



ASAHI INDUSTRIES LIMITED



21st
Annual Report
2013-14

ANNUAL REPORT 2013-2014

ASAHI INDUSTRIES LIMITED

CIN: L17120MH1993PLC073267

BOARD OF DIRECTORS

Shri Narayan Ghumatkar – Chairman cum Managing Director

Shri Subhash Chandra Bhargava

Shri Jodharam Dhaka

Shri Shivprasad Shrivastav

Shri Manoj Kumar Sharma

COMPANY SECRETARY

Mr. Gaje Singh Solanki

PRINCIPAL BANKERS

(Dena Bank)

AUDITORS

M/s. A. F. Khasgiwala & Co.

Chartered Accountants

REGISTERED OFFICE

Ecomax, Musrane, Taluka Wada,

Dist. Thane – 421 312,

Maharashtra

CORPORATE OFFICE

Raghuvanshi Mills Compound,

11/12, Senapati Bapat Marg,

Lower Parel (W),

Mumbai- 400 013,

Maharashtra

REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Private Limited

21, Shakil Nivas, Opp Satya Sai Baba Temple,

Mahakali Caves Road, Andheri (East)

Mumbai – 400 093

Email: info@uniseq.in

PLANT

Valsad, Gujarat

Bhilad

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21st ANNUAL GENERAL MEETING to be held on Saturday, 26th July, 2014 at 10.00 a.m.,
at the Registered Office of the Company at Ecomax, Musrane, Taluka Wada, Dist. Thane–421312.

ASAHI INDUSTRIES LIMITED

NOTICE

Notice is hereby given that 21st Annual General Meeting of the Members of **ASAHI INDUSTRIES LIMITED** will be held on Saturday, 26th July, 2014, at the Registered Office of the Company at Ecomax, Musrane, Taluka Wada, Dist. Thane – 421 312, Maharashtra, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as on that date together with the Report of Directors and Auditors thereon.
2. To re-appoint M/s. A. F. Khasgiwala & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of section 139 (2) and 142(1) of the Companies Act, 2013, M/s. A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W) the retiring Auditors, be and are hereby appointed as Statutory Auditors of the Company for a period of three (3) years subject to ratification by members at every Annual General Meeting commencing from the conclusion of this Annual General Meeting until the conclusion of the twenty fourth (24) Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

3. To appoint Shri Jodharam Dhaka (DIN No 01216102) as an Independent Director of the Company and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Jodharam Dhaka (DIN No 01216102), who was appointed as a Director liable to retire by rotation 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 to hold office for a term of five (5) consecutive years commencing from 26th July 2014 to 25th July, 2019.
4. To appoint Shri Shivprasad Shrivastav (DIN No 01455458) as an Independent Director and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Shivprasad Shrivastav (DIN No 01455458), who was appointed as a Director liable to retire by rotation 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 to hold office for a term of five (5) consecutive years commencing from 26th July 2014 to 25th July, 2019.
5. To appoint Shri Manoj Kumar Sharma (DIN No 01884806) as an Independent Director and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Manoj Kumar Sharma (DIN No 01884806), who was appointed as a Director liable to retire by rotation 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 to hold office for a term of five (5) consecutive years commencing from 26th July 2014 to 25th July, 2019.
6. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
7. To pass with or without modification the following Resolutions as an Ordinary
“**RESOLVED THAT** Shri Subhash Chandra Bhargava (DIN: 00020021) who retires by rotation at this Annual General Meeting and though being eligible has not offered himself for re-appointment, shall cease to be a Director designated as Independent Director of the Company with effect from conclusion of this Annual General Meeting.
RESOLVED FURTHER THAT pursuant to Section 149 read with Sub-section (7) of Section 152 of the Companies Act, 2013 the vacancy caused by cessation from the office of Director of the Company by Shri Subhash Chandra Bhargava (DIN: 00020021) be not filled by appointing any other person as Director of the Company in his place at this Annual General Meeting.”

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the 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

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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. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. 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.
6. The Company has notified closure of Register of Members and Share Transfer Books from 23rd July, 2014 to 26th July, 2014 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Universal Capital Securities Pvt Ltd.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Universal Capital Securities Pvt. Ltd.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Universal Capital Securities Pvt. Ltd., for consolidation into a single folio.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to exercise their right to vote by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to enable the shareholders to cast their votes electronically.

These e-voting instructions are being sent to you as your name appears in the Register of Members as on Monday, 23rd June, 2014, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Twenty One Annual General Meeting together with the Annual Report and to participate through e-voting.

The process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted are as under:-

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "ASAHI INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 **then enter RA00000001 in the PAN field. <p style="text-align: center;">** Enter your Sequence number mentioned in address Label affixed on Annual Report.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant ASAHI INDUSTRIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) Dr. Shubh Karan Jain, Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Sunday, 13th July, 2014 at 9:00 a.m. and ends on Tuesday, 15th July, 2014 at 6:00 p.m., 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 Monday, 23rd June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2014

Sd/-
Gaje Singh Solanki
Company Secretary

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EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3, 4, & 5

Shri Jodharam Dhaka (DIN No 01216102), Shri Shivprasad Shrivastav (DIN No 01455458) and Shri Manoj Kumar Sharma (DIN No 01884806) are Independent Directors of the Company and have held the positions before the commencement of Companies Act 2013. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement, inter alia, stipulating the conditions for appointment of Independent Directors by a listed company.

It is proposed to appoint Shri Jodharam Dhaka, Shri Shivprasad Shrivastav and Shri Manoj Kumar Sharma as Independent Directors under section 149 of the Companies Act 2013 and Clause 49 of the Listing Agreement to hold their office for 5 (Five) consecutive years commencing from 26th July 2014 to 25th July, 2019.

Shri Jodharam Dhaka, Shri Shivprasad Shrivastav and Shri Manoj Kumar Sharma are not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received Notices in writing from members of the Company along with deposit of requisite amount proposing the candidatures of each Shri Jodharam Dhaka, Shri Shivprasad Shrivastav and Shri Manoj Kumar Sharma for office of Directors of the Company.

Shri Jodharam Dhaka, Shri Shivprasad Shrivastav and Shri Manoj Kumar Sharma are interested in the Resolutions set out respectively at item nos. 3, 4 & 5 of the Notice with regard to their respective appointments.

The relatives of Shri Jodharam Dhaka, Shri Shivprasad Shrivastav and Shri Manoj Kumar Sharma may be deemed to be interested in the Resolutions set out respectively at item nos. 3, 4 & 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Director/ Key Managerial Personnel of the Company their relatives are in any way concern or interested financially are otherwise in these Resolutions.

The Board commends the Ordinary Resolutions set out at item nos. 3, 4 & 5 of the Notice for approval of the shareholders.

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/S Rajendra Singh Bhati & Co., Cost Accountants As a Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 on a remuneration of Rs. 22000/- p.a.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rule, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

ITEM NO. 7

Shri Subhash Chandra Bhargava, Director of the Company designated as an Independent Director who retires by rotation at this Annual General Meeting and though eligible, has not offered himself for re-appointment. Accordingly, Shri Subhash Chandra Bhargava will cease to be a Director of the Company with effect from conclusion of this Annual General Meeting. As per Sub-section 6(e) of Section 152 of the Companies Act, 2013 the Company, may fill up the vacancy by appointing the retiring director or some other person thereto. The Resolution proposed at Item No. 7 seeks not to fill up the vacancy cause by cessation of Directorship of Shri Subhash Chandra Bhargava by appointing some other person in his place.

The Board of Directors recommends the passing of Resolution by the Members of the Company. None of the Directors other than Shri Subhash Chandra Bhargava and Key Managerial Personnel are interested in the proposed Resolution.

For and On behalf of the Board

Place: Mumbai
Date: 29thMay,2014

Sd/-
Gaje Singh Solanki
Company Secretary

ASAHI INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby presents the 21st Annual Report on the business and operations of your Company along with the Audited Statements of Accounts for the Financial Year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

	2013-2014 (₹ in Lacs)	2012-2013 (₹ in Lacs)
Revenue from operations	25932.87	20846.67
Finance Cost	144.25	151.87
Depreciation and Amortization Expense	1364.65	1352.44
Profit before Tax	(13.94)	45.41
Provision for Tax		
Current Tax		8.65
Deferred Tax Liabilities/ (Assets)	108.22	47.73
Profit/Loss after Tax	94.28	84.48

Note: Previous year figures have been regrouped/ rearranged wherever necessary.

DIVIDEND

Due to inadequacy of profits during the year under report, your Directors do not recommend dividend on the Equity Shares of the Company.

REVIEW OF PERFORMANCE

During the year, the Turnover of Company has substantially increased to ₹ 25932.87 Lacs as against ₹ 20846.67 Lacs in respect of the previous Financial Year ended 31st March, 2014. The Profit after Tax is increased to ₹ 94.28 Lacs in the Financial Year ended 31st March, 2014 as against ₹ 84.48 Lacs in the previous Financial year ended 31st March, 2013 after considering deferred tax assets of ₹ 108.22 Lacs as against ₹ 47.7 Lacs in the previous financial year.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Company proposes Shri Jodharam Dhaka, Shri Shivprasad Shrivastav, and Shri Manoj Kumar Sharma, Independent Directors of the Company, to re-appointe them for five (5) consecutive years commencing from the 26th July, 2014 to 25th July, 2019.

In the Board Meeting held on 29th May, 2014, Mr Subhash Chandra Bhargava Independent Director of the Company expressed his unwillingness to be reappointed in the 21st Annual General Meeting of the Company.

During the year under Report, Mr. Gaurav Kumar Tayal has been resigned from Directorship w.e.f. 29th August, 2013 and Mr. Saurabh Kumar Tayal has been Appointed as an Additional Director of the Company w.e.f. 29th August, 2013 and resigned from the directorship w.e.f. 15th November, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2014, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and statement of Profit & Loss of the Company for the year under review;
- (iii) that the Directors had 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 frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the Financial Year ended 31st March 2014, on a 'going concern' basis.
- (v) That the accounts have been prepared on the basis of the revised schedule VI & The Companies Act, 1956, accordingly the previous year figures have adjust/ regroup/ rearranged to confirm with the current year figure.

AUDIT COMMITTEE

The composition of Audit Committee is given in the Report on Corporate Governance.

SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The composition of Share Holder relationship Committee is given in the Report on Corporate Governance.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

The Company has complied with Corporate Governance Code as stipulated under Clause 49 of the Listing Agreement. A separate section on Corporate Governance alongwith a certificate from M/s. A. F. Khasgiwala & Co., Statutory Auditors and Shri Narayan Ghumatkar, Managing Director, confirming the compliance with the said Clause, and Management Discussion and Analysis statement are forms part of this report.

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HUMAN RESOLURCE DEVELOPMENT

The Company has a team of able and experienced professionals. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees.

Employees today are looking for development opportunities, future career options, empowerment and work-life balance in an organization. To retain leadership position, the Company continuously innovates and customizes its human resource (HR) strategy to meet changing employee needs.

The Company recognizes that in a people-intensive business, major gains can be scored in the area of productivity management. In view of this, the Company has strengthened its people management through performance-linked incentives, amenities, training, multi-skilling and career path identification.

The Company is of firm belief that good Human Resource (HR) Management would ensure success through high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity, the goal is set to increase the production capacity of the plant and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team is being made to the plant to meet the employees and also interaction meetings are conducted to get their feedback, based on which HR policies are improved continuously. The process has resulted in better employer-employee relationship.

The Company lays due emphasis on all-round development of its human resource. Hence, training of the employees is aimed at systemic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

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

The particulars 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, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

As its operations have expanded to new geographies, the Company has retained a collective focus on the various areas of corporate sustainability that impact people, environment and the society at large. Founded on the philosophy that society is not just another stakeholder in its business, but the prime purpose of it, the Company, across its various operations is committed to making a positive contribution in a number of ways.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of ₹60,00,000/- or more per annum employed throughout the year or ₹5,00,000/- or more per month employed for a part of the year. This information is furnished pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

INSURANCE

The properties/assets of your Company are adequately insured.

AUDITORS

M/s. A. F. Khasgiwala & Co., Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. A. F. Khasgiwala & Co. to the effect that their re-appointment as Auditors, if made, would be within the limits under Section 141(3)(g) of the Companies Act, 2013.

COST AUDIT

As per the requirements of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013, your Company carries out an audit of cost records every year. The Company has M/s Rajendra Singh Bhati & Co., Cost Accountants, as Cost Auditor of the Company for the financial year 2013-14

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on behalf of the Board of Directors

Sd/-

Narayan Ghumatkar

Chairman cum Managing Director

Place : Mumbai

Date : 29th May, 2014

ASAHI INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2013 – 2014:

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company has been making concerted efforts for enhancement in capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for up gradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

b) Additional Investments and Proposals being implemented for reduction of consumption of energy:

Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequential impact on the cost of production of goods:

The Company has economized considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

d) Total energy consumption and energy consumption per unit of production in accordance with Form 'A' of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of Industries specified in the Schedule thereof:

	Year ended 31.03.2014	Year ended 31.03.2013
A. Power and Fuel Consumption:		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	96.97	102.18
2. Total Amount (₹ in lacs)	615.75	633.54
3. Rate/Unit (₹)	6.35	6.20
(b) Own Generation (through Diesel Generator/ Furnace Oil / Gas)		
1. Units (KWH in Lacs)	44.58	49.48
2. Total Amount (In Lacs)	723.01	774.32
3. Cost per unit (₹)	16.22	15.65
2. Coal	—	—
3. Furnace Oil	—	—
4. Others/Internal Generation/Steam	—	—
B. Consumption per unit of production (Product : Yarn & Fabric)		
1. Electricity (KWH per tonne)	1080.74	1156.17
2. Coal (Kgs.)	—	—
3. Furnace Oil (Ltrs.)	—	—
4. Steam (Tonnes)	—	—

Note : Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.

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II. TECHNOLOGY ABSORPTION

Disclosure of particulars with respect to technology absorption in prescribed Form 'B' of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

a) Research and Development:

i)	Specified areas in which R&D activities are carried out by the Company.	R&D activities are being carried out continuously to produce better quality of yarn and fabrics.
ii)	Benefits derived as a result of the above	As a result of R&D activities, the Company has been able to produce quality fabrics.
iii)	Future Plan of Action	Efforts aimed at cost reduction, improvement in quality of products and development of new process will continue.
iv)	Expenditure on R & D	Expenditure on R&D is being booked under the respective heads in the Profit & Loss Account as no separate account is maintained for this purpose.

b) **Technology Absorption, Adaptation and Innovation:** The Company has not utilized any imported technology.

1. FOREIGN EXCHANGE EARNINGS AND OUTGO:

		Year ended 31.03.2014	Year ended 31.03.2013
a)	Activities relating to export markets for products and services and export plan	—	—
b)	Foreign Exchange Outgo (₹ in Lacs)	—	—
c)	Foreign Exchange Earnings (₹ in Lacs)	—	—

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2014

Sd/-
Narayan Ghumatkar
Chairman cum Managing Director

ASAHI INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

Report on matters required to be stated on Corporate Governance pursuant to Clause 49 of the Listing Agreement is as under:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

ASAHI INDUSTRIES LIMITED, the concept of Corporate Governance hinges on total transparency, integrity and accountability of the Management team. The main goal of Corporate Governance is maximization of shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the Company in achieving its objective in relation to its shareholders, employees, customers, suppliers, regulatory authorities and society at large.

The Company has ensured that the Directors of the Company are conscious to their duties, obligations and responsibilities to the best interest of the Company, to give direction and remain accountable to their shareholders and other beneficiaries for their actions. The responsibilities of the Board includes setting out the Company's strategic aims, providing the leadership to put them into effect, supervision of the management of the business and reporting to the shareholders on their stewardship.

It is a recognized philosophy of the Company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

2. BOARD OF DIRECTORS

2.1 The Board of Directors of the Company comprises of 5 Directors. During the Financial year 2013-2014, the Board met 4 times on the following dates namely 29th May 2013, 10th August 2013, 13th November 2013 and 14th February, 2014. There was no time gap of more than four months between any two Meetings of the Board of Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the 21st Annual General Meeting, and also the number of Directorships and Committee Memberships held by them in various Companies are given below: -

Name of the Director	Category	Attendance Particulars		Number of Directorships in other Public Companies and Total Committee Memberships/ Chairmanships as on 31 st March, 2014		
		Board Meetings during 2013-14	20 th AGM	Directorships in other Public Companies	Total Committee Membership	Total Committee Chairmanship
Shri Subhash Chandra Bhargava	ID	4	Yes	15	1	1
Shri Jodharam Dhaka	ID	3	Yes	3	-	-
Shri Shivprasad Shrivastav	ID	4	Yes	4	2	1
Shri Narayan Ghumatkar	CMD	4	Yes	6	5	4
Shri Manoj Kumar Sharma	ID	3	Yes	1	1	1
*Shri Gaurav Kumar Tayal	NED	2	Yes	-	-	-
**Shri Saurabh Kumar Tayal	AD	1	Yes	2	-	-

*Shri Gaurav Kumar Tayal has been resigned from Directorship w.e.f. 29th August, 2013.

**Shri Saurabh Kumar Tayal has been appointed as Additional Director of the Company w.e.f. 29th August, 2013 and he resigned from the Directorship w.e.f. 15th November, 2013

"NEC" = Non Executive Chairman, "MD" = Managing Director,

"NED" = Non-Executive Director, "ID" = Independent Director, "AD" = Additional Director.

Code of Conduct:

The Board has laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. All Board members and Senior Management personnel have affirmed compliance with the code for the year ended on March 31, 2014.

2.2 Appointment/Re-appointment of Directors

As required under Clause 49(VI) of the Listing Agreement, the brief profile of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are furnished hereunder: -

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Sr. No.	Name of Director	Brief Resume	Area of Expertise	Other Directorships	Total Committee Memberships as on 31.03.2014	Total Committee Chairmanship as on 31.03.2014
1	Shri Shivprasad Shrivastava	Knitting He has rich experience of 20 years in textile Industry.	Textile	15	5	1
2	Shri Manoj Kumar Sharma	B.Tech and M.Tech in Textile	Textile	2	2	1
3	Shri Jodharam Dhaka	Knitting He has rich experience of more than 25 years in textile Industry.	Textile	14	3	1

2.3 Non-Executive Directors Compensation Disclosures

Details of Sitting Fees paid to Non-Executive and Independent Directors of the Company during the Financial Year 2013-2014, for attending the Board Meetings, Audit Committee Meetings and Share Transfer and Investors' Grievances Committee Meetings, is as follows:

Name of Director	Category	Sitting Fees (in ₹)	
		For Board Meetings	For Committee Meetings
Shri Subhash Chandra Bhargava	ID	40,000	40,000
Shri Gaurav Kumar Tayal	NED	20,000	-
Shri Pran Agarwal	ID	10,000	-
Shri Saurabh Kumar Tayal	NED	10,000	-
Shri Jodharam Dhaka	ID	30,000	30,000
Shri Shivprasad Shrivastav	ID	40,000	40,000
Shri Manoj Kumar Sharma	ID	30,000	-
Total		1,80,000	1,10,000

3. BOARD COMMITTEES

The requirement that a Director shall not be a Member of more than 10 committees and Chairman of more than 5 committees has been complied with while constituting the Committees of the Directors.

3.1 Audit Committee

The Audit Committee of the Company has been duly constituted during the year ended 31st March, 2014. The Audit Committee comprises of:

Shri Subhash Chandra Bhargava	...	Chairman
Shri Shivprasad Shrivastav	...	Member
Shri Jodharam Dhaka	...	Member

The constitution of Audit Committee meets with the requirements of Section 177(1) of the Companies Act, 2013 and Clause 49(II)(A) of the Listing Agreement as introduced by the Companies (Amendment) Act, 2008.

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with the Section 177(1) of the Companies Act, 2013. The terms of reference of the Audit committee are as follows:

1. Overview 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. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

ASAHI INDUSTRIES LIMITED

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with Management the Annual Financial Statements before submission to the Board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature, with Promoters or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing with the Management, external and internal auditors, the adequacy of internal control systems.
8. Reviewing the adequacy of internal audit functions.
9. Discussion with internal auditors of any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into the 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year 2013-14, the Audit Committee met 4 times on the following dates namely 29th May, 2013, 10th August, 2013, 13th November, 2013 and 14th February, 2014. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Shri Subhash Chandra Bhargava	Chairman	4
Shri Shivprasad Shrivastav	Member	4
Shri Jodharam Dhaka	Member	3

3.2 Remuneration Committee

The Company does not have a Remuneration Committee. The remuneration payable to the Managing Director, as approved by the Board of Directors, is within the limits prescribed in the Companies Act, 2013, and is subject to the approval of the Members in the Annual General Meeting. Further, the sitting fees paid to the Non-Executive Directors is also within the limits prescribed in the Companies Act, 2013.

Remuneration to Managing Director and Non-Executive Directors of the Company for the year 2013-14 is given hereunder :

Name	Salary	Commission	Sitting Fees	Total
Shri Narayan Ghumatkar, Managing Director*	6,00,000	—	—	6,00,000
Non-Executive Directors (As elaborated in Pt. 2.3 above)	—	—	2,90,000	2,90,000
Total				

3.3 Share Transfer and Investors' Grievance Committee

The Board of Directors of the Company has duly constituted Share Transfer & Investor Grievance Committee. The Share Transfer & Investor Grievance Committee comprises of Shri Jodharam Dhaka, Chairman, Shri Manoj Kumar Sharma & Shri Shivprasad Shrivastav as the members of the Committee.

Further During the year the Share Transfer & Investor Grievance Committee has reconstituted because of resignation

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of Shri Saurabh Kumar Tayal, Shri Manoj Kumar Sharma is appointed as a member of Share Transfer & Investor Grievance Committee.

The Share Transfer & Investor Grievance Committee now comprises of:

Shri Jodharam Dhaka	...	Chairman
Shri Manoj Kumar Sharma	...	Member
Shri Shivprasad Shrivastav	...	Member

The Committee, inter alia, looks into redressing of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend, etc. The Committee oversees the performance of the Company and recommends measures for overall improvement of the quality of investor services.

During the year 2013-14, the Share Transfer and Investors' Grievance Committee met 4 times on the following dates namely 29th May, 2013, 10th August 2013, 11th November, 2013 and 12th February, 2014. The composition of the Share Transfer and Investors' Grievance Committee and the details of the Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Shri Jodharam Dhaka	Chairman	4
Shri Shivprasad Shrivastav	Member	4
Shri Manoj Kumar Sharma	Member	4

Name & Designation of Compliance Officer* : Mr. Gaje Singh Solanki, Company Secretary

Number of Shareholder's Complaints received in F.Y. 2013-14 : 14

Number of complaints solved to the satisfaction of shareholders : 14

Number of pending complaints : Nil

*Mr. Vaibhav Kumar Dadhich resigned during the year and Mr. Gaje Singh Solanki appointed as Company Secretary and Compliance officer w.e.f. 05/12/2013.

3.4 Management and Finance Committee:

The Committee is formed to take the decisions and to pass the necessary Resolutions on the day-to-day matters of the Company, on behalf of the Board of Directors. The Management and Finance Committee comprises of Shri Narayan Ghumatkar as the Chairman, Shri Shivprasad Shrivastava and Shri Jodharam Dhaka as the members of the Committee.

The Management and Finance Committee now comprises of:

Shri Narayan Ghumatkar	...	Chairman
Shri Shivprasad Shrivastav	...	Member
Shri Jodharam Dhaka	...	Member

During the year 2013-14, the Management and Finance Committee met 6 times on the following dates namely 29th Aug, 2013, 4th October, 2013, 20th November, 2013, 6th December, 2013, 10th February, 2014 and 18th March 2014. and The composition of the Management and Finance Committee and the details of the Meetings of the members are given hereunder:

Name of Member	Designation	Attendance
Shri Narayan Ghumatkar	Chairman	6
Shri Shivprasad Shrivastav	Member	6
Shri Jodharam Dhaka	Member	6

4. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under: -

Year	Location	Date	Time
2012-13	Ecoma'x, Musrane, Taluka Wada, Dist. Thane – 421 312.	17 th August, 2013	10.00 a.m.
2011-12	Ecoma'x, Musrane, Taluka Wada, Dist. Thane – 421 312.	21 st July, 2012	10.00 a.m.
2010-11	Ecomax, Musrane, Taluka Wada, Dist. Thane – 421 312.	2 nd July, 2011	10.00 a.m.

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Note:

- 1) No Extra-ordinary General Meeting of the shareholders was held during the year ended 31st March, 2014.
- 2) No Special resolution through Postal ballot is proposed at ensuing AGM.

5. DISCLOSURES

- (a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interests of the Company.

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

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

- (c) **Disclosure of Accounting Treatment:**

In the preparation of financial statements for the year ended on March 31, 2014; there was no treatment different from that prescribed in an Accounting Standard and applicable Laws and Regulations that had been followed.

- (d) **Disclosure relating to proceeds from public issue, right issue, preferential issue, etc.**

During the year, the Company did not make any public issue, right issue, preferential issue, etc. and hence it did not exceed any proceeds from any such issues.

AUDITORS' CERTIFICATE

The Statutory Auditors have certified that the Company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to this Report.

6. MEANS OF COMMUNICATION

- (a) The Company has published its Notice of the Board Meetings, Notice of the Annual General Meeting and Book Closure, Quarterly Financial Results, Half yearly Statement of Assets and Liabilities in the following newspapers: Free Press Journal – English; Navshakti –Marathi (Regional Newspaper).
- (b) Management Discussion and Analysis forms integral part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risks and concerns, etc., are discussed in the said report.
- (c) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report is attached to and forms part of this Report and includes discussion on various matters specified under Clause 49 (IV) (F) of the Listing Agreement.

7. GENERAL SHAREHOLDER INFORMATION

7.1 Annual General Meeting

Date and time : Saturday, 26th July , 2014 at 10.00 a.m.
Venue : Ecomax, Musrane, Taluka Wada, Dist. Thane-421312

7.2 Financial Year

Financial Calendar 2014-2015 (tentative) : 1st April to 31st March

Annual General Meeting : July, 2014

Board Meetings:-

Results for the Quarter ending June 30, 2014 : Second week of August, 2014

Results for the Quarter ending September 30, 2014 : Second week of November, 2014

Results for the Quarter ending December 31, 2014 : Second week of February, 2015

Results for the Year ending March 31, 2015 : Last Week of May, 2015

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- 7.3 **Book Closure date** : 23rd July, 2014 to 26th July, 2014 (Both Days Inclusive)
- 7.4 **Dividend Payment Date** : N. A.
- 7.5 (a) **Listing of Equity shares** : Bombay Stock Exchange Ltd.
 (b) **ISIN Number** : INE745101015
 (c) **Dematerialization in CDSL** : Active
 (d) **Dematerialization in NSDL** : Active
- 7.6 **Stock Code** : 514482 (Bombay Stock Exchange Ltd.)

7.7 Stock Market Data:

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd and the annual listing fees in respect of the year 2014-15 have been paid to the Stock Exchange.

The monthly high – low quotations of the equity shares of the Company during the financial year 2013-2014 vis-à-vis Sensex performance of Bombay Stock Exchange is given below:

Month	High (₹)	Low (₹)	No. of Shares
April 2013	7.78	6.79	2,000
May 2013	6.66	4.36	1,200
June 2013	4.15	3.95	400
July 2013	3.76	2.66	12,900
September 2013	2.80	2.80	100
October 2013	2.94	2.94	500
December 2013	2.80	2.80	100
January 2014	2.94	2.80	1,400
March 2014	2.93	2.79	12,300

7.8 Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.:

The Stock Market Details of the Company with the Bombay Stock Exchange Ltd. is as given above.

- 7.9 **Registrar & Transfer Agent** : **Universal Capital Securities Private Limited**
 21, Shakil Nivas, Opp Satya Sai Baba Temple, Mahakali Caves Road,
 Andheri (East), Mumbai – 400 093. Email: info@uniseq.in

- 7.10 **Share Transfer System** : The shares of the Company, being in the compulsory Demat list, are transferable through the depository system. All transfers received are processed and approved by the Share Transfer Committee. M/s. Universal Capital Securities Private Limited (Formerly known as Mondkar Computers Pvt. Ltd.), the Registrar and Transfer Agents, complete the formalities for providing Demat facility through NSDL/CDSL. They are the Common Agency both for Physical and Demat Shares.

7.11. a) Distribution of Shareholding as on 31st March, 2014:

Shareholding From To	Number of Shareholders	Number of Shares held
	1 – 5000	9926
5001 – 10000	18	123700
10001 – 20000	10	121000
20001 – 30000	0	0
30001 – 40000	1	34800
40001 – 50000	1	40800
50001 – 100000	3	171300
100001 – Above	51	64482822
Total	10010	66442552

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b) Shareholding pattern as on 31st March, 2014:

	Category	No. of shares held	Percentage of shareholding
1.	Promoter's Holding	32225870	48.50
2.	Mutual Funds, Banks, Financial Institutions, FIIs, NRIs & OCBs	1573352	2.37
3.	Domestic Companies	30706700	46.22
4.	Resident Individuals	1936630	2.91
	Total	66442552	100.00

- 7.12 a) **Dematerialization of Shares** : Approximately 25.32% of the shares issued by the Company has been dematerialized up to 31st March, 2014. The Company's shares are compulsorily traded in dematerialized form and are available for demat on both the depositories viz., CDSL and NSDL under ISIN-INE745101015.
- b) **Liquidity** : The Company's shares are traded at the Bombay Stock Exchange Limited.
- 7.13 **Outstanding GDR/ADR/Warrants or any other convertible instruments, Conversion date and likely impact on Equity** : The Company has not issued any such instruments
- 7.14 **Plant Location** : Valsad, Gujarat
- 7.15 (i) **Address for Investors' Correspondence**
 For transfer / dematerialization of Shares, payment of dividend on shares, interest and redemption of debentures and any other query relating to the shares of the Company : **Universal Capital Securities Private Ltd.**
 (Formerly known as Mondkar Computers Pvt. Ltd.)
 21, Shakil Nivas, Opp Satya Sai Baba Temple,
 Mahakali Caves Road,
 Andheri (East), Mumbai – 400 093
 Email: info@unisec.in
- Note:** Shareholders holding shares in electronic mode should address their correspondence relating to their Demat Accounts to their respective Depository Participants.
- (ii) **Any query in Annual Report** : Ecomax, Taluka Musrane, Wada, Dist. Thane-421312

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CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **ASAHI INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **ASAHI INDUSTRIES LIMITED** for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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 and the representations made by the Board of Directors of the Company and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges.

We state that in respect of investors grievances received during the year ended 31st March 2014, no investor grievances are pending against the Company as on 29th May, 2014, as per the records maintained by the Company and presented to the Share Transfer/Investors' Grievances Committee.

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 A. F. Khasgiwala & Co.
Chartered Accountants
Sd/-
A.F. Khasgiwala
Partner
Mem. No. 006491
Firm Regn. No. 105114W

Place : Mumbai
Date : 29th May, 2014

CERTIFICATION PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT BY THE MANAGING DIRECTOR OF THE COMPANY

I, Narayan Ghumatkar, Managing Director of the Asahi Industries Limited, to the best of my knowledge and belief, certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept the responsibility for establishing and maintaining Internal Controls and that I have evaluated the effectiveness of the Internal Control System of the Company and have not found any deficiencies in the design or operation of the Internal Control System.
- (d) I further certify that: -
 - (i) there have been no significant changes in Internal Control (except increase in scope of work of Internal auditor) during this year.
 - (ii) there have been no significant changes in accounting policies during this year.
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, of Management or an Employee having a significant role in the Company's Internal Control System.
- (e) I further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2013-14.

For and on behalf of the Board of Directors
Sd/-
Narayan Ghumatkar
Chairman cum Managing Director

Place : Mumbai
Date : 29th May, 2014

DECLARATION PURSUANT TO CLAUSE 49(I)(D) REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I, Narayan Ghumatkar, Managing Director of Asahi Industries Limited, hereby confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel.

I confirm that the Company has, in respect of the Financial Year ended 31st March, 2014, received from the Senior Management Team of the Company and the Members of the Board, a Declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on 31st March, 2014.

For and on behalf of the Board of Directors
Sd/-
Narayan Ghumatkar
Chairman cum Managing Director

Place : Mumbai
Date : 29th May, 2014

ASAHI INDUSTRIES LIMITED

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS 2013-14

The Management of **ASAHI INDUSTRIES LIMITED** presents its Analysis report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirement of Corporate Governance as laid down in the Listing Agreement. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking Statements that involve risk and uncertainties.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the country.

The sector contributes about 14 per cent to industrial production; 4 per cent to the country's gross domestic product (GDP); 17 per cent to export earnings. It is the second largest provider of employment after agriculture and provides direct employment to over 35 million people. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

MARKET SIZE

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub.

The most significant change in the Indian textile industry has been the advent of man-made fibers (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production increased by 6 per cent during December 2013. The production increased by about 4 per cent during the year April-December 2013.

Cotton yarn production increased by 6 per cent during December 2013 and by 10 per cent during April-December 2013. Blended and 100 per cent non-cotton yarn production increased by 5 per cent during December 2013 and increased by 8 per cent during the year April-December 2013.

Cloth production by mill sector increased by 4 per cent during December 2013 and by 6 per cent during April-December 2013. Cloth production by handloom, and hosiery increased by 3 per cent and 11 per cent respectively during December 2013. Production by handloom, and hosiery sectors increased by 4 per cent and 13 per cent during April-December 2013. The total cloth production grew by 2 per cent during April-December 2013.

INDIAN TEXTILE INDUSTRY: CHANGING PROFILE

The Indian textile industry has embarked on an ambitious program of modernization and technological up gradation in recent years to transform the textile sector from a state of low technology level to a producer of high technology products. Technological up gradation in India has resulted in:

- A shift from commodity based trading to high value added fashion garments.
- Vertical integration and horizontal consolidation of production process leading to lowering of manufacturing costs.
- Improved productivity gains
- Efficient supply chain management
- Development of Economies of scale

INVESTMENTS

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investments (FDI) worth ₹ 6,428.18 crore (US\$ 1.03 billion) during April 2000 to November 2013.

GOVERNMENT INITIATIVES

The Government of India has promoted a number of export promotion policies for the Textile sector in the Union Budget 2011-12 and the Foreign Trade Policy 2009-14. It has also allowed 100 per cent FDI in textiles under the automatic route.

Due to policy measures initiated by the Government in the recent past, the Indian textiles industry is in a stronger position than it was in the last six decades. The industry which was growing at 3-4 percent during the last six decades has now accelerated to an annual growth rate of 8-9 per cent in value terms.

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The Government has also allowed 100 per cent FDI in the sector through the automatic route. In the 12th Five Year Plan (2012–17), the government plans to spend US\$ 9.1 billion on textiles as against US\$ 4 billion in the 11th Plan.

Some of initiatives taken by the Government to further promote the industry are as under:

- Encouraged by turnaround in the textile exports, the Government of India plans to set up a US\$ 60 billion target for the next financial year, a jump of over 30 per cent from the current financial year. For the current fiscal year, government has set a target of US\$ 43 billion.
- The Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with a corpus of ₹ 500 crore (US\$ 80.25 million) to make textile processing units more environment-friendly and globally competitive.
- Hyderabad is all set to have yet another national centre – a ₹ 100 crore (US\$ 16.05 million) National Institute for Footwear Design and Development. The Government of Andhra Pradesh has already allocated the required land at Gachibowli in Cyberabad.
- The Government of India plans to set up a ₹ 100 crore (US\$ 16.05 million) venture capital fund to provide equity support to start-ups in the textile sector, in order to encourage innovative ideas in this export intensive sector.
- Under the Technology Upgradation Fund Scheme (TUFS), the cotton textile industry of India will receive margin money from the Ministry of Finance. The industry is also expected to attract ₹ 4,000 crore (US\$ 642.28 million) in the form of investments over the next six months.
- The Government of India has allotted ₹ 700 crore (US\$ 112.39 million) in the next Five Year Plan for the development of technical textiles. In 2012–13, the technical textiles industry reached ₹ 7.48 trillion (US\$ 120.12 billion) at an annual growth rate of 3.5 per cent.

RISK AND CONCERN

There are no Major risk and concern to Company's Operation, however Some of the key issues and concerns analysed in the report are:

1. Fragmented industry .
2. Lower productivity and cost competitiveness.
3. Tech obsolescence. Quality is not consistent.
4. Lac of trained manpower and low labour productivity due to lack of technological development.
5. The export-import policy of India changes too frequently due to which it becomes very difficult for importers to import goods.
6. Inefficient supply chain management
7. Lack of economies of scale and advance processing capabilities.
8. Certain Regional trade blocks and trade agreements can change competitive parameters.

FUTURE OPPORTUNITIES.

- Favourable demographics in the domestic market; increasing young population coupled with rising income levels.
- Emergence of retail industry as a whole and development of various malls provide huge opportunities for the apparel segment.
- Opportunities in product diversification (for e.g. Technical Textiles).
- Change in consumption pattern, including rising demand for high-quality premium fabrics and development of various products cater to global needs.
- Replacement of the Multi Fibre Agreement (MFA) and integration of the textile industry resulting in huge opportunities for exports. Moreover, gradual development in the technical side of the industry provides an opportunity

FINANCIAL PERFORMANCE

During the year, the Turnover of Company has substantially increased to ₹ 25932.87 Lacs as against ₹ 20846.67 Lacs in respect of the previous Financial Year ended 31st March, 2013. The profit after tax is ₹ 94.28 Lacs during the year under Report after considering Deferred tax Assets of ₹ 108.22 Lacs as against profit after tax of ₹ 84.48 Lacs in the previous Financial Year.

ASAHI INDUSTRIES LIMITED

ROAD AHEAD

The textiles industry complements the growth of several industries and institutions such as the defence forces, railways, and government hospitals, which are the key institutional buyers of technical textiles. The market is expected to grow to US\$ 31 billion by 2020, at a compound annual growth rate (CAGR) of 10 per cent.

As the industrial and economic growth of the Country is showing steady improvement, the Company has drawn out and is implementing an action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc., has benefitted significantly during the financial year 2013-2014 and is expected to do the same in the years to come.

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risk and uncertainties. Actual results and trend may differ materially from historical results, depending on variety of factors.

ANNUAL REPORT 2013-2014

AUDITORS' REPORT

To,
The Members of
ASAHI INDUSTRIES LTD (FORMERLY KNOWN AS ASAHI FIBRES LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of ASAHI INDUSTRIES LIMITED. ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the period 1st April 2013 to 31st March 2014 and the Cash Flow Statement for the period 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 flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the 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 aforesaid financial statements give the information required by the

Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (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 period ended on that date: and
- (c) in the case of the Cash Flow Statement, of the Company for the period 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 in terms of Section 227(4A) of the Act, 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 Act, 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.

ASAHI INDUSTRIES LIMITED

- (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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
- (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 Section 274(1) (g) of the Act.

**For A.F. KHASGIWALA & CO.,
Chartered Accountants**

**Sd/-
A.F. Khasgiwala
Partner
Mem. No 006491
Firm Regn. No.105114W**

**Place : Mumbai
Date : 29th May, 2014**

ANNUAL REPORT 2013-2014

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 OF ASAHI INDUSTRIES LTD (FORMELY KNOWN ASAHI FIBRES LIMITED)

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

1. In respect of fixed assets: -
 - (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of the Fixed Assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
2. In respect of Inventories:-
 - (a) The stocks of finished goods, stores, spare parts and raw materials of the company, at all its locations, have been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The discrepancies noticed on physical verification of the above referred stocks as compared to the book records were not material and have been properly dealt with in the books of accounts.
 - (d) In our opinion, valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year
3. In respect of loans, secured or unsecured, granted or taken by the Company to/ from Companies, firm or other parties covered in the register maintained under 301 of the Companies Act, 1956:
 - (a) The Company has taken unsecured loans from companies listed in the register maintained under Section 301 of the Act and / or Companies under the same management as defined under sub section (6) of section 370 of the Companies Act, 1956.
 - (b) The Company has not granted any loans secured or unsecured, during the year, to companies, firms or parties listed in the register maintained under 301 of the Companies acts, 1956. On the basis of the information and explanations given to us, there are no companies under the same management within the meaning of sub section (6) of section 370 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant & machinery, equipment and similar assets & purchase of goods and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of transaction covered under Section 301 of the Companies Act, 1956:

According to the information and explanations given to us, the company has not entered into any contract for the sale, purchase or supply of goods, materials or services which is required to be entered in the Register maintained under section 301 of the Companies Act 1956.
6. In our opinion, and according to the information and explanations given to us, the Company does have an internal audit system commensurate with the size of the company and nature of its business.
7. The Company has not accepted any deposits from the public during the year & consequently the provision of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Rules made there under are not applicable.
8. We are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India under Section 209 (1) (d) of the Act have been maintained. We have, however, not made a detailed examination of such accounts and records.
 - (a) According to the records of the company, the provident fund and employees state Insurance, Income-tax, Wealth Tax, cess and other statutory dues have been regularly Deposited during the year with appropriate authorities.

ASAHI INDUSTRIES LIMITED

- (b) According to the information and explanations given to us, the disputed dues outstanding in respect of Sales tax is as follows:-

Nature of Liability	Nature of Dues	Amount	Period	Remarks
Sales Tax	Dispute on account of Sales Tax Exemption granted to the Company	₹ 49.14 Lacs	1996-97 1997-98 1998-99	Appellate Tribunal of sales Tax Dept. at Ahmedabad [Refer Note 2.19(e)]

10. According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
11. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to Chit fund & Nidhi /Mutual benefit / societies are not applicable to the company.
13. During the year, the Company does not have any transactions in respect of dealing and trading in shares, securities, debentures and other investments. All shares, debentures and other securities held as investments by the company have been held by the company in its own name.
14. According to the information and explanations given to us, the Company has given Corporate Guarantee of ₹90Crore in favour of Bank of India for securing Term Loan granted to Real time Properties Ltd.The Company has executed corporate guarantees aggregating ₹33.40Cr.in favour of Indian Overseas Bank, Nariman Point Branch, Mumbai for securing the loan granted to KSL and Industries Ltd, Jaybharat Textiles & Real estate Ltd,Eskay Knit India Ltd and Krishna Knitwear Technology Ltd.
15. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
16. The Company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on Short-term basis have been used for long term investment by the Company.
18. During the year covered by our audit report the Company has not issued any secured debentures.
19. The Company has not raised any money by public issues during the year covered by our report.
20. The Company does not have any accumulated losses as at 31st March 2014.
21. During the year the Company has not made any payment to parties or companies covered in the register maintained u/s 301 of the companies Act, 1956.
22. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of frauds on or by the company, noticed or reported during the year, nor have been informed of such case by the management.

For A.F. KHASGIWALA & CO.,
Chartered Accountants

Sd/-
A.F. Khasgiwala
Partner
Mem. No 006491
Firm Regn. No.105114W

Place : Mumbai
Date : 29th May, 2014

ANNUAL REPORT 2013-2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes No.	As at 31.03.2014	(₹ in Lacs) As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	664.43	664.43
(b) Reserves and Surplus	2.2	474.76	380.48
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	13,549.23	13,495.18
(b) Deferred Tax Liabilities (Net)	2.4	89.42	197.64
(c) Other Long Term Liabilities		—	—
(d) Long Term Provisions		—	—
(3) Current Liabilities			
(a) Short-Term Borrowings		—	—
(b) Trade Payables	2.5	147.64	188.32
(c) Other Current Liabilities	2.6	34.95	63.32
(d) Short-Term Provisions	2.7	156.87	211.10
Total Equity & Liabilities		15,117.30	15,200.48
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets :			
(i) Gross Block		16,431.06	16,444.01
(ii) Depreciation		7,668.41	6,303.75
(iii) Net Block		8,762.65	10,140.24
(2) Capital Work in Progress		77.91	77.91
(b) Non-current investments		—	—
(c) Deferred tax assets (net)			
(d) Long term loans and advances		—	—
(e) Other non-current assets		—	—
(2) Current Assets			
(a) Current investments		—	—
(b) Inventories	2.9	908.77	996.29
(c) Trade receivables	2.10	2,256.04	1,354.22
(d) Cash and cash equivalents	2.11	21.07	18.32
(e) Short-term loans and advances	2.12	3,090.86	2,613.49
(f) Other current assets		—	—
Total Assets		15,117.30	15,200.48

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

The accompanying notes are integral part of the financial statements

This is the Balance Sheet referred to in our Report of even date.

For A. F. KHASGIWALA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
A. F. Khasgiwala
Partner
Membership No. 006491
Firm Regn. No. 105114W

Sd/-
Narayan Ghumatkar
Managing Director

Sd/-
Jodharam Dhaka
Director

Place: Mumbai
Date : 29th May, 2013

Sd/-
Gaje Singh Solanki
Company Secretary

ASAHI INDUSTRIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes No.	Year ending 31.03.2014	(₹ in Lacs) Year ending 31.03.2013
I Revenue from operations	2.13	25,932.87	20,846.67
I. Total Revenue		25,932.87	20,846.67
II Expenses:			
Cost of Sales	2.14	23,855.11	18,770.23
Finance Cost	2.15	144.25	151.87
Depreciation and Amortization Expense	2.16	1,364.65	1,352.44
Other Administrative Expenses	2.17	582.80	526.72
Total Expenses (II)		25,946.81	20,801.26
III Profit before tax	(I - II)	(13.94)	45.41
IV Tax expense:			
(1) Current tax		—	8.65
(2) Deferred tax Liabilities / (Assets)		108.22	47.73
V Profit(Loss) from continuing operations		94.28	84.48
VI Profit/(Loss) from discontinuing operations		—	—
VII Tax expense of discounting operations		—	—
VIII Profit/(Loss) from Discontinuing operations		—	—
IX Profit/(Loss) for the year		94.28	84.48
X Earning per equity share:			
Equity shares of per value ₹1/-each			
(1) Basic		(0.02)	0.06
(1) Diluted		(0.02)	0.06
No. of share used in computing earning per share		66,442,552	66,442,552

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

The accompanying notes are integral part of the financial statements

This is the Balance Sheet referred to in our Report of even date.

For A. F. KHASGIWALA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
A. F. Khasgiwala
Partner
Membership No. 006491
Firm Regn. No. 105114W

Sd/-
Narayan Ghumatkar
Managing Director

Sd/-
Jodharam Dhaka
Director

Place: Mumbai
Date : 29th May, 2013

Sd/-
Gaje Singh Solanki
Company Secretary

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	2013-2014	(₹ In lacs) 2012-2013
I CASH INFLOWS		
(1) From Operating activities		
(a) Profit from operating activities		
Adjustments :	0.00	36.76
Depreciation and amortization	1364.65	1352.44
(b) Working capital changes :		
Decrease in other current assets		
Decrease in Inventories	87.52	
Increase in trade payables		31.96
Increase in other current liabilities		62.49
Increase in provisions		
Total of (1)	1452.17	1483.65
(2) From Investing activities		
(a) Proceeds from sale of fixed assets	12.95	
(b) Proceeds from sale of investments		
(c) Realisation of long-term loans and advances from subsidiaries / associates / business ventures		
(d) Decrease in other long-term loans and advances		
(e) Decrease in other non-current assets		
(f) Dividend received		
(g) Interest received		
(h) Other income		
Total of (2)	12.95	
(3) From Financing activities		
(a) Proceeds from issue of share capital		
(b) Share application money pending allotment		
(c) Proceeds from long-term borrowings	54.05	0.00
(d) Proceeds from short-term borrowings		
Total of (3)	54.05	0.00
Total cash inflows (1+2+3)	1519.17	1483.65
II CASH OUTFLOWS		
(1) From Operating activities		
(a) Loss from operating activities	13.94	
Adjustments :		
Depreciation and amortization		
(b) Working capital changes :		
Increase in inventories		261.61
Increase in trade receivables	901.82	446.87
Increase in short-term loans and advances	477.37	
Increase in other current assets		593.61
Decrease in trade payables	40.68	
Decrease in other current liabilities	28.37	
Decrease in provisions	54.23	14.24
(c) Direct taxes paid (Net of refunds)		
Total of (1)	1516.41	1316.33

ASAHI INDUSTRIES LIMITED

(2) From Investing activities		
(a) Purchase of tangible assets / capital work -in-progress		
(b) Purchase of intangible assets /assets under development		
(c) Purchase of investments		
(d) Investment in subsidiaries / associates / business ventures		
(e) Payment of long-term loans and advances to subsidiaries / associates / business ventures		
(f) Increase in other long-term loans and advances		
(g) Increase in other non-current assets		
Total of (2)	<u>0.00</u>	<u>0.00</u>
(3) From Financing activities		
(a) Repayment of long-term borrowings		168.33
(b) Repayment of short-term borrowings		
(c) Dividends paid (including distribution tax)		
(d) Interest and other finance costs		
(e) Share issue expenses		
Total of (3)	<u>0.00</u>	<u>168.33</u>
Total cash inflows (1+2+3)	<u>1516.41</u>	<u>1484.66</u>
III Net (decrease) / increase in cash and cash equivalents (I - II)	2.75	(1.01)
Add : Cash and cash equivalents at the beginning of the period	18.32	19.33
IV Cash and cash equivalents at the end of the period	<u>21.07</u>	<u>18.32</u>

This is the Balance Sheet referred to in our Report of even date.

For A. F. KHASGIWALA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
A. F. Khasgiwala
Partner
Membership No. 006491
Firm Regn. No. 105114W

Sd/-
Narayan Ghumatkar
Managing Director

Sd/-
Jodharam Dhaka
Director

Place : Mumbai
Date : 29th May, 2013

Sd/-
Gaje Singh Solanki
Company Secretary

AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of ASAHI INDUSTRIES LIMITED for the year ended 31st March 2014. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement Clause 32 with Bombay Stock Exchanges and is based on and is in Agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the company by our report to the members of the company.

For A. F. KHASGIWALA & CO.
Chartered Accountants

Sd/-
A. F. Khasgiwala
Partner
Membership No.6491
Firm Regn No.105114W

Place : Mumbai
Date : 29.05.2014

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NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lacs)

	As at 31.03.2014	As at 31.03.2013
1 AUTHORIZED CAPITAL		
99,00,00,000 Equity Shares of ₹ 1/- each.	9,900.00	9,900.00
(Previous Year 99,00,00,000 Equity Shares of ₹1/-each)		
1,00,000 Preference Shares of ₹100/- each	100.00	100.00
2 ISSUED & SUBSCRIBED		
6,64,42,552 Equity Shares of ₹ 1/- each	664.43	664.43
(Previous Year 6,64,42,552 Equity Shares of ₹ 1/- each)		
3 PAID UP CAPITAL		
6,64,42,552 Equity Shares of ₹ 1/- each	664.43	664.43
(Previous Year 6,64,42,552 Equity Shares of ₹ 1/- each)		
Total	664.43	664.43

2.1 (a) Details of share holders holding more than 5 % shares

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jaybharat Textiles & Realestate Limited	32225870	48.50	32225870	48.50
KSI & Industries Limited			16000000	24.08

2.1 (b) Reconciliation of Number of Shares Outstanding as at 1st April, 2013 and 31st March, 2014 :

EQUITY SHARES :

Particulars	Number	(₹ in Lacs)
Shares outstanding as at the 1st April, 2013	66442552	664.43
Add : Shares issued during the period	NIL	NIL
Shares outstanding as at 31st March, 2014	66442552	664.43
	As at	As at
	31.03.2014	31.03.2013

2.2 Reserve & Surplus

(a) Reserves		
Capital Reserve	800.25	800.25
Total (a)	800.25	800.25
(b) Surplus		
Profit & Loss Account		
Balance brought forward from previous year	(419.77)	(504.25)
Add: Net Profit/(Net Loss) for the period	94.28	84.48
Total (b)	(325.49)	(419.77)
Total	474.76	380.48
	As at	As at
	31.03.2014	31.03.2013

Note : 2.3 Long Term Borrowings

Secured

Term Loan :*

from Bank	849.23	795.18
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Unsecured

From Corporates	12,700.00	12,700.00
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Total	13,549.23	13,495.18
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* Secured by Mortgage of property owned by four relative of directors
(Terms of Repayment 8 Years)

ASAHI INDUSTRIES LIMITED

Note : 2.4 Deferred Tax Liabilities/Assets

	As at 31.03.2014	(₹ in Lacs) As at 31.03.2013
Deffered Tax Liabilities		
Depreciation on Fixed Assets	89.42	197.64
Total	89.42	197.64

Note : 2.5 Trades Payable

	As at 31.03.2014	(₹ in Lacs) As at 31.03.2013
1 Sundry Creditors for Material/Supplies	147.64	188.32
Total	147.64	188.32

Note : 2.6 Other Current Liabilities

	As at 31.03.2014	(₹ in Lacs) As at 31.03.2013
1 Interest Accured & Due	34.55	63.32
2 Other Liabilities	0.40	
Total	34.95	63.32

Note : 2.7 Short Term Provisions

	As at 31.03.2014	(₹ in Lacs) As at 31.03.2013
1 Provision for Taxation	8.65	8.65
2 outstanding Expenses payable	148.22	202.45
Total	156.87	211.10

Note: 2.8 FIXED ASSETS SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03. 2014

(₹ In Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	At Cost 01.04.2013	Additions	Deductions	As on 31.03.2014	As on 01.04.2013	For the Year	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land	217.06	0.00	0.00	217.06	0.00	0.00	0.00	217.06	217.06
Building	3993.96	0.00	0.00	3993.96	695.78	133.40	829.18	3164.78	3298.18
Plant & Machinery	11575.44	0.00	12.95	11562.49	5401.82	1196.09	6597.91	4964.58	6173.62
Laboratory Equipment	13.71	0.00	0.00	13.71	12.03	0.65	12.68	1.02	1.68
Computer	23.82	0.00	0.00	23.82	19.34	3.86	23.20	0.61	4.47
Electric Installation	558.59	0.00	0.00	558.59	149.18	26.53	175.71	382.88	409.41
Furniture & Fixtures	30.33	0.00	0.00	30.33	10.80	1.92	12.72	17.61	19.53
Air Conditioner	10.58	0.00	0.00	10.58	5.06	0.50	5.56	5.02	5.53
Office Equipment	7.85	0.00	0.00	7.85	4.32	0.50	4.82	3.03	3.52
Vehicle	12.67	0.00	0.00	12.67	5.41	1.20	6.62	6.05	7.26
Total	16444.01	0.00	12.95	16431.06	6303.75	1364.65	7668.41	8762.65	10140.25
Capital Work in Progress	77.91	0.00	0.00	77.91	0.00	0.00	0.00	77.91	77.91
Total	16521.92	0.00	0.00	16508.97	6303.75	1364.65	7668.41	8840.56	10218.17
Previous year	16521.92	167.20	167.20	16521.92	4951.31	1352.44	6303.75	10218.16	11570.60

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Note : 2.9 Inventories

	As at 31.03.2014	(₹ In Lacs) As at 31.03.2013
1 Raw Material	778.83	746.55
2 Work-in-Progress	25.44	25.44
3 Finished Goods	104.50	206.21
4 Stores & Spares	—	18.09
5 Packing Material	—	—
Total	908.77	996.29

Note : 2.10 Trade Recievables

	As at 31.03.2014	(₹ In Lacs) As at 31.03.2013
1 Outstanding for more than six months		
a) Secured, Considered Good :	—	—
b) Unsecured, Considered Good :	17.52	8.55
c) Doubtful	—	—
2 Others		
a) Secured, Considered Good :	—	—
b) Unsecured, Considered Good :	2,238.52	1,345.67
c) Doubtful	—	—
Total	2,256.04	1,354.22

Note : 2.11 Cash & Cash Equivalent

	As at 31.03.2014	₹ In Lacs As at 31.03.2013
1 Cash-in-Hand		
Cash Balance	15.02	14.02
Sub Total (A)	15.02	14.02
2 Bank Balance		
In Current Account	6.05	4.30
Sub Total (B)	6.05	4.30
Total [A + B]	21.07	18.32

Note : 2.12 Short Terms Loans and Advances

	As at 31.03.2014	(₹ In Lacs) As at 31.03.2013
1 Others	3,090.86	2,613.49
Advance Recoverable in cash or in kind or for value to be considered good		
Total	3,090.86	2,613.49

ASAHI INDUSTRIES LIMITED

NOTES FORMING INTEGRAL PART OF THE STATEMENT OF PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note : 2.13 Revenue from Operations	(₹ In Lacs)	
	Year ending 31.03.2014	Year ending 31.03.2013
1 Income From Operations :	25,932.87	20,846.67
Total	25,932.87	20,846.67

Note : 2.14 Cost of Sales

a) MATERIALS AND GOODS CONSUMED		
Opening Stock	746.55	616.02
Add : Purchases	20,670.57	15,448.36
	21,417.12	16,064.38
Less : Closing Stock	778.83	746.55
Raw Material Consumed Sub total (a)	20,638.29	15,317.83
B) CHANGE IN INVENTORIES		
Opening Stock :		
Finished goods	224.30	65.01
Work in progress	25.44	27.64
Total (i)	249.74	92.65
Closing Stock :		
Finished goods	104.50	206.21
Work in progress	25.44	25.44
Total (ii)	129.94	231.65
Sub total (b)(i-ii)	119.80	(139.00)
c) DIRECT/PRODUCTIONS EXPENSES		
Power & Fuel	1,338.76	1,407.86
Consumables Stores & Spares	154.96	256.58
Packing Materials	160.49	202.46
Labour Charges	1,292.26	1,378.90
Repairs and Maintenance - Machinery	—	175.12
Water & Processing Charges	150.55	170.48
Sub total(c)	3,097.02	3,591.40
Total (a+b+c)	23,855.11	18,770.23

Note : 2.15 Finance Cost

Interest on Loan	143.90	151.63
Bank & Processing Charges	0.35	0.24
Total	144.25	151.87

Note : 2.16 Depreciation and Amortization Expenses

Depreciation	1,364.65	1,352.44
Total	1,364.65	1,352.44

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Note : 2.17 Other Administrative Expenses

	Year ending 31.03.2014	(₹ In Lacs) Year ending 31.03.2013
AGM Expenses	—	2.44
Insurance Charges	0.37	0.40
Bank Charges	—	-
Legal & Professional Charges	4.46	1.80
General & Miscellaneous Expenses	1.02	14.91
Auditors Remuneration	0.96	0.96
Travelling	14.12	23.45
Conveyance	18.10	17.45
Director Remuneration	6.00	6.00
Directors Sitting fees	2.90	2.50
Telephone & Talex Charges	11.75	31.28
Printing & Stationery	10.32	34.16
Repairs and Maintenance - Others	173.79	56.44
Repairs and Maintenance - Building	28.65	36.42
Rates & Taxes	1.25	0.35
Postage & Telegram	—	7.56
Annual Listing Fees	1.46	0.28
Salary & Staff Welfare Expenses	297.07	277.78
Advertisement Expenses	10.41	9.46
Registration & filling Fees	0.17	0.42
Security Charges	—	2.66
Total	582.80	526.72

1) SIGNIFICANT ACCOUNTING POLICIES

1.1 General

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP"), and in compliance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 1956

The preparation of financial statements in conformity with Indian GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets etc. Actual results could differ from these estimates.

1.2 Fixed Assets :-

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition

1.3 Inventories:-

Inventories are valued at cost or net realizable value, whichever is lower.

1.4 Depreciation:-

Depreciation on Fixed Assets has been provided at Straight Line Method and at the rates prescribed in schedule XIV of the companies Act, 1956.

1.5 Revenue Recognition :-

Revenue on sale of products is recognized when the products are dispatched to customers,

1.6 Expenses Recognition:-

Expenses are charged to revenue on accrual basis.

2.19 Others :

	31-03-14	31-03-13
	₹	₹
a. Auditors Remuneration		
i) As Auditors	95506.00	95506.00
ii) In other capacity other matter	Nil	Nil
Total	95506.00	95506.00

ASAHI INDUSTRIES LIMITED

	31-03-14	(₹ In Lacs) 31-03-13
b. Managing Directors Remuneration	6.00 Lacs	6.00 Lacs
c. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.		
d. There is no payment due to small scale industries.		
e. Sales Tax Department has raised a demand (including interest) of ₹49,14,000 (Rupees Forty Nine Lacs Fourteen Thousand Only) in respect of Sales Tax exemption granted to the Company for the years 1996-97, 1997-98 and 1998-99. No provision for the said liability is made in the books of accounts and the Company has preferred an Appeal against the said Order which is pending. The Company has made an Application to the Government of Gujarat for granting reliefs as per directions of Hon'ble BIFR. which is pending before High Power Committee of Government of Gujarat.		
f. Deferred tax Assets/ Liabilities has been provided in a accordance with the Accounting Standard-22 – “Accounting for taxes on income” issued by the ICAI applicable with effect from 1st April 2001. The Deferred tax Assets/ (Liabilities) as on 31st March, 2014 amounting to 108.22 Lacs is the tax on the difference between the book depreciation and tax depreciation.		
g. Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business.		
h. The figures of the previous year are regrouped /rearranged whenever necessary to correspond with current year figure.		
i. 1 AS-18 Related Party Disclosure: Nil		
2. Other parties with whom the company has entered into transaction during the year.		
i) Associates where key management personnel and their relatives have significant influence;- Nil		
ii) Key Management Personnel: a. Narayan Ghumatkar – Managing Director		
iii) Relative of Key Management Personnel:- Nil		
j. B Value of Imports of CIF basis in respect of:	2013-2014	2012-2013
Capital Goods	Nil	Nil
Stores & Spares	Nil	Nil
C Expenditure in Foreign Currency on Account Of:		
Interest in rupee on foreign Currency	Nil	Nil
Loans payable		
D F.O.B. Value of Exports	Nil	Nil
k. Contingent Liabilities and Commitments (to the extent not provided for) :		(₹ In Lacs)
Particular	As at 31st March 2014	As at 31st March 2013
(i) Contingent Liabilities :		
(a) Claims against the company not acknowledge as debt		
(b) Guarantees		
(i) Bank Guarantee (ii) Corporate Guarantee Given :	12895.00	12895.00
(c) Other money for which the company is contingently liable :	550.00	550.00

For A. F. KHASGIWALA & CO.
Chartered Accountants

Sd/-
A. F. Khasgiwala
Partner
Membership No. 006491
Firm Regn. No. 105114W

Place: Mumbai
Date : 29th May, 2013

For and on behalf of the Board of Directors

Sd/-
Narayan Ghumatkar
Managing Director

Sd/-
Jodharam Dhaka
Director

Sd/-
Gaje Singh Solanki
Company Secretary

ATTENDANCE SLIP
ASAHI INDUSTRIES LIMITED

CIN: L17120MH1993PLC073267

Registered Office: Ecomax, Musrane, Taluka Wada, Dist. Thane – 421 312.
(Please complete this slip and hand it over at the entrance of the Meeting Hall)

21ST ANNUAL GENERAL MEETING

Member's Name (in capital letters)

Regd. Folio No. No. of Shares held

DP. ID*	
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Client ID*	
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I hereby record my presence at the 21st Annual General Meeting of the Members of the Company, being held on Saturday, 26th July, 2014, at 10.00 a.m. at Ecomax, Musrane, Taluka Wada, Dist. Thane – 421 312.

Signature of the Shareholder or Proxy

* Applicable for investors holding shares in electronic form.

CUT HERE

PROXY FORM

ASAHI INDUSTRIES LIMITED

Registered Office: Ecomax, Musrane, Taluka Wada, Dist. Thane – 421 312.

DP. ID*	
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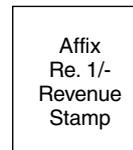
Regd. Folio No.	
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Client ID*	
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I/We of in the district of being a Member/Members of the Company, hereby appoint of in the District of or failing him..... of in the District of..... as my/our Proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Members of the Company to be held on Saturday, 26th July 2014, at 10.00 a.m. or at any adjournment thereof.

Signed this Day of 2014.

* Applicable for investors holding shares in electronic form.



Note: The Proxy form duly completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



ASAHI INDUSTRIES LIMITED

Ecomax, Musrane, Taluka Wada, Dist. Thane-421 312.