ₹1,036 lac in the previous year.

Exports

The export of the Company increased to ₹25,840 from ₹19,436 lac compared to the previous year registering a 33% growth.

HUMAN RESOURCES DEVELOPMENT

The industrial relations remained harmonious with a focus on productivity, quality and safety. During the year under review, there were, no significant labour issues outstanding or remaining unresolved during the year.

The Board records their appreciation of the commitment and support of the employees and looks forward to their continued support.

CAUTIONARY STATEMENT

Some of the statements in this "Management Discussion and Analysis", describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

ANNEXURE – “D” TO THE DIRECTORS’ REPORT

REPORT ON CORPORATE GOVERNANCE

Detailed report on Corporate Governance for the financial year ended March 31, 2014 pursuant to revised Clause 49 of the Listing Agreement is set out as below:

1. Company’s Philosophy on Corporate Governance

Asahi Songwon Colors Limited is committed to doing business in an efficient, responsible and ethical manner. Corporate Governance practice ensures transparency, integrity and accountability in its functioning. The Company constantly endeavors for the best corporate governance and for complete satisfaction of all its shareholders.

Our governance practice is to build the trust between the Company and its stakeholder’s viz. shareholders, customers, suppliers and employees. The Company believes that Corporate Governance is a prerequisite for attaining sustained growth in this competitive world.

In the line with this philosophy, your Company continuously strives for excellence through timely compliances and maximum disclosure of information to investors.

2. Board of Directors

2.1 Composition of the Board

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As on March 31, 2014, the total strength of the Board of Directors of the Company is eight members including three executive directors and five non executive directors. All five (5) Non-Executive Directors are independent directors. The Board of Directors of your Company represent an optimum combination of professionalism, knowledge and experience.

Independent Directors

Mr. H. K. Khan, Mr. R. K. Sukhdevsinhji, Mr. Arvind Goenka, Mr. Gaurang N. Shah, Dr. Pradeep Jha are the independent directors of the Company.

The independent directors on the Board are senior, competent and highly respected persons from their respective fields. None of the Directors on the Board is

a member of more than 10 committees and Chairman of more than five committees. Necessary disclosures have been made by the Directors in this regard.

The Board does not have any Nominee Director representing any institution.

2.2 Non-Executive Directors’ Compensation and Disclosures

The Non-Executive Directors are entitled for sitting fees only which have been approved by the Board of Directors. Apart from sitting fees no other fees/compensation are paid to them.

2.3 Other provisions as to the Board and Committees

The Board plays an important role to ensure good governing practices and functioning of the Company. Responsibilities such as policy formulation, performance review, analysis and control and direction and management of the affairs of the Company is vested in the Board of Directors presided over by the Chairperson and Managing Director. The Board has delegated some of its powers to the executives of the Company. The Board reviews from time to time such delegated powers and their utilization for executive functioning of the Company. The Board also reviews compliance reports of all laws applicable to the Company as well as takes necessary steps to rectify instances of non-compliances, if any.

The Board meetings of the Company are normally held at the Registered Office of the Company. The information as required under Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board. The meeting dates of the Board Meeting are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. Where it is not possible to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. Senior Level Executives are often invited to attend the Board Meeting and provide clarifications as and when required.

During the year under review, the Board of Directors met nine (9) times and time gap between two meetings did not exceed four months.

The details of Board Meeting and Attendance thereof are as below:

Sl. No.	Date of Board Meeting	Place	No. of Directors Present
1.	April 12, 2013	Indrad, Kadi	5
2.	May 27, 2013	Indrad, Kadi	5
3.	June 19, 2013	Indrad, Kadi	5
4.	July 30, 2013	Indrad, Kadi	5
5.	October 29, 2013	Indrad, Kadi	5
6.	December 17, 2013	Indrad, Kadi	5
7.	December 19, 2013	Indrad, Kadi	7
8.	January 21, 2014	Ahmedabad	7
9.	February 28, 2014	Ahmedabad	5

The composition of the Board of Directors and attendance at the Board Meeting and the last Annual General Meeting and also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given here below:

Name of the Director	No. of Outside Directorship Held		No. of Outside Committee Positions Held		No. of Board Meetings		Attended at Last AGM
	Public	Private	Public	Private	Held	Attended	
Mrs. Paru M. Jaykrishna	1	4	-	-	9	9	Yes
Mr. H.K. Khan	1	1	2	-	9	1	No
Mr. R. K. Sukhdevsinhji	1	2	-	-	9	2	No
Mr. Arvind Goenka	2	1	3	-	9	1	No
Mr. Gaurang N. Shah	2	3	-	-	9	9	Yes
Dr. Pradeep Jha	1	-	3	-	9	9	No
Mr. Gokul M. Jaykrishna	2	5	-	-	9	9	Yes
Mr. Munjal M. Jaykrishna	1	5	-	-	9	9	Yes

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

Information required under Clause 49 of the listing agreement with the stock exchange on Directors seeking appointment / re-appointment is annexed to the notice convening ensuing Annual General Meeting.

2.5 Code of Conduct

The Board has formulated Code of Conduct for all Board

members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board members and senior level employees for the financial year 2013-14. A certificate from the Chairperson and Managing Director to this effect is annexed at the end of this report.

3. COMMITTEES OF THE BOARD

The Board has constituted several committees of Directors with specific terms of reference. The Committee members are appointed by the Board with the consent of the individual directors. This committee meets as often as required or as statutorily required. The minutes of the meeting of all the committees of the Board are placed quarterly at the Board Meeting for noting.

The Company has three Board level Committees, namely;

1. Audit Committee
2. Remuneration Committee
3. Shareholders'/Investor Grievances Committee

The detailed terms of reference, composition, quorum, meetings, attendance and other details of the Committees are as under:

3.1. Audit Committee

The Audit Committee of the Company is entrusted with the responsibility of supervising the Company's internal control and financial reporting process.

A. Composition of Audit Committee

The Audit Committee comprises of three Non Executive Directors all of whom are independent directors. All members of the Audit Committee are financially literate and a majority having accounting or financial management expertise.

The following are members of Audit Committee:

1.	Mr. Gaurang N. Shah	Chairman
2.	Mr. R. K. Sukhdevsinhji	Member
3.	Dr. Pradeep Jha	Member

Mr. Gaurang N. Shah, Chairman of the Audit Committee attended the last Annual General Meeting (AGM).

B. Invitees

The Managing Director, Joint Managing Directors, Senior Level Executives, Head of Accounts, Internal Auditors, Cost Auditors and Statutory Auditors are invited to attend the Meetings.

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Quorum

The Audit Committee meets at least four times in a year with

a gap of not more than four months between any two meetings. The quorum for the meeting is two members. During the year under review, the Audit Committee met seven (7) times

E. Attendance of the Audit Committee

The details of the meetings and attendance of the members are as below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Gaurang N. Shah	7	7
Mr. R. K. Sukhdevsinhji	7	2
Dr. Pradeep Jha	7	7

F. Terms of reference of the Audit Committee

The terms of reference of the Audit Committee covers all the matters specified for Audit Committee in accordance with the provisions of the Companies Act and Clause 49 of the Listing Agreement with stock exchange(s) which inter-alia includes the following:

1. Overseeing 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.
2. Recommendation to the Board regarding the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixing of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement or in the Board's report in context of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial

statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualifications in the draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

5A. 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 stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the Internal Control Systems.

7. 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.

8. Discussion with internal auditors of any significant findings and follow up there on.

9. 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.

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons behind substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

12. To review the functioning of the whistle blower

mechanism, in case the same is existing.

12A. Approval of appointment of the CFO after assessing the candidate's qualification, experience, background, etc.

13. Carrying out any other function as is mentioned in terms of reference of the Audit committee.

G. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information in their meetings:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related-party transactions (as defined by the audit committee), submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief Internal auditor shall be subject to review by the Audit Committee.

H. Subsidiary Company

Your Company does not have any Subsidiary Company.

3.2. Remuneration Committee

The Company has constituted a Remuneration Committee of the Board to determine policy on specific remuneration packages for Managing Directors after taking into consideration the financial position of the Company, trends in the industry and experience.

A. Terms of Reference

The Remuneration committee is responsible for reviewing remuneration packages of the Managing Directors and to recommend suitable revision to the Board. The terms and reference of Remuneration Committee are as under:

a) To determine and recommend to the Board the remuneration packages of the Managing Directors/ Whole Time Directors.

b) To determine and advise the Board for the payment of annual commission/compensation to the Non-Executive Directors.

- c) To appraise the performance of the Managing Director/ Whole Time Directors.
- d) Such other matters as the Board may from time to time request the remuneration committee to examine and recommend/approve.

B. Composition of the Remuneration Committee

The Committee consists of three (3) Non-Executive Independent Directors:

1.	Mr. Gaurang N. Shah	Chairman
2.	Mr. H. K. Khan	Member
3.	Dr. Pradeep Jha	Member

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Quorum

The Remuneration Committee meets as frequently as

circumstances necessitate. The quorum for the meeting is two members.

E. Attendance of the Remuneration Committee during 2013-14

During the period under review the Committee met once. The details of attendance are as below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Gaurang N. Shah	1	1
Mr. H. K. Khan	1	1
Dr. Pradeep Jha	1	1

F. Details of remuneration paid to Directors

Executive Directors

Details of the remuneration paid to the Whole-time Directors are as below:

Whole – Time Director	Business relationship with the Company	Remuneration during the year 2013-14 (inclusive of P. F. Contribution, Perquisites and Commission) (₹ in lac)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	118.42
Mr. Gokul M. Jaykrishna	Joint Managing Director	67.12
Mr. Munjal M. Jaykrishna	Joint Managing Director	67.35
Total		252.89

1. Service Contract, Notice Period and Severance Fees:

The employment of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director, Mr. Gokul M. Jaykrishna, Joint Managing Director and Mr. Munjal M. Jaykrishna, Joint Managing Director are contractual.

2. Stock Option details, if any:

The Company does not have any stock option plan for the Executive Directors.

Non Executive Directors

Non-Executive Directors were paid sitting fees for attending the Board Meeting and Committee Meetings, except to Mr. Gaurang N. Shah who has voluntarily

consented not to avail any benefits including sitting fees from the Company.

Shareholding of Non-Executive Directors

None of the Non-Executives of the Company are holding any shares in the Company.

3.3. Shareholder's/Investors' Grievances Committee

The Shareholder's/Investor's Grievances Committee has been constituted to focus on shareholders grievances and strengthening investor relations.

A. Terms of Reference

The Committee approves matters relating to:

i) To address share holders complaints/grievances like non-receipt of annual report, non-receipt of dividends etc.

ii) To deal with matters relating to issue of duplicate share certificates, transmission of shares etc.

iii) Review of shares dematerialized and all other related matters.

iv) Redressal of Investor's Complaint and grievances such as non receipt of annual report, dividend payments, etc.

v) Other areas of investor service.

The Committee also reviews the reports submitted by the Registrars and Share Transfer Agents of the Company at quarterly intervals.

The Company Secretary and Compliance Officer are entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the Investors Grievances Committee.

B. Composition of the Committee

The Committee comprises of the following directors:

1.	Mr. Gaurang N. Shah	Chairman
2.	Mrs. Paru M. Jaykrishna	Member
3.	Dr. Pradeep Jha	Member

C. Secretary

The Company Secretary acts as secretary to the Committee.

D. Meeting and Quorum

The Committee meets as and when required. The quorum for the meeting is two members.

E. Attendance of the Shareholders/Investor Grievance Committee during 2013-14

The details of attendance of Shareholders/Investor Grievance Committee:

Name of the Committee Member	No. of Meeting(s)	
	Held	Attended
Mr. Gaurang N. Shah	1	1
Mrs. Paru M. Jaykrishna	1	1
Dr. Pradeep Jha	1	1

F. Details of Shareholders Complaints

Number of complaints received and resolved to the satisfaction of Shareholders/Investors during the year under review is below:

Number of complaints received :	39
Number of complaints solved :	39
Number of pending complaints :	Nil

All the complaints received from the shareholders during the year were duly resolved. There are no complaints remaining unresolved as on the beginning and end of the year. There were no share transfers pending for registration for more than 15 days as on the said date.

4. MANAGEMENT

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company.

5. CEO/CFO CERTIFICATION

Certificates from Mrs. Paru M. Jaykrishna, Chairperson and Managing Director, Mr. Gokul M. Jaykrishna, Joint Managing Director and Mr. Munjal M. Jaykrishna, Joint Managing Director of the Company on the financial reporting and internal controls were placed before the Board in terms of Clause 49 of the listing agreement with Stock Exchange(s).

6. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees which in possession of unpublished price sensitive information in relation to the Company. The Company Secretary is responsible for implementation of the Code.

7. GENERAL BODY MEETINGS

7.1 Details of location, time and date of last three Annual General Meeting are given below:

Financial Year	Location	Date	Time
2010-11	At the Registered Office at 167-168, Village Indard, Kadi - Kalol Road, Mehsana, Gujarat	August 25, 2011	11.30 a.m
2011-12	At the Registered Office at 167-168, Village Indard, Kadi - Kalol Road, Mehsana, Gujarat	September 27, 2012	11.30 a.m
2012-13	At the Registered Office at 167-168, Village Indard, Kadi - Kalol Road, Mehsana, Gujarat	September 27, 2013	11.30 a.m

7.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2013-14.

7.3 Special Resolution passed in the last three years at the Annual General Meetings

At the Annual General held on August 25, 2011 Special Resolution was passed approving the reappointment of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company.

7.4 Special Resolution passed last year through Postal Ballot

No Special Resolution was passed through Postal Ballot during 2013-14. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through postal ballot.

7.5 Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered addresses of all the shareholders of the Company along with a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairperson and Managing Director of the Company, who on the basis of the report announces the results.
- The Company has entered into an agreement with National Securities Depository Limited (NSDL) for providing e-voting facility to its shareholders. Under this facility, shareholders will be provided an electronic platform to participate and vote on resolutions to be passed through Postal Ballot.

8. DISCLOSURES

1. Related party transactions

There are no materially significant party transactions with the related parties viz its promoters, the directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors are interested are placed before the Board regularly for its approval. Full disclosure of related party transaction as per Accounting Standards - 18 issued by the Institute of Chartered Accountants of India provided under Note 38 of Notes forming part of Financial Statement. The Audit Committee periodically reviews the significant related party transactions that may have potential conflict with the interests of the Company at large.

2. Details of Non Compliances

The Company has complied with the requirements of the Stock Exchange, Securities Exchange Board of India (SEBI) and other authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

3. Whistle Blower

The Company has established a Whistle Blower policy and has established necessary mechanism in line with Clause 49 of the Listing Agreement with Stock Exchanges for employees to report concerns about unethical behavior. No employee is denied the opportunity to meet the Audit Committee members of the Company.

4. Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement are reviewed from time to time. Among the non-mandatory requirements adopted

by the Company are remuneration committee and whistle blower policy.

5. Accounting Treatment

The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) and in compliance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent applicable.

6. Risk Management

Business risk evaluation is an ongoing process; the Audit Committee regularly reviews the risk assessment and control process of the Company. The Board also periodically reviews the risk assessment procedures laid by the Company.

7. Proceeds from public issues, rights issue, preferential issue, etc.,

During the period under review, the Company has not raised any proceeds from public issue, rights issue, preferential issue, etc.

9. MEANS OF COMMUNICATION

Results

During the year under review, quarterly, half yearly and

annual financial results of the Company were submitted to the Stock Exchanges immediately after they were approved by the Board and were normally published in widely circulating national and local dailies such as "Business Standard" in English and "Prabhat" in Gujarati. The shareholding pattern, financial results, corporate governance report and other announcements are also filed electronically on BSE Ltd and NSE Electronic Application Processing System (NEAPS).

Website

The Annual Report of the Company as well as the quarterly, half yearly and annual results are posted on the website of the Company at www.asahisongwon.com and can be downloaded by the shareholders.

Presentation to Institutional Investors or to analysts

A presentation of Company's performance is made to the Institutional Investors /Financial Analysts as and when felt necessary.

Management Discussion & Analysis Report

The Management Discussion and Analysis report forms a part of the Directors Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risk and concern and internal controls and systems are discussed in the said report.

10. GENERAL SHAREHOLDER'S INFORMATION

1. Annual General Meeting	
Day, Date, Time & Venue	Friday, September 26, 2014 at 11.30 AM. At the Registered Office of the Company at 167-168, Village: Indrad, Kadi- Kalol Road, Mehsana, Gujarat - 382727.
2. Financial Year Calendar (2014-15)	
Financial Year	The following are tentative dates: April 1, 2014 to March 31, 2015
Annual General Meeting	August/ September, 2015
Results for quarter ended on	
First Quarter Results	On or before August 14, 2014
Second Quarter and Half yearly Results	On or before November 14, 2014
Third Quarter Results	On or before February 14, 2015
Annual Results 2014-15	On or before May 29, 2015

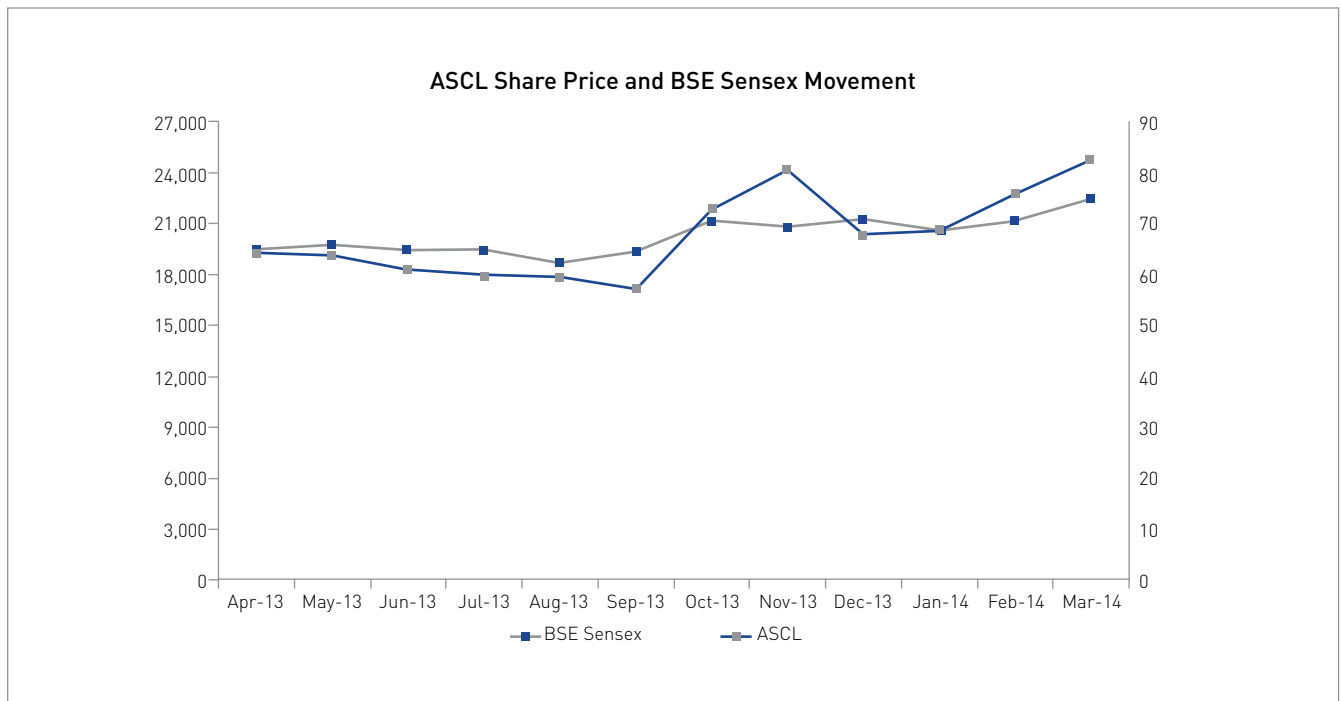
<p>3. Date of Book Closure</p> <p>Closure of Register of Members and Share Transfer Books</p>	<p>The Book Closure for payment of dividend, if any, is from Thursday, September 18, 2014 to Friday, September 26, 2014 (both days inclusive).</p>
<p>4. Dividend Payment Date</p>	<p>Final Dividend of ₹3.50 per share (35%) for the Financial Year 2013-14 is proposed. The payment of final dividend upon declaration by the shareholders at the forthcoming Annual General Meeting will made:</p> <ol style="list-style-type: none"> 1. to all those shareholders holding shares in physical form and whose names appear in the Company's Register of Members as on September 17, 2014. 2. to all those beneficial owners holding shares in electronic mode, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on the end of the day on September 17, 2014. <p>The dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.</p>
<p>5. Listing of Equity Shares on Stock Exchange</p>	<p>The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Annual Listing Fees for the Financial Year 2014-15 have been paid to the above stock exchanges.</p>
<p>Name and Address of Stock Exchange</p> <p>BSE Limited</p> <p>P. J. Towers Dalal Street, Fort Mumbai - 400 001</p>	
<p>National Stock Exchange of India Ltd</p> <p>Exchange Plaza Bandra - Kurla Complex Bandra (East) Mumbai - 400 051</p>	
<p>6. Stock Code/Symbol BSE</p> <p>NSE</p>	<p>532853</p> <p>ASAHISONG</p>
<p>7. Corporate identification Number (CIN) of the Company</p>	<p>L24222GJ1990PLC014789</p>
<p>8. Market Price Data</p>	

The monthly High, Low (based on closing prices) during each month in the year 2013-14 on BSE Limited and National Stock Exchange of India Ltd are given below:

Month	BSE Limited		National Stock Exchange of India Ltd	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2013	65.75	56.00	65.75	51.05
May, 2013	67.50	59.00	67.95	58.35
June, 2013	64.80	57.00	67.00	57.20
July, 2013	65.40	57.00	65.05	56.90
August, 2013	64.00	53.00	64.00	53.20
September, 2013	63.55	55.35	68.45	57.00
October, 2013	74.50	59.20	76.00	58.60
November, 2013	84.95	65.25	85.00	66.20
December, 2013	83.95	66.25	84.30	66.10
January, 2014	78.00	65.00	77.00	67.25
February, 2014	76.65	67.10	77.00	65.65
March, 2014	94.90	74.10	94.80	74.45

Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2013-14

The chart below provides the relative movement of the closing price of the Company's share and the BSE Sensex. The period covered is April 1, 2013 to March 31, 2014. The management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance



9. Registrar and Transfer Agent

Link Intime India Private Limited

Mumbai Office

C-133, Pannalal Silk Mills Compound

Kantilal Maganlal Ind. Estate

L. B. S. Marg, Bhandup (West), Mumbai – 400 078.

Tel: 022-25960320-28

Fax: 022-25960329

Ahmedabad Branch Office

303, Shoppers Plaza V

Opp. Municipal Market

Off. C. G. Road, Navrangpura, Ahmedabad - 380009.

Tel: 079-26465179.

10. Share Transfer System

The Shares of the Company are traded in compulsory dematerialized form. The Registrar and Transfer Agent deal with Share Transfer both in physical and dematerialized mode. The Demat shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Transfer Agent and the share certificates are generally returned to the transferee within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

Pursuant to Clause 47(c) of the Listing Agreement with Stock Exchanges, certificates on half-yearly basis have been issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company.

11. Payment of Dividend through National Electronic Clearing Services (NECS)

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment

through NECS, members who hold shares in demat mode should inform their Depository Participant and members holding shares in physical mode should update the bank details with the Register and Shares Transfer Agent.

12. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) a qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, the issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the shares are listed.

13. Unclaimed Dividends

Dividend remaining unclaimed for seven years from the date of transfer to unpaid dividend account will be transferred to the Investor Education and Protection Fund ("The Fund"). Dividend unpaid/unclaimed for the year 2006-07 onwards will be transferred to the above Fund. Shareholders who have not encashed their dividend are requested to approach Registrar and Share Transfer Agent.

14. Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement with the Stock Exchanges

Information pertaining to particulars of Directors to be appointed/reappointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

15. Distribution of shareholding

The distribution of shareholding as on March 31, 2014 is as under:

a. Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	4,034	81.69	621,782	5.07
501-1,000	432	8.75	354,220	2.89
1,001-2,000	241	4.88	372,246	3.03
2,001-3,000	69	1.40	180,253	1.47
3,001-4,000	40	0.81	143,952	1.17
4,001-5,000	30	0.61	143,820	1.17
5,001-10,000	60	1.22	430,261	3.51
10,001 and above	32	0.64	10,025,728	81.69
Total	4,938	100.00	12,272,262	100.00

b. Shareholding Pattern as on March 31, 2014 (Category-wise)

Sr. No.	Category	No of Shares	% of Shareholding
A.	Promoters		
1.	<i>Indian Promoters</i>		
	Individuals	7,642,152	62.28
	Bodies Corporate	600	-
2.	<i>Foreign Promoters</i>	-	-
	Total Promoters Holding	7,642,752	62.28
B.	Non Promoters		
1.	<i>Institutional Investors</i>		
a.	Mutual Funds	-	-
b.	Banks, Financial Institutions, Insurance Companies	-	-
c.	Foreign Institution Investors	-	-
	Sub Total	-	-
2.	<i>Others</i>		
a.	Bodies Corporate	1,206,899	9.83
b.	Indian Public	2,371,818	19.32
c.	NRIs/OCBs	963,633	7.86
d.	Clearing Members	87,160	0.71
	Sub Total	4,629,510	37.72
	Grand Total	12,272,262	100.00

16	Dematerialization of Shares and Liquidity	<p>The shares of the Company fall under the category of compulsory traded in dematerialized mode. The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for Dematerialization facility.</p> <p>Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE228I01012.</p>	
Details of Dematerialized Shares as on March 31, 2014			
	No of shareholders	No of Shares	% of Capital
NSDL	3,185	9,322,404	75.96
CDSL	1,749	2,084,634	16.99
Physical Form	4	865,224	7.05
Total	4,938	12,272,262	100.00
		The Equity Shares of the Company are frequently traded on the BSE Limited (Group B) as well as on the National Stock Exchange of India Limited.	
17.	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity	As on March 31, 2014, there are no outstanding GDRs/ADRs/Warrants or any convertible instruments.	
18.	Plant Locations	<p>1. Pigment Green Division 167-68, Village: Indrad, Kadi-Kalol Rd, Mehsana, Gujarat – 382 727.</p> <p>2. Pigment Blue Division 429-432, Village: Dhudwad, ECP Channel Road, Padra Vadodara, Gujarat – 391 450.</p>	
19.	Address for correspondence	<p>At Company Asahi Songwon Colors Limited 167/168, Village: Indrad Kadi – Kalol Road Dist: Mehsana - 382 715, Gujarat Tel: (02764) 300700, Fax: (02764) 233550 www.asahisongwon.com CIN: L24222GJ1990PLC014789 Email: cs@asahisongwon.com</p> <p>At Registrar and Transfer Agent Link Intime India Private Limited 303, Shoppers Plaza V Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad - 380009 Tel: (079) 26465179, Fax: (079) 26465179 Email: ahmedabad@linkintime.co.in</p>	

11. NON-MANDATORY REQUIREMENTS:

1.	The Board – A non executive Chairman may be entitled to maintain a Chairman’s Office at the Company’s expense and also allowed reimbursement of expense incurred in performance of his/her duties.	: The Chairman of the Company is Executive Chairman and hence not applicable.
	Independent Directors may have a tenure not exceeding the aggregate a period of nine years on the Board of the Company.	: No maximum tenure for Independent Directors has been specifically determined by the Board.
	The Company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the Company and which , in the opinion of the Company, would enable him/her to contribute effectively to the Company in his/her capacity as an independent director.	: This is ensured.
2.	Remuneration Committee	: The Company has already set up a Remuneration Committee. The composition, terms of reference and other details of the same have been given in preceding pages.
3.	Shareholder Rights – A half yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of Shareholders.	: As the Company’s half yearly results are published in leading English newspapers having circulation all over India and in vernacular newspaper and also in the Company’s website, the same is not sent to the shareholders of the Company. The Annual Results are approved by the Board and published in the newspaper and communicated to the shareholders through the Annual Report.
4.	Audit qualification – Company may move towards a regime of unqualified financial statements.	: Financial Statement for the year ended March 31, 2014 of the Company contained no audit qualifications.
5.	Training of Board Members – A Company may train its Board Members in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as directors and the best ways to discharge them.	: Every Director on the Board has the ability to understand the basic financial statement and information and related documents/papers. The Board of Directors is periodically updated with business, changes in legal environment, market and Company profile.
6.	Mechanism for evaluating non-executive Board Members – The performance evaluation of non-executive directors could be done by a Peer Group comprising the entire Board of Directors excluding the director being evaluated; and Peer Group evaluation could be the mechanism to determine whether to extend/continue the terms of appointment of non – executive directors.	: At present, the Company does not have any such mechanism for evaluating the performance of Non-Executive Board Members.
7.	Whistle Blower Policy	: The Audit Committee of Directors reviews the whistle blower policy of the Company.

For and on behalf of the Board of Directors

Place: Ahmedabad

Date: August 12, 2014

MRS. PARU M. JAYKRISHNA

Chairperson and Managing Director

DIN 00671721

DECLARATION ON CODE OF CONDUCT

To the Members of

Asahi Songwon Colors Ltd.

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Level Employees of the Company.

It is further confirmed that all Directors and Senior Level Employees of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2014, as envisaged in Clause 49 of the Listing Agreement with the Stock Exchange.

For and on behalf of the Board of Directors

Place: Ahmedabad

Date: August 12, 2014

MRS. PARU M. JAYKRISHNA

Chairperson and Managing Director

DIN 00671721

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Asahi Songwon Colors Limited

We have examined the compliance of conditions of corporate governance by Asahi Songwon Colors Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementations 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 conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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, Trushit Chokshi and Associates

Chartered Accountants

Firm Registration No : 111072W

Place: Ahmedabad

Date: 12/08/2014

Trushit Chokshi

Proprietor

Membership No. : 040847

Independent Auditors' Report

To
the Members of
Asahi Songwon Colors Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Asahi Songwon Colors Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, **Trushit Chokshi and Associates**
Chartered Accountants
Firm Registration No : 111072W

Place : Ahmedabad
Date : 12/08/2014

Trushit Chokshi
Proprietor
Membership No. : 040847

Annexure to Auditors' Report

Referred to in paragraph 1 of the Auditors' Report of even date to the members of Asahi Songwon Colors Limited on the financial statements as at and for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets, according to the practice of the company, are physically verified by the management at reasonable intervals, in phased verification programme, which in our opinion, is reasonable looking to the size of the Company and the nature of its business. As explained to us, on such physical verification of fixed assets, no major discrepancies have been noticed.
(c) The Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. (a) During the year, the inventories have been physically verified, by the Management at regular intervals, except for the stock lying with the outside parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedure of the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of records of the inventories, we are of the opinion that, the Company is maintaining proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured loans to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 3(b), 3(c) and 3(d) of Paragraph 4 of the Order are not applicable to the company for the current year.
(b) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured loans from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 3(f) and 3(g) of Paragraph 4 of the Order are not applicable to the company for the current year.
4. In our opinion and as per the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, no major weaknesses in the internal control system have been noticed and there is no continuing failure in the same.
5. (a) Based on the audit procedure applied by us and according to the information and explanations and representations given to us by the management, we are of the opinion that the transactions in which directors were interested and which need to be entered into the register to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and as per the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year is reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and as per the information and explanations given to us, as the company has not accepted any deposits from the public, paragraph 4(vi) of the order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of business.
8. According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
9. (a) In our opinion and as per the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, value added tax, custom duty, excise duty and cess and other statutory dues, if any, with the appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty / Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date of they become payable.

(c) The disputed dues on account of income tax which have remained unpaid as on 31/03/2014 are as follows:

Name of the Statute	Nature of Dues	Amount of Demand net of Deposits	Year to Which Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	554,840	2001-2002	The said Demand is outstanding because of non disposal of the application filed u/s 154
Income Tax Act, 1961	Income Tax	1,344,550	2002-2003	Income Tax Appellate Tribunal Ahmedabad
Income Tax Act, 1961	Income Tax	1,607,120	2003-2004	Income Tax Appellate Tribunal Ahmedabad
Income Tax Act, 1961	Income Tax	4,649,710	2004-2005	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	151,555	2006-2007	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	117,670	2008-2009	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	644	2009-2010	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	16,470	2010-2011	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2,72,520	2011-2012	Commissioner of Income Tax (Appeal)

- | | |
|---|---|
| <p>10. The Company has neither accumulated losses at the end of the financial year as at 31st March 2014, nor has it incurred cash losses in the current financial year ended on that date and in the immediately preceding financial year.</p> <p>11. In our opinion and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks, Financial Institutions and Debenture Holders.</p> <p>12. In our opinion and as per the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>13. The Company is not a Chit Fund, Nidhi, Mutual Benefit Fund and / or a Society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.</p> <p>14. In our opinion the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the company are held in its own name.</p> <p>15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.</p> <p>16. According to the information and explanations given to us, the term loans were applied by the Company for the purpose for which they were obtained.</p> <p>17. According to the information and explanations given to us, and on verification of Cash flow and on an overall examination</p> | <p>of the balance sheet of the company, in our opinion, there are no funds raised on short-term basis used for long-term investments.</p> <p>18. According to the information and explanations given to us, during the period covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.</p> <p>19. On the basis of the records and documents examined by us, the Company has not issued any debenture during the year.</p> <p>20. The Company has not raised any money by way of public issue during the year.</p> <p>21. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by Company was noticed or reported in the course of our audit during the year.</p> |
|---|---|

For, **Trushit Chokshi and Associates**
Chartered Accountants
Firm Registration No : 111072W

Place : Ahmedabad
Date : 12/08/2014

Trushit Chokshi
Proprietor
Membership No. : 040847

Balance Sheet as at 31st March, 2014

(Amount in ₹)

Particulars	Notes	As at	
		March 31, 2014	March 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	122,722,620	122,722,620
(b) Reserves and surplus	3	1,175,894,643	1,080,272,741
		1,298,617,263	1,202,995,361
2 Non-current liabilities			
(a) Long-term borrowings	4	88,631,800	108,869,920
(b) Deferred tax liabilities (Net)	5	189,528,859	127,712,650
(c) Long-term Provisions	6	8,318,696	8,361,095
		286,479,355	244,943,665
3 Current liabilities			
(a) Short-term borrowings	7	618,975,707	502,803,032
(b) Trade payables	8	398,347,681	260,791,331
(c) Other current liabilities	9	119,256,793	118,809,002
(d) Short-term provisions	10	60,863,472	59,892,666
		1,197,443,653	942,296,031
TOTAL		2,782,540,271	2,390,235,057
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,224,635,005	1,018,237,390
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		69,880,852	174,325,449
(iv) Intangible assets under development		2,126,180	1,708,180
(b) Non-current investments	12	159,282,788	142,518,208
(c) Long-term loans and advances	13	16,508,555	34,024,369
(d) Other non-current assets	14	1,628,129	3,409,877
		1,474,061,509	1,374,223,473
2 Current assets			
(a) Inventories	15	320,223,740	238,411,019
(b) Trade receivables	16	679,510,778	485,363,191
(c) Cash and cash equivalents	17	23,104,450	18,683,143
(d) Short-term loans and advances	18	283,315,725	271,209,945
(e) Other current assets	19	2,324,069	2,344,286
		1,308,478,762	1,016,011,584
TOTAL		2,782,540,271	2,390,235,057
Significant Accounting Policies	1		
The accompanying notes are an integral part of financial statements	2 to 41		

As per our Report of even date attached.

For and on behalf of the Board

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Saji V. Joseph
Company Secretary

Trushit Chokshi
(Proprietor)

Gokul M. Jaykrishna
Joint Managing Director

Membership No. 040847

Place : Ahmedabad

Date: 12/08/2014

Munjal M. Jaykrishna
Joint Managing Director

Statement of Profit & Loss for the year ended 31st March, 2014

(Amount in ₹)

Sr. No.	Particulars	Notes	Year ended March 31, 2014	Year ended March 31, 2013
I.	Revenue from operations	20	3,020,099,204	2,321,658,565
II.	Other income	21	6,356,975	4,630,353
III.	Total Revenue		3,026,456,179	2,326,288,918
IV.	Expenses:			
	Cost of Materials consumed	22	1,930,198,592	1,402,441,921
	Purchases of Stock-in-Trade	23	30,688,400	13,081,400
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(42,763,888)	8,740,289
	Employee benefits expense	25	93,760,793	71,497,628
	Finance costs	26	62,676,384	48,955,544
	Depreciation and amortization expense	27	67,316,687	53,395,942
	Other Expenses	28	621,439,645	577,170,971
	Total expenses		2,763,316,613	2,175,283,695
V.	Profit before Extraordinary item and tax expenses		263,139,566	151,005,223
	Extraordinary item	37	22,742,810	-
VI.	Profit before tax expenses		240,396,756	151,005,223
VII.	Tax expense:			
	(1) Current tax		32,705,880	18,860,319
	(2) Deferred tax		61,816,209	28,581,405
VIII.	Profit after tax		145,874,667	103,563,499
IX.	Earnings per equity share: (face value of ₹ 10 per share)	29		
	(1) Basic and Diluted (before extraordinary item) Earning per share (₹)		13.74	8.44
	(2) Basic and Diluted (after extraordinary item) Earning per share (₹)		11.89	8.44
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of financial statements	2 to 41		

As per our Report of even date attached.

For and on behalf of the Board

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

Saji V. Joseph

Company Secretary

Trushit Chokshi

(Proprietor)

Membership No. 040847

Place : Ahmedabad

Date: 12/08/2014

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Gokul M. Jaykrishna
Joint Managing Director

Munjal M. Jaykrishna
Joint Managing Director

Cash Flow Statement for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Cash Flow from Operating Activities		
Profit Before Tax	240,396,756	151,005,223
Add: Depreciation and Amortisation Expenses	67,316,687	53,395,942
Finance Cost	62,676,384	48,955,544
Miscellaneous Expenditure written off	1,781,748	10,041,797
Less: Interest Received	(2,633,989)	(2,566,563)
Profit / loss from sale of Current Investment	85,855	(716,369)
Dividend Income	(632,257)	(849,870)
	128,594,428	108,260,481
Operating Profit Before Working Capital Changes	368,991,184	259,265,704
Working Capital Changes		
Increase/(Decrease) Trade & Other receivables	(194,147,587)	(46,675,147)
Increase/(Decrease) Inventories	(81,812,721)	14,364,027
Increase/ (Decrease) Trade & other payables	138,918,068	35,355,316
Changes in Loans and Advances	22,366,816	(55,361,481)
	(114,675,424)	(52,317,285)
Cash Generated from Operating Activities	254,315,760	206,948,419
Direct taxes paid	(49,556,786)	(33,353,676)
	(49,556,786)	(33,353,676)
Net Cash from Operating Activities	204,758,974	173,594,743
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(173,961,157)	(297,031,099)
Proceeds from sale of Fixed Assets	4,100,936	2,100,385
Purchase of Current Investments	(56,850,000)	(82,464,793)
Sale of Current Investments	40,086,420	32,540,413
Margin money deposit (placed) / matured	(6,700,000)	751,020
Interest and Other Income	3,266,246	3,416,433
	(190,057,555)	(340,687,641)
Net Cash (used in) Investing Activities	(190,057,555)	(340,687,641)
C. Cash Flow from Financing Activities		
Proceeds from Long term borrowings	91,827,631	133,804,171
(Repayment) of Long term borrowings	(112,051,269)	(64,721,757)
Availment/(Repayment) Short term borrowings	116,172,675	164,034,180
Payment of Dividend (including Dividend Distribution Tax)	(50,252,765)	(32,092,042)
Interest Paid	(62,676,384)	(48,955,544)
	(16,980,112)	152,069,008
Net Cash from / (used in) Financing Activities	(16,980,112)	152,069,008
Net increase / (decrease) in cash and cash equivalents	(2,278,693)	(15,023,890)
Cash and cash equivalent at the beginning of the year	9,683,143	24,707,033
Cash and cash equivalent at the end of the year	7,404,450	9,683,143

Cash Flow Statement for the year ended 31st March, 2014 *(Contd.)*

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Notes to Cash Flow Statement:		
1. Reconciliation of cash and cash equivalent with the Balance Sheet		
Cash and cash equivalent as per balance Sheet: (refer Note - 17)	23,104,450	18,683,143
Less: Margin money not considered as cash and cash equivalents as defined in AS 3 " Cash Flow Statement"	15,700,000	9,000,000
	7,404,450	9,683,143
2. Components of cash and cash equivalents:		
Cash on hand	739,763	367,384
In current accounts	1,712,658	4,711,210
In unpaid dividend accounts	576,068	483,522
In deposit accounts	4,375,961	4,121,027
	7,404,450	9,683,143

3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
4. The cash flow statement has been prepared under the ' Indirect Method ' set out in Accounting Standard 3 'Cash Flow Statement' issued by Institute of Chartered Accountants of India.

As per our Report of even date attached.

For and on behalf of the Board

For, **Trushit Chokshi & Associates**
Chartered Accountants
Firm Registration No. 111072W

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Saji V. Joseph
Company Secretary

Trushit Chokshi
(Proprietor)
Membership No. 040847
Place : Ahmedabad
Date: 12/08/2014

Gokul M. Jaykrishna
Joint Managing Director

Munjal M. Jaykrishna
Joint Managing Director

Notes Forming Part of Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

a. Disclosure of Accounting Policies

The Financial Statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act 2013.

b. Use of Estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

1.2 Valuation of Inventories

- a. Raw material, are valued at lower of the cost on FIFO basis including incidental expenses to bring the inventories to their present location and condition and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.
- b. Packing Materials and Stores & Spares are valued at cost on FIFO basis.
- c. Finished goods and work in process include cost, cost of conversion and other cost incurred in bringing the inventories to their present location and condition; and market realizable value whichever is lower. Trading goods are valued at cost on FIFO basis or market value whichever is lower. By products are valued at net realizable value.
- d. The Company is mainly engaged in the export business, the closing stock at the year end is generally exported in the next year. Exports are being exempted from excise duty, Hence no provision for excise duty has been made in Statement of Profit & Loss and Finished goods are valued without adding therein excise duty. However the said liability if accounted would have no effect on the profit for the year.

1.3 Cash Flow Statements

The Cash Flow Statement is prepared under "Indirect method". The cash flow from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents comprises of Cash at Bank, Cash on Hand, Current and other accounts held with Banks.

1.4 Contingencies and Event Occurring after the Balance Sheet Date

- a. Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.
- b. Dividends, which are proposed/declared by the Company after the Balance Sheet date but before the approval of the financial statements are adjusted.

1.5 Net Profit or Loss for the period, Prior Period items and Changes in accounting Policies

Significant items or Extra-ordinary items and Prior Period Incomes and Expenditures are accounted in accordance with Accounting Standard.

1.6 Depreciation of Fixed Assets

- a. Depreciation on tangible fixed assets has been provided on Straight Line Method corresponding to the rates prescribed under Schedule XIV to the Companies Act, 1956.
- b. Depreciation on additions / deductions in respect of fixed assets are charged on pro-rata from / up to date on which asset is available for use / disposal.
- c. In respect of Individual assets costing less than ₹ 5,000/- are depreciated fully in the year / period of the purchase.
- d. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realizable values.

Notes Forming Part of Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.7 Revenue Recognition

- a. Sales are recognized when goods are supplied and are recorded net of trade discounts, rebates and VAT but include, wherever applicable, excise duties, export incentives such as Duty Drawbacks and premiums on sale of Import Licenses.
- b. Export benefits / incentives are accounted on accrual basis. Accordingly, estimated export benefits against exports affected during the year are taken into account as estimated incentives accrued till the end of the year. In case of License not revalidated after the date of expiry, the proportionate export benefit / incentive taken credit in earlier year(s) is written off in the year of expiry of License and /or changes made by the Central Government during the year in the rate of tariff of Import Duty.
- c. Incomes from services rendered are booked based on agreements/ arrangements with the concerned parties.
- d. Income from investments are booked on accrual basis inclusive of Tax deducted at source.

1.8 Accounting of Fixed Assets

- a. Fixed assets are stated at cost of acquisition or construction /erection, less accumulated depreciation / amortization. Cost of acquisition or construction is inclusive of purchase price, freight, and other incidental expenses related to acquisition and installation and exclusive of VAT, Excise Duty etc. credit availed as per prevailing rules thereof and any directly attributable cost of bringing the asset to its working condition for the intended use. Interest incurred during the period of erection of Fixed Assets on Borrowing Finance for such fixed assets is capitalized.
- b. Depreciation is provided on the straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- c. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realisable value.
- d. Capital Work-in-progress is stated in the assets schedule at the amount spent up to the date of the Balance Sheet, however pending completion of the project, no depreciation is provided on the same.

1.9 The Effects of Changes in Foreign Exchange Rates

- a. Foreign Currency loans in respect of fixed assets are translated at exchange rate prevalent on the last day of accounting year. Any loss or gain arising due to foreign exchange fluctuation of the foreign currency loan of fixed assets outstanding on the last day of the year is charged to Statement of Profit & Loss for the same year.
- b. Current assets and liabilities in foreign currency outstanding at the last day of the accounting year are valued at exchange rate prevalent at the last day of the accounting year. The loss or gain due to fluctuation of exchange rates is charged to Statement of Profit & Loss. Treatment of Forward Contract Transactions are dealt with as per AS – 11.

1.10 Accounting for Government Grants

Government grants are recognized when there is reasonable assurance that the same will be received. Government grants relating to revenue are recognized on accrual and are shown under other income. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets and other Capital grants are treated as Capital Reserve.

1.11 Accounting for Investments

Investments those are already realisable and intended to be held for more than a year from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Long-term Investments.

Current investments are carried at lower cost or fair value. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is permanent in the opinion of the management.

1.12 Employee Benefits

a. Defined Contribution Plan

Provident Fund and Employee State Insurance Scheme are defined contribution Scheme and the contribution are charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b. Defined Benefit Plan

Gratuity liability for eligible employees is defined benefit obligation and are provided for on the basis of an actuarial valuation at the end of the each financial year.

Notes Forming Part of Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.13 Borrowing Costs

Borrowing cost that is attributable to the acquisition or construction of qualifying assets are capitalized for the period until the asset is ready for its intended use. All other borrowing costs are charged to revenue.

1.14 Segment Reporting

The Company has only one main reportable segment i.e. Pigments.

1.15 Related Party Disclosures

Transactions with Key Managerial Personnel and Related Parties as defined under Accounting Standard, other than Independent Non- Executive Directors is disclosed as "Related Party Transactions" in the Notes to Financial Statements.

1.16 Accounting for Leases

All leases are classified into operating and finance lease at the inception of the lease. Leases that transfer substantially all risks and rewards from lessor to lessees are classified as finance lease and others being classified as operating lease.

There is no any finance or operating lease transactions entered into by the company.

1.17 Earning Per Share

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.18 Accounting for Taxes on Income

a. Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period.

b. Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.

c. MAT credit entitlements are treated as advance payment of tax.

1.19 Discontinuing Operation

The Company has not discontinued any operations during the year.

1.20 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

1.21 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the Statement of profit and loss.

1.22 Provisions, Contingent Liabilities and Contingent Assets

a. The provisions are recognized and measured by using a substantial degree of estimation.

b. Contingent Liabilities

Disputed liabilities and claims against the Company including claims raised by the authorities (e.g. Commercial Tax, Value Added Tax, Income Tax, Excise etc.) pending in appeal / Court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in Notes forming part of Financial Statements.

c. Contingent Assets are neither recognized nor disclosed.

1.23 Accounting of Derivative Financial Instruments

Presently, the Company is not engaged in Derivative Financial Instruments. However, for derivative contracts, premium paid and gains/losses on settlement will be charged to Statement of Profit and Loss. Losses arising on the restatement of the outstanding derivative contracts as at the year end by marking them to market will be charged to the Statement of Profit and Loss.

Notes Forming Part of Financial Statements

NOTE 2 SHARE CAPITAL

(Amount in ₹)

	As at March 31, 2014	As at March 31, 2013
a. Authorised Shares		
20,000,000 (Previous Year 20,000,000) Equity Shares of ₹ 10 each	200,000,000	200,000,000
b. Issued, Subscribed and Fully Paid up Shares		
12,272,262 (Previous Year 12,272,262) Equity Shares of ₹ 10 each	122,722,620	122,722,620
TOTAL	122,722,620	122,722,620

c. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the period	12,272,262	122,722,620	12,272,262	122,722,620
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the period	12,272,262	122,722,620	12,272,262	122,722,620

d. Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at March 31, 2014	As at March 31, 2013
e. Shares held by holding / ultimate holding company / or their subsidiaries / associates	-	-

f. Details of shares in the Company held by each shareholder holding more than 5 percent shares.

Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
	No of Equity Shares	% of holding in the class	No of Equity Shares	% of holding in the class
Mrs. Paru M. Jaykrishna	4,632,054	37.74	4,596,054	37.45
Mr. Gokul M. Jaykrishna	1,505,049	12.26	1,474,049	12.01
Mr. Munjal M. Jaykrishna	1,505,049	12.26	1,474,049	12.01
DIC Corporation	865,200	7.05	865,200	7.05
Clariant Chemical (India) Ltd	718,600	5.86	718,600	5.86
Total	9,225,952	75.17	9,127,952	74.38

As per records of the company, including its register of members and other declarations received from them regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of the shares.

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash : **NIL**
- Aggregate number and class of shares allotted as fully paid by way of Bonus Shares : **NIL**
- Aggregate number and class of shares bought back : **NIL**

Notes Forming Part of Financial Statements

NOTE 3 RESERVES AND SURPLUS

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
a. Securities Premium Account		
Balance at the beginning of the year	394,952,913	394,952,913
Balance at the end of the year	394,952,913	394,952,913
b. General Reserve		
Balance at the beginning of the year	203,699,588	188,699,588
Add: Transfer from the Statement of Profit & Loss	15,000,000	15,000,000
Balance at the end of the year	218,699,588	203,699,588
c. Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	481,620,240	443,309,506
Add: Profit for the year	145,874,667	103,563,499
Less : Appropriations		
Transfer to General Reserves	15,000,000	15,000,000
Final Dividend ₹ 3.50 (Previous year ₹ 3.50) per Equity Share	42,952,917	42,952,917
Tax on Dividend	7,299,848	7,299,848
Balance at the end of the year	562,242,142	481,620,240
Total	1,175,894,643	1,080,272,741

NOTE 4 LONG TERM BORROWINGS

Particulars	<i>(Amount in ₹)</i>			
	Non-current portion		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured Loans				
a. Term Loans				
Indian Rupees Loan				
From State Bank of India	88,631,800	86,204,171	96,000,000	47,600,000
Foreign Currency Loan				
From State Bank of India	-	22,484,340	-	44,708,443
b. Other Loans and Advances				
Vehicle Loan	-	181,409	181,409	3,858,486
Amount disclosed under the head	-	-	(96,181,409)	(96,166,929)
Other Current Liabilities (see Note: 9b)				
Total	88,631,800	108,869,920	-	-

a. Secured loans are covered by:

Term Loans from State Bank of India (SBI) are secured by Equitable Mortgage of Land and Buildings and a first charge by way of hypothecation of the whole of the movable properties of the company including its movable plant & machinery, stores, tools & accessories, present & future and other movables save & except book debts & current assets.

Notes Forming Part of Financial Statements

NOTE 4 LONG TERM BORROWINGS (Contd.)

Particulars of Balance and repayment schedules of the Term Loans

Particulars	As at 31st March, 2014	Amount of Quarterly Installments	Quarterly Installments for current maturity	Quarterly Installments payable within 12 Months	Total Nos of Quarterly Installments payable
A	SBI Rupee Term loan				
	Rupees	Rupees		Rupees	See Note-1
Term Loan II	159,631,800	17,750,000	4	71,000,000	
Term Loan I	25,000,000	6,250,000	4	25,000,000	
Term Loans	(133,804,171)	(11,900,000)	4	(47,600,000)	
B	SBI Foreign Currency Term Loan - I				
US \$	-	-		-	Current period Nil (Previous year repayable in 1 equal installments and 2nd for balance amount)
INR	-	-		-	
US \$	(211,208)	(211,208)	2	(211,208)	
INR	(11,470,723)	(11,470,723)	2	(11,470,723)	
C	SBI Foreign Currency Term Loan - II				
US \$	-	-		-	Balance as on 9th April repaid in Foreign currency and rolled over in Rupee Term Loan (Previous Year repayable by 6 equal installments and 7th for balance amount)
INR	-	-		-	
US \$	(1,026,000)	(153,000)	4	(612,000)	
INR	(55,722,060)	(8,309,430)	4	(33,237,720)	
	Currency Exchange rate considered as on March 31, 2014 ₹ 59.91 per 1 US \$ (Previous year ₹ 54.31 per 1 US \$) Previous years figures shown in brackets				

Note:

Note - 1: Term Loan II is repayable by 8 quarterly equal installments of ₹ 17,750,000/- and 9th for ₹17,631,800/-, Term loan I is repayable within 4 quarterly installments of ₹6,250,000/-. (Previous year both together were repayable by 11 equal quarterly installments ₹11,900,000/- and 12th for ₹ 2,904,171/-balance amount.)

b. Vehicle loans are secured by hypothecation of concerned vehicles.

Repayment terms of Vehicle Loan

Vehicle loans are repayable in equal monthly installment over the terms of one year

There was no default in repayment of loan or interest.

NOTE 5 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
a. Deferred Tax Liabilities	195,962,963	133,553,072
b. Deferred Tax Assets	6,434,104	5,840,422
Liabilities (Net)	189,528,859	127,712,650

NOTE 6 LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Provisions for employees benefits		
Gratuity	8,318,696	8,361,095
Total	8,318,696	8,361,095

Notes Forming Part of Financial Statements

NOTE 7 SHORT TERM BORROWINGS

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
Secured Loans *		
Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	573,054,784	467,281,359
Buyers credit arrangement	45,920,923	35,521,673
Total	618,975,707	502,803,032

* Secured loans are secured by hypothecation of raw materials, finished goods, stock in process and book debts and other current assets of the Company.

NOTE 8 TRADE PAYABLES

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
a. Trade payable - Micro, Small and Medium Enterprises	46,629,715	47,144,758
b. Others	351,717,966	213,646,573
Total	398,347,681	260,791,331

(1) The following disclosure have been made on the information available with the Company, for suppliers who are registered as micro, small and medium enterprises under 'MSMED Act, 2006' as at March 31, 2014.

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each period:		
Principal	46,629,715	47,144,758
Interest	-	-
b. The amount of interest paid by the buyer in terms of Section - 16 of the MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each period.	-	-
c. The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of the period.	-	-
e. The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
Total	46,629,715	47,144,758

(2) There are no Micro, Small & Medium Enterprises to whom the company owes, which are outstanding for more than 45 days as at March 31, 2014. This information is disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of the information available with the company.

Notes Forming Part of Financial Statements

NOTE 9 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
a. Unpaid Dividends	576,066	483,633
b. Current maturities of long term borrowings (See note: 4)	96,181,409	96,166,929
c. Others		
Advances from customers	26,077	306,625
Statutory liabilities	5,781,215	3,526,866
Payable for fixed assets	6,748,767	14,065,331
Other Current liabilities and payables	9,943,259	4,259,618
Total	119,256,793	118,809,002

NOTE 10 SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
a. Proposed Dividend	42,952,917	42,952,917
b. Tax on Dividend	7,299,848	7,299,848
c. Provision for employee benefits		
Gratuity	10,610,707	9,639,901
Total	60,863,472	59,892,666

NOTE 11 FIXED ASSETS

(Amount in ₹)

Sr. No	Nature of Assets	Gross Block			Depreciation and amortization expenses				Net Block		
		As at 01-04-2013	Additions	Disposals / Capitalized	As at 31-03-2014	As at 01-04-2013	Depreciation for the year	On disposals	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
A	Tangible Assets										
	Own Assets										
	Freehold Land	69,742,423	-	-	69,742,423	-	-	-	-	69,742,423	69,742,423
	Buildings	140,723,585	51,268,974	-	191,992,559	24,577,797	4,468,622	-	29,046,419	162,946,140	116,145,788
	Plant & Machinery	1,033,622,598	218,295,636	4,931,551	1,246,986,683	232,082,101	59,238,338	763,419	290,557,020	956,429,663	801,540,497
	Furniture and Fixtures	8,744,601	5,740,297	-	14,484,898	3,169,743	564,534	-	3,734,277	10,750,621	5,574,858
	Office equipments	10,884,368	771,974	-	11,656,342	6,771,235	441,882	855,676	6,357,441	5,298,901	4,113,133
	Vehicles	27,346,135	1,910,873	1,404,446	27,852,562	6,225,444	2,603,311	443,450	8,385,305	19,467,257	21,120,691
	Total	1,291,063,710	277,987,754	6,335,997	1,562,715,467	272,826,320	67,316,687	2,062,545	338,080,462	1,224,635,005	1,018,237,390
	Previous Year	1,005,523,935	288,203,431	2,663,656	1,291,063,710	220,710,020	53,395,942	1,279,642	272,826,320	1,018,237,390	784,813,915
B	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
C	Capital Work in Progress										
	Pre Operative Expenses	10,629,439	20,237,578	22,242,569	8,624,448	-	-	-	-	8,624,448	10,629,439
	Total	174,325,449	158,888,976	263,333,573	69,880,852	-	-	-	-	69,880,852	174,325,449
	Previous Year	166,929,961	264,942,302	257,546,814	174,325,449	-	-	-	-	174,325,449	166,929,961
D	Intangible Assets Under Development										
	Software under development	1,708,180	418,000	-	2,126,180	-	-	-	-	2,126,180	1,708,180
	Total	1,708,180	418,000	-	2,126,180	-	-	-	-	2,126,180	1,708,180
	Previous Year	276,000	1,432,180	-	1,708,180	-	-	-	-	1,708,180	276,000
	Grand - Total	1,467,097,339	437,294,730	269,669,570	1,634,722,499	272,826,320	67,316,687	2,062,545	338,080,462	1,296,642,037	1,194,271,019

Notes Forming Part of Financial Statements

NOTE 12 NON CURRENT INVESTMENTS

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
Investment in Equity Instruments (Other companies)		
Quoted - At Cost - Fully paid up		
5,000 (Previous Year 5,000) Equity Shares of ₹ 2/- each of Bodal Chemicals Ltd	20,000	20,000
5,155 (Previous Year 5,155) Equity Shares of ₹ 10/- each of HDFC Ltd.	3,434,740	3,434,740
17,500 (Previous Year 17,500) Equity Shares of ₹ 10/- each of Eclerx Services Ltd.	12,297,142	12,297,142
5,000 (Previous Year 5,000) Equity Shares of ₹ 10/- each of Shriram Transport Finance Co. Ltd.	2,729,906	2,729,906
	18,481,788	18,481,788
Unquoted - At Cost - Fully paid up		
100 (Previous Year 100) Equity Shares of ₹ 10/- each of Akshar Silica Pvt Ltd	1,000	1,000
Share Application Money Cluster Enviro Pvt. Ltd.	-	235,420
1,408,000 (Previous Year 1,238,000) Redeemable Preference Shares of Akshar Silica Pvt Ltd of ₹ 100/- each	140,800,000	123,800,000
	140,801,000	124,036,420
Total	159,282,788	142,518,208
Aggregate amount of quoted investments	18,481,788	18,481,788
Market Value of quoted investments	26,992,402	18,615,944
Aggregate amount of unquoted investments	140,801,000	124,036,420

NOTE 13 LONG TERM LOANS AND ADVANCES (unsecured, considered good unless otherwise stated)

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
a. Capital advances	-	1,179,560
b. Security Deposits	16,008,555	24,890,295
c. Advance Against Expenses	500,000	500,000
d. Advance to Suppliers	-	7,454,514
Total	16,508,555	34,024,369

NOTE 14 OTHER NON CURRENT ASSETS

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
Miscellaneous Expenditure (to the extent not written off)	1,628,129	3,409,877
Total	1,628,129	3,409,877

NOTE 15 INVENTORIES (Valued at lower of cost or net realized value as taken, valued and certified by management)

Particulars	<i>(Amount in ₹)</i>	
	As at March 31, 2014	As at March 31, 2013
a. Raw materials	99,730,536	65,039,872
b. Raw materials - in Transit	2,148,448	-
c. Work in progress	46,552,587	45,137,614
d. Finished goods	141,884,303	100,535,388
e. Stores and spares	26,600,920	18,897,725
f. Fuel & Oil	3,306,946	8,800,420
Total	320,223,740	238,411,019

Notes Forming Part of Financial Statements

NOTE 16 TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
a. Trade receivable outstanding for a period less than six months unsecured, considered good.	676,935,629	465,719,585
b. Trade receivable outstanding for a period more than six months unsecured, considered good.	2,575,149	19,643,606
Total	679,510,778	485,363,191

NOTE 17 CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
a. Cash and Cash Equivalents:		
Balance with Banks in Current accounts	1,712,658	4,711,210
Deposits	4,375,961	4,121,027
Cash on hand	739,763	367,384
b. Other Bank Balances		
Unpaid Dividend accounts	576,068	483,522
Margin money deposits	15,700,000	9,000,000
Total	23,104,450	18,683,143

NOTE 18 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
a. Loans and advances to Employees	910,138	384,075
b. Advances to Capital Goods Suppliers	19,789,195	26,149,552
c. Prepaid expenses	6,383,253	5,420,130
d. Balance with government authorities		
i) CENVAT credit receivables	68,532,499	59,153,683
ii) VAT - CST credit receivables	73,711,742	59,917,403
iii) Export Incentive Receivable	12,745,979	29,256,180
iv) Advance payment of tax (Net of Provisions)	97,139,901	80,203,336
e. Others - Advance to suppliers	4,103,018	10,725,586
Total	283,315,725	271,209,945

NOTE 19 OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Interest receivables on deposits	2,324,069	2,344,286
Total	2,324,069	2,344,286

Notes Forming Part of Financial Statements

NOTE 20 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Sale of Products		
a. Export Sales	2,584,041,484	1,943,552,628
b. Domestic Sales	417,346,237	339,396,916
Less : Excise Duty	48,566,728	29,876,530
Net Domestic Sales	368,779,509	309,520,386
Total Sale of Products	2,952,820,993	2,253,073,014
c. Other operating revenues (Refer 1 below)	67,278,211	68,585,551
Total	3,020,099,204	2,321,658,565
1 Other Operating revenues		
Export incentives	39,426,115	39,425,865
Exchange Rate difference related to export sales	27,852,096	29,159,686
Total - Other Operating revenues	67,278,211	68,585,551

NOTE 21 OTHER INCOME

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
a. Interest from Deposits	2,633,989	2,566,563
b. Dividend Income	632,257	849,870
d. Gain on Investment in Shares / Assets	-	610,811
c. Others	3,090,729	603,109
Total	6,356,975	4,630,353

NOTE 22 COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
a. Raw Materials		
Opening Stock	56,704,492	70,159,513
Add : Purchases	1,923,868,250	1,361,823,854
	1,980,572,742	1,431,983,367
Less : Closing Stock	82,007,471	56,704,492
Cost of Raw Material Consumed	1,898,565,271	1,375,278,875
b. Packing Material		
Opening Stock	1,114,966	3,419,445
Add : Purchases	35,674,176	24,858,567
	36,789,142	28,278,012
Less : Closing Stock	5,155,821	1,114,966
Cost of Packing Material Consumed	31,633,321	27,163,046
Cost of Total material consumed	1,930,198,592	1,402,441,921

NOTE 23 PURCHASE OF STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Pigments	30,688,400	13,081,400
Total	30,688,400	13,081,400

Notes Forming Part of Financial Statements

NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
a. Inventories at the end of the year		
Finished goods	141,884,303	100,535,388
Work-in-progress	46,552,587	45,137,614
Total	188,436,890	145,673,002
Less:		
b. Inventories at the beginning of the year		
Finished goods	100,535,388	112,522,837
Work-in-progress	45,137,614	41,890,454
Total	145,673,002	154,413,291
Net (Increase) / decrease	(42,763,888)	8,740,289

NOTE 25 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
a. Salaries, Wages & Bonus	63,915,044	51,571,308
b. Contribution to Provident and other funds	4,467,058	4,074,830
c. Staff welfare expenses	2,105,918	1,291,313
d. Directors Remuneration including perquisites and commission	23,272,773	14,560,177
Total	93,760,793	71,497,628

NOTE 26 FINANCE COSTS

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
a. Interest		
On long term borrowings *	5,344,589	3,681,518
On short term borrowings	42,709,595	34,753,589
b. Bank & Other Charges		
Bank Charges	12,882,911	9,369,626
Exchange rate differences	1,739,289	1,150,811
Total	62,676,384	48,955,544

* Interest on long-term borrowings, ₹20,237,578/- (Previous year ₹ 10,912,105/-) is capitalised being the interest pertaining to the construction period.

NOTE 27 DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Depreciation and amortization for the year on tangible assets	67,316,687	53,395,942
Depreciation and amortization for the year on intangible assets	-	-
Depreciation and amortization relating to continuing operations	67,316,687	53,395,942

Notes Forming Part of Financial Statements

NOTE 28 OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
a. Manufacturing Expenses		
Power and Fuel	310,690,991	279,760,886
Consumption of Stores and Spares parts	42,119,125	33,566,225
Pollution Treatment Expenses	63,301,747	81,900,996
Repairs to Machinery	12,200,517	15,641,079
Repairs to Building	1,322,917	1,872,303
Manufacturing & Labour Charges	70,871,588	58,304,449
	500,506,885	471,045,938
b. Selling and Distribution Expenses	75,349,534	61,244,490
c. Establishment Expenses		
Rent	3,280,694	308,300
Rates & Taxes (excluding taxes on income)	301,769	91,209
Insurance	4,648,507	3,992,810
Travelling, Conveyance & Vehicle Expenses	6,651,910	8,137,432
Directors Travelling Expenses	9,655,784	7,748,990
Stationery and Printing Expenses	1,347,588	1,267,685
Communication Expenses	3,186,780	2,557,601
Auditors Remuneration (Refer Note 32)	361,118	496,618
Internal Audit Fees	300,000	300,000
Directors Sitting Fees	23,000	10,500
Legal & Professional Expenses	8,472,219	4,697,493
General Charges	4,131,732	3,362,223
Other Repairs	628,466	854,462
Donation	417,111	426,000
Freight, Handling & Transportation Expenses	308,945	587,423
Miscellaneous expenses written off	1,781,748	10,041,797
Loss on sales of Assets	85,855	-
Total	621,439,645	577,170,971

NOTE 29 EARNING PER EQUITY SHARE

(Amount in ₹)

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
Profit after tax and before extraordinary items	168,617,477	103,563,499
Profit after tax and extraordinary items	145,874,667	103,563,499
Weighted average number of Equity Shares used as Denominator for Calculating EPS	12,272,262	12,272,262
Basic and diluted (before extraordinary item) Earning per Share ₹	13.74	8.44
Basic and diluted (after extraordinary item) Earning per Share ₹	11.89	8.44

Notes Forming Part of Financial Statements

NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

	March 31, 2014	March 31, 2013
1 Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	115,963,265	54,544,162
2 Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	50,205,798	60,751,814
3 Bills discounted against Letter of Credit but not realized and credited to the parties accounts	3,360,140	-
4 In respect of Income Tax	8,715,081	8,715,081

Name of Statute : Income Tax Act, 1961

Nature of the dues : Income tax (A.Y. 2001-02 to 2011-12)

Forum where dispute is pending : Commissioner of Income Tax (Appeal) /ITAT

NOTE 31 SUNDRY DEBTORS, SUNDRY CREDITORS AND LOANS AND ADVANCES

The Company has received balance confirmations from major parties and for few exceptions, the management is in the opinion that the current assets, loans and advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated.

NOTE 32 PAYMENT TO AUDITORS

(Amount in ₹)

	March 31, 2014	March 31, 2013
For audit fees (Including tax audit fees)	290,618	255,618
For others (Certification work)	70,500	241,000
Total	361,118	496,618

NOTE 33 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS, SPARE PARTS CONSUMED

	March 31, 2014		March 31, 2013	
	Amount ₹	%	Amount ₹	%
A Raw Materials				
Imported	678,174,202	35.72	427,895,476	31.11
Indigenous	1,220,391,069	64.28	947,383,399	68.89
Total	1,898,565,271	100.00	1,375,278,875	100.00
B Packing Materials				
Imported	-	-	-	-
Indigenous	31,633,321	100.00	27,163,046	100.00
Total	31,633,321	100.00	27,163,046	100.00

NOTE 34 FOREIGN CURRENCY TRANSACTIONS

(Amount in ₹)

Particulars	March 31, 2014	March 31, 2013
a) CIF Value of Imports		
Raw Materials	649,211,748	367,291,991
Capital Goods	3,781,606	1,348,354
b) Expenditure in Foreign Currency		
Purchase of Raw Materials	649,211,748	367,291,991
Capital Goods	3,781,606	1,348,354
Commission	4,316,787	3,555,364
Others	8,762,522	9,067,848

Notes Forming Part of Financial Statements

NOTE 34 FOREIGN CURRENCY TRANSACTIONS (Contd.)

<i>(Amount in ₹)</i>		
Particulars	March 31, 2014	March 31, 2013
c) Dividends remitted in Foreign Currency		
1) Final Dividend		
Number of Non-Resident Shareholders	1	1
Number of Shares held by Non-Resident Shareholders	865,200	865,200
Amount of Dividend remitted in Rupees	3,028,200	1,946,700
Period to which dividend relates	2012-2013	2011-2012
d) Earnings in Foreign Exchange		
Export of Goods (FOB)	2,564,345,332	1,923,949,377
e) Effect of Exchange Fluctuations including Forward Contracts:		
Statement of Profit and Loss	27,852,096	29,159,687

NOTE 35 EMPLOYEES BENEFITS

In compliance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) notified by Companies (Accounting Standards) Rules, 2006, the following disclosures have been made:

1 Defined Contribution Plan:

The Company has recognized the following amount as an expense:

<i>(Amount in ₹)</i>		
Particulars	March 31, 2014	March 31, 2013
i) Contribution to Provident and Other Funds	4,108,634	3,933,582
ii) Contribution to Employee's State Insurance Corporation	358,424	141,248

2 Defined Benefit Plan

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation using the Projected Unit Credit Method as recommended under AS - 15.

I Assumption	April 2013 – March 2014
Discount Rate Previous Period	8.25%
Discount Rate Current Period	9.32%
Rate of Return on Plan Assets Previous Period	8.25%
Rate of Return on Plan Assets Current Period	9.32%
Salary Escalation Previous Period	6.00%
Salary Escalation Current Period	6.00%
II Table showing change in Benefit obligation	April 2013 – March 2014
Liability at the beginning of the Period	18,000,996
Interest Cost	1,485,082
Current Service Cost	1,057,587
Benefit Paid	(459,231)
Actuarial (gain)/loss on obligations	(1,155,031)
Liability at the end of the period	18,929,403

Notes Forming Part of Financial Statements

NOTE 36 SEGMENT REPORTING

The Company has only one identified reportable business segment namely "Pigments" and does not fall under secondary segment for the purpose of Accounting Standard on "Segment Reporting" (AS 17) notified by Companies (Accounting Standards) Rules, 2006.

NOTE 37

The extraordinary item shown in Statement of Profit and loss represents unrealized export incentives written off for ₹13,521,305 (Previous year Nil), Unrealised claims written off for ₹10,077,181 (Previous year Nil) and excess depreciation written back for ₹855,676 (Previous year Nil).

NOTE 38 RELATED PARTY DISCLOSURES

Pursuant to the Accounting Standard on "Related Party Disclosure" (AS 18) notified by Companies (Accounting Standards) Rules, 2006, the following persons are considered as related persons for the year ended on March 31, 2014.

1 Related Parties and Nature of Relationship

a) The Parties over which significant influence is exercised :

Names	Relationship
Aksharchem (India) Ltd	One or more directors are director
Skyjet Aviation Pvt Ltd	One or more directors are director
Skyways	One or more directors are trustee
Asahi Energy Pvt Ltd	One or more directors are director
Asahi Powertech Pvt Ltd	One or more directors are director
Flyover Communication Pvt Ltd	One or more directors are director
Akshar Silica Pvt. Ltd	One or more directors are director

b) Key Management Personnel and their Relatives:

Names	Relationship
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director
Mr. Gokul M. Jaykrishna	Joint Managing Director
Mr. Munjal M. Jaykrishna	Joint Managing Director
Mr. Mrugesh Jaykrishna	Spouse of the Chairperson and Managing Director and Father of Joint Managing Directors

2 Details of Transactions

(Amount in ₹)

	March 31, 2014	March 31, 2013
a. Purchase of Goods		
Aksharchem (India) Ltd	401,244	1,255,932
b. Investment		
Akshar Silica Pvt Ltd. (Redeemable Non cumulative Preference Shares)	17,000,000	123,800,000
c. Rent Paid		
Skyways	231,800	248,300
d. Remuneration Paid	16,800,000	13,800,000
e. Commission	6,000,000	-
f. Perquisites	472,773	760,177
g. Provident Fund Contribution	2,016,000	2,016,000
h. Consultancy	240,000	240,000
i. Against Land Purchase	-	28,212,300

Notes Forming Part of Financial Statements

NOTE 39 ACCOUNTING FOR TAX ON INCOME

Provision for current tax is made under normal computation. Provision of Income Tax has been made in the accounts taking into consideration various concessions available and depreciation under the Income Tax Act 1961. MAT Credit entitlement has been treated as advance payment of Tax.

NOTE 40 IMPAIRMENT OF ASSETS

No material impairment of Assets has been identified by the Company and as such no provision is required as per Accounting Standard 28 issued by The Institute of Chartered Accountants of India.

NOTE 41

Previous year's figures have been regrouped / reclassified, wherever necessary to make them comparable with the figures of the current year financial statements.

As per our Report of even date attached.

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

Trushit Chokshi

(Proprietor)

Membership No. 040847

Place : Ahmedabad

Date: 12/08/2014

Saji V. Joseph

Company Secretary

For and on behalf of the Board

Mrs. Paru M. Jaykrishna

Chairperson & Managing Director

Gokul M. Jaykrishna

Joint Managing Director

Munjal M. Jaykrishna

Joint Managing Director



ASAHI SONGWON COLORS LIMITED

CIN : L24222GJ1990PLC014789

Registered Office : 167/168, Village Indrad, Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 715 (India),

Tel : 02764-300700 Fax : 02764-233550

Website : www.asahisongwon.com Email ID: cs@asahisongwon.com

ATTENDANCE SLIP

24th Annual General Meeting, 26th September, 2014 at 11.30 a. m.

Folio No/DP/ ID No :

No of Shares held :

Name of the Shareholder :

I certify that I am a registered shareholder/proxy of registered shareholder of the Company. I hereby record my presence at the 24th Annual General Meeting of the Company at 167/168, Village Indrad, Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 715 (India) held on Friday, 26th September, 2014 at 11.30 a. m.

.....
Proxy's Name in Block Letters

.....
Members/Proxy's Signature

Note :

1. Shareholder/Proxy holders are requested to bring this Attendance Slip to the Meeting and handover the same at the entrance duly signed.
2. If signed by Proxy, name of shareholder's/Proxy's should be written here in BLOCK Letters.



ASAHI SONGWON COLORS LIMITED

CIN : L24222GJ1990PLC014789

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Tel : 02764-300700 Fax : 02764-233550

Website : www.asahisongwon.com Email ID: cs@asahisongwon.com

PROXY FORM

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

Name of the shareholder(s) :

Registered address :

Email id :

DP id/Folio No/Client id :

I/We being a shareholder(s) of.....shares of the above named company, hereby appoint:

1. Name:.....

Address:

Email id: Signature:.....

Or failing him/her:

2. Name:.....

Address:

Email id: Signature:.....

Or failing him/her:

3. Name:.....

Address:

Email id: Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th ANNUAL GENERAL MEETING of the Company to be held on the Friday, 26th September, 2014 at 11.30 a.m. at the Registered office of the Company at 167/168, Village Indrad, Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 715 (India) and at any adjournment thereof in respect of the such resolutions as are indicated below:

No.	Resolution	Optional	
		For	Against
	Ordinary Business		
1.	Adoption of Balance Sheet as at 31st March, 2014, Statement of Profit and Loss for the year ended 31st March, 2014 and the report of the Board of Directors and Auditors thereon.		
2.	To declare dividend on equity shares.		
3.	Reappointment of Mrs. Paru M. Jaykrishna, who retires by rotation.		
4.	To reappoint the Auditors and to fix their remuneration.		
	Special Business		
5.	Appointment of Dr. Pradeep Jha as Independent Director of the Company.		
6.	Appointment of Mr. Gaurang N. Shah as Independent Director of the Company.		
7.	Appointment of Mr. H. K. Khan as Independent Director of the Company.		
8.	Appointment of Mr. R. K. Sukhdevisinhji as Independent Director of the Company.		
9.	Appointment of Mr. Arvind Goenka as Independent Director of the Company.		
10.	Revision in terms of appointment of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company.		
11.	Revision in terms of appointment and remuneration of Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company.		
12.	Revision in terms of appointment of Mr. Munjal M. Jaykrishna, Joint Managing Director of the Company.		
13.	Borrowing powers to the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013.		
14.	Authority to charge/mortgage assets of the Company both present and future.		
15.	Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.		
16.	Approval of remuneration of Cost Auditors for the financial year 2014-15.		
17.	Maintenance of Register of Members and other statutory registers at a place other than the registered office of the Company.		

Signed thisday of.....2014

Signature of shareholder(s)

Signature of Proxyholder

Please
Affix
Revenue
Stamp

Note :

1. The Proxy form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the aforesaid meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
4. This is only optional. Please indicate your option by putting an "X" in the appropriate column against the resolutions indicated. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

CORPORATE INFORMATION

Board of directors

Mrs. Paru M. Jaykrishna *Chairperson & Managing Director*

Mr. H. K. Khan

Mr. R. K. Sukhdevsinhji

Mr. Arvind Goenka

Mr. Gaurang N. Shah

Dr. Pradeep Jha

Mr. Gokul M. Jaykrishna *Joint Managing Director*

Mr. Munjal M. Jaykrishna *Joint Managing Director*

Company Secretary

Mr. Saji V. Joseph

Auditors

Trushit Chokshi & Associates

Bankers

State Bank of India

Registered Office and Works

167-168, Village Indrad,
Kadi Kalol Road,
Dist. Mehsana,
Gujarat - 382 715 (India).
CIN : L24222GJ1990PLC014789

Works: 1. Pigment Green Division

167-168, Village Indrad,
Kadi Kalol Road,
Dist. Mehsana,
Gujarat - 382 715 (India).

Works: 2. Pigment Blue Division

429-432 Village Dudhwada,
ECP Channel Road,
Taluka – Padra, District – Vadodara,
Gujarat - 391 450 (India).



ASAHI SONGWON COLORS LIMITED

Registered Office

167/168, Indrad Village, Kadi Kalol Road, Dist. Mehsana, Gujarat - 382 715

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