

Ref: ASCL/1609/46

September 29, 2016

✓ 1. To,  
Deputy General Manager  
Department of Corporate  
Services  
**BSE Limited**  
25<sup>th</sup> Floor, P. J. Towers  
Dalal Street  
**Mumbai - 400 001**  
**Company Code: 532853**

2. To,  
General Manager (Listing)  
**National Stock Exchange of India Ltd**  
5<sup>th</sup> Floor, Exchange Plaza  
Bandra - Kurla Complex  
Bandra (East)  
**Mumbai - 400 051**  
**Company Symbol: ASAHISONG**

**SUB: ANNUAL REPORT FOR THE FINANCIAL YEAR 2015-2016**

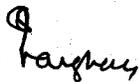
Dear Sir/Madam,

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the a copy of Annual Report for the Financial year ended March 31, 2016, duly approved by members at the 26<sup>th</sup> Annual General Meeting of the Company held on Monday, September 26, 2016 for your reference and records.

We hope you will find the same in order.

Thanking you,

Yours faithfully,  
**For, ASAHI SONGWON COLORS LIMITED**



**SAJI V. JOSEPH**  
**Company Secretary**



Encl: As above

**Asahi Songwon Colors Ltd.**

CIN: L24222GJ1990PLC014789

Regd. Office: "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road,  
Thaltej, Ahmedabad-380 059, Gujarat. India

Tele : 91-79 3982 5000 • Fax : 91-79 3982 5100 • Web Site: www.asahisongwon.com



# PASSION AT WORK!

*Trust. Transparency. Teamwork.*

ASAHI SONGWON COLORS LIMITED  
Annual Report 2015 - 16



FOR YEARS, WE INVESTED IN  
PRODUCTS, PLANTS AND PROCESSES.

IN THE LAST COUPLE OF YEARS, WE  
EMBARKED ON ADDING THAT FINAL  
CAPITAL THAT IS NOW MAKING ALL  
THE DIFFERENCE.

PASSION.

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The word "gion" is written in a large, elegant, blue cursive font. The letters are filled with a complex, multi-toned blue pattern that resembles water or a textured surface, giving the word a sense of depth and movement. The background is plain white.

THE RESULT OF A DISTINCTIVE  
PASSION IS IN THE NUMBERS.  
ASAHI SONGWON REPORTED  
ITS FIFTH SUCCESSIVE YEAR OF  
PROFITABLE GROWTH IN 2015-16.

UNDERLINING THE CONVICTION  
THAT WHEN IT COMES TO  
PASSION, THE GAINS DEFY THE  
LAW OF DIMINISHING RETURNS.

## At Asahi Songwon, *Passion* means...

Not asking **'Why?'** when someone comes up with a new idea but asking 'Why not?'

Not asking **'What's the need?'** but responding with 'How fast can you make it happen?'

Not thinking of all the reasons why an idea may fail but focusing on the one reason **why it may succeed.**

Not asking **'How will you make improvements happen?'** but trusting employee judgments to find the best possible way.

Not worrying as much about **'How much will it cost if it fails?'** but 'What will this do for us if it succeeds?'

Not penalising **those who experiment and fail** but recognising and appreciating those who try.

Not focusing on the 'cannot' but living the philosophy of **'can do'.**



# At Asahi Songwon, we are investing in *passion* to transform our colours....

**From commodity** to semi-speciality and speciality products

**From product** replication to product development

**From satisfaction** with the status quo to impatience for change

**From seeking profits** from the marketplace to seeking them largely from within.

**From capacity investments** to prudent de-bottlenecking

**From driven by volumes** to driven by volume-value

**From a high average employee age** to younger organisation

**From sporadic breakthrough** to continuous improvement

**From a top-driven company** to people-inspired organisation

**From generic employer** to preferred employer



Asahi Songwon Colors is one of the most trusted phthalocyanine pigment manufacturers in the world.

Addressing the growing needs of some of the largest downstream customers.

And intending to emerge as the largest in its space across the foreseeable future.

Demonstrating passion at work!

#### Corporate snapshot

The company was established by Mrs. Paru M. Jaykrishna to manufacture pigments in 1990.

The Company is the leading manufacturer of phthalocyanine pigments (Blue) and derivatives in

India and one of the fastest-growing in the world.

Asahi Songwon is engaged in the manufacture of phthalocyanine pigments (one of the largest categories of pigments manufactured in India) comprising CPC blue crude and a range of beta blue pigments.

## Products

**Applications:** About 40% of all phthalocyanine pigments are used in the manufacture of printing inks while the rest find application in paints, plastics, textiles and paper industries.

**Manufacturing capacities:** The Company's principal manufacturing facilities are at Padra (Vadodara), manufacturing CPC blue crude and a range of blue pigments (Blue Activated Blue, Beta 15.4 and Alpha Blue) with an installed capacity of 11400 tonnes per annum.

## Brand-enhancing clientele

The Company's clientele comprises global giants like DIC (Japan), Sun Chemicals (USA), Clariant Chemical India Limited.

**DIC:** The Company was established in 1908 as a manufacturer of printing inks. Gradually DIC expanded its business in the organic and resin pigments, while leveraging technology to build a diverse product portfolio. The Company caters to electronics, automotive, food packaging, housing and various other industries. DIC has operations in more than 60 countries and territories, backed by its commitment to environment protection and sustainability.

**Sun Chemicals:** Originally incorporated in the year 1818 as Lorilleux & Cie, it is one of the first commercial producers of inks and specialty inks. Following successive years of development and

mergers, Sun Chemical is formed in 1945. In 1987, DIC acquired Sun Chemical and since then, the global conglomerate has been a leading producer of inks, coatings, supplies, pigments, polymers, compounds and application materials.

### Clariant Chemical India Limited:

Clariant was founded in 1995, located in Muttentz, as an extension of the Sandoz chemical company, based in Basel. This alliance helped the Company acquire almost 150 years of knowledge and experience within the chemical industry. Following a series of mergers and acquisitions, the Company is now a leading specialty chemical company in the world. Clariant caters to four segments, namely Care Chemicals, Natural Resources, Catalysis and Plastics & Coatings.

## Awards and accolades

- The Company's Padra plant is certified with ISO 9001:2008 and ISO 14001:2004 accreditations validating its stringent compliance with all applicable health, safety and environmental norms.
- Award for outstanding export performance for consecutive four years from GDMA.
- Award for 'Outstanding performance in the export of dye and dye intermediaries' from CHEMEXCIL for three years running.
- Award for 'Excellent Export Performance' in the 'Export House' category from FIEO in 2000-01.
- Award for 'Emerging SME' across all sectors in India by Dun and

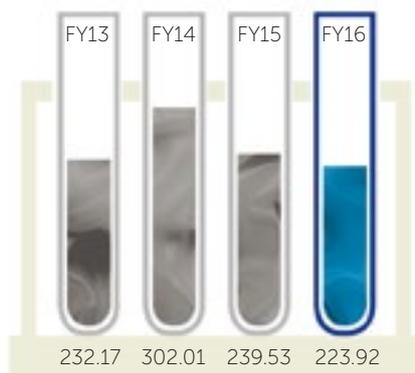
Bradstreet and Fullerton India in 2008; given an award for 'SMEs in the chemical and petrochemical sectors' by Dun and Bradstreet and Fullerton India in 2008.

- Award for 'International Trade' in the 'Chemicals' category by DHL-CNBC TV 18 in 2009 and 2010-11.
- Dun & Bradstreet Vyasa bank & S.M.E. Business Excellence Award - Entrepreneurial Spirit Award Woman Entrepreneur (Mid Corporate) in 2015-2016.
- The Company was selected in Forbes Asia July 2012 edition as the Asia's 200 Best Under A Billion Companies.

THE COMPANY  
IS THE LEADING  
MANUFACTURERS OF  
PHTHALOCYANINE  
PIGMENTS (BLUE) AND  
DERIVATIVES IN INDIA  
AND ONE OF THE  
FASTEST-GROWING IN  
THE WORLD.

# Financial highlights

## Sales



### Definition

Sales growth net of excise duties.

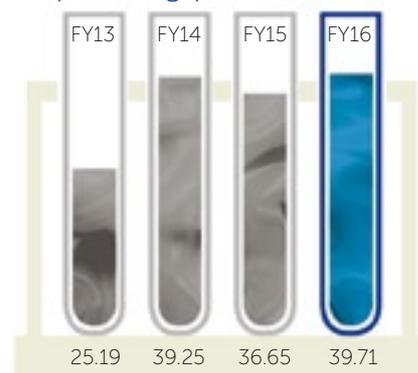
### Why we measure

This measure reflects the result of our capacity to understand market needs and service them with corresponding manufacture, relevant brands, dealer engagement and supply chain – virtually the entire supply chain.

### Performance

Our aggregate sales declined in revenue terms as realisations were based on declining crude prices.

## Operating profit (Rs./crore)



### Definition

What the company earned before the deduction of interest, depreciation, extraordinary items and tax.

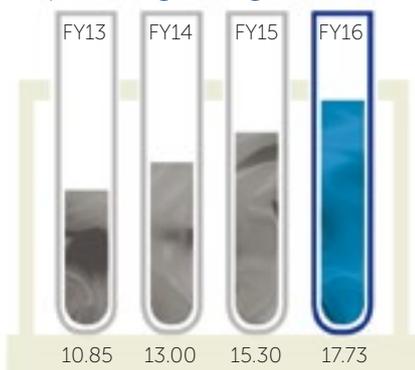
### Why we measure

This measure is an index of the company's operating profitability (as distinct from financial), which can be easily compared with sector peers.

### Performance

The company's operating profit grew steadily over the last five years. The company reported a 9% increase in its operating profit (record) in FY16, the result of capacity de-bottlenecking and enhanced asset utilisation.

## Operating margin (%)



### Definition

The movement in percentage points in operating profit before interest, depreciation, exceptional items and tax when divided by the company's revenues.

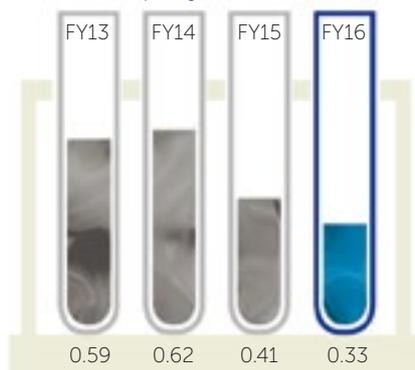
### Why we measure

This movement indicates whether the business is becoming efficient. Asahi Songwon is focused on a consistent increase in operating margins.

### Performance

The company's margin increased every single year through the last five years. The company reported a 243 bps increase in operating profit in FY16, the sharpest increase reported by the company in five years. This was the result of higher asset productivity across the business.

## Debt-equity ratio



### Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

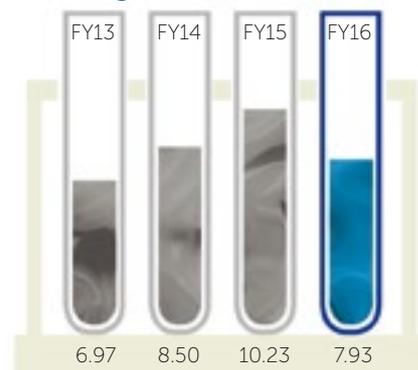
### Why we measure

This is one of the defining measures of a company's financial health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

### Performance

The company's gearing moderated from a peak of 0.62 in FY14 to 0.33 in FY16.

## Average debt cost (%)



### Definition

This is derived through the calculation of the average cost of the consolidated debt on the company's books.

### Why we measure

This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

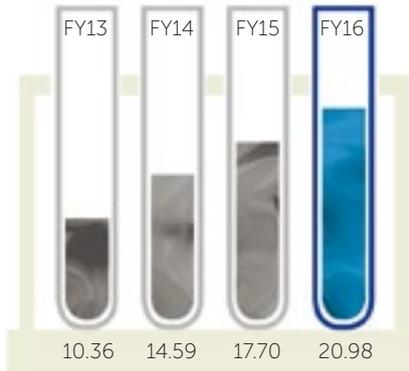
### Performance

The company's debt cost has progressively declined from a peak 10.23% in FY15 to 7.93% in FY16. We recommend that this ratio be read in conjunction with our rising interest cover (rising, indicating higher liquidity).

Rs **136** Cr

The company's net worth increased from Rs.117.95 cr in 2014-15 to Rs.136.01 cr in FY16.

### Profit after tax (Rs. crore)



#### Definition

This surplus is derived after all expenses and provisions have been deducted.

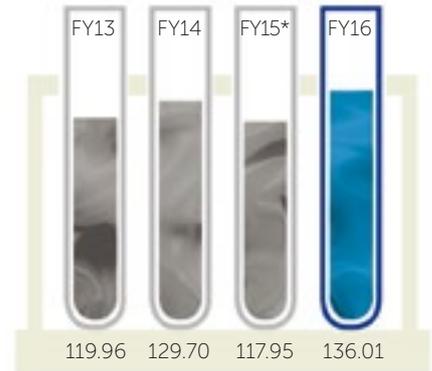
#### Why we measure

This indicates our surplus available for reinvestments and shareholder reward.

#### Performance

The company's profit after tax strengthened 19% in FY16, enhancing its accruals available for reinvestment.

### Net worth (Rs. crore)



#### Definition

This is derived through the aggregation of equity capital and reserves.

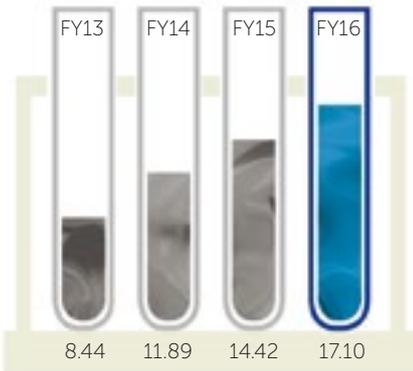
#### Why we measure

This indicates the resources owned by shareholders, indicating the available borrowing room.

#### Performance

The company's net worth increased from Rs.117.95 cr in 2014-15 to Rs.136.01 cr in FY16.

### Earnings per share (Rs.)



#### Definition

This is derived by dividing profit after tax by the number of equity shares outstanding.

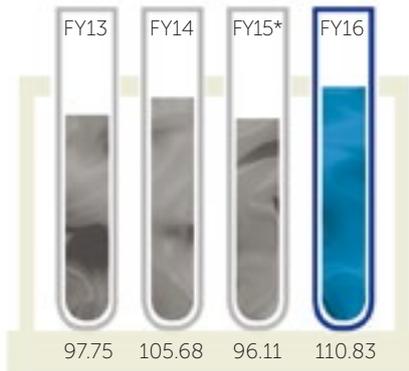
#### Why we measure

This represents a simple index of whether the company is enhancing value for shareholders or not.

#### Performance

The company's EPS strengthened from Rs.8.44 in FY13 to Rs.17.10 in FY16 following an increase in profit after tax and no equity dilution.

### Book value per share (Rs.)



#### Definition

This is derived through the division of net worth by the number of equity shares outstanding.

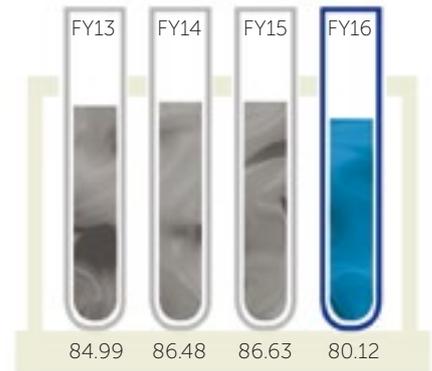
#### Why we measure

This indicates the net worth per share that makes it possible to compare the intrinsic value of the company's shares with its stock price.

#### Performance

The company's book value was an attractive Rs.110.83 in 2015-16.

### Exports as % of revenues (%)



#### Definition

This is derived by dividing exports by revenues expressed as a percentage.

#### Why we measure

This indicates our export competitiveness and the ability to spread revenues across a larger customer and geographic spread.

#### Performance

The company's exports as a percentage of revenues have been consistently high, indicating superior quality and export competitiveness.

\* During the year FY15, Green Division of the Company was demerged to AksharChem (India) Limited as per the order of the Hon'ble Gujarat High Court with an appointment date 01.04.2014

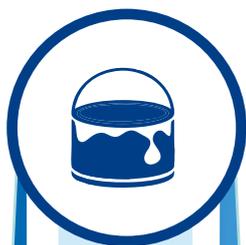
# Our statement of purpose

We are in business to enhance stakeholder value in a sustainable way.



## Culture

Our DNA will be marked by the urgency to grow the fastest within the shortest time.



## Value-creation

We intend to create value through capacity growth, high asset utilisation, cost management, ability to grow capacity at a cost lower than the industry average and addressing a larger share of the customer wallet.



## Value-addition

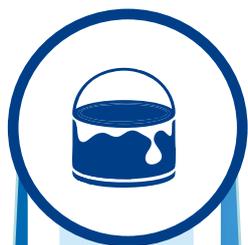
Our product mix will progressively move towards value-addition, niche exploration and higher realisations



## Knowledge

We are positioning ourselves as a knowledge company, investing in processes, practices and products to reinforce our competitive advantage.

# All our decisions will be guided by long-term sustainability over short-term profitability.



## Niche

We will continue to work within niches resident in large product spaces, convinced that this is the best way to de-commoditise our business and ring-fence our profitability.



## Customisation

We will ensure that a significant chunk of our products are customised around specific customer needs (with correspondingly superior realisations) that translate into enduring relationships.



## Governance

Our commitment to governance reflects in the constitution of our Board of Directors, recruitment of specialised professionals, institutionalisation of systemic checks and balances, extensive compliance with all stringent norms, and a commitment to run our business in an ethical manner.



## Responsibility

We have protected the sustainability of our business through sizable forward-looking investments in effluent-treatment units, infrastructure and mindset.

ASAHI SONGWON  
MAY BE A 26-YEAR  
COMPANY; THE  
REALITY IS THAT WE  
POSSESS YOUTHFUL  
ENERGY, NEW-FOUND  
CORPORATE AMBITION  
AND A VISION TO  
ESTABLISH OURSELVES  
AS ONE OF THE  
WORLD'S FASTEST  
GROWING PIGMENT  
COMPANIES.



श्री. सुनील कुमार

I am proud to present our performance for 2015-16.

We encountered a sluggish external environment, decline in realisations, customer de-stocking and a planned shutdown in the third quarter, as a result of which Asahi Songwon Colors Limited reported temporary revenue degrowth.

Normally, this decline on the one hand and inflation on the other would have eroded our margins, cash flows and profits.

I am pleased to state that your Company reported its fifth successive year of profitable growth in 2015-16. Our post-tax profit increased 19% to Rs.20.98 cr and our cash profit strengthened by 19% to Rs.28.90 cr during the year under review. This

performance has validated what we always professed: that our business model possesses the resilience to absorb revenue erosion without a substantial margins decline and the ability to strengthen margins to our erstwhile standard following an improvement in revenues.

In view of this, I would state that the company clearly demonstrated the robustness of its business model during the year under review.

What gave me the biggest satisfaction was our ability to seek profits from within during a challenging industry phase without engaging in the luxury of passing cost increases to customers. This reality prompts me to state that Asahi Songwon may be a company with a rich 26

year-experience; the reality is that we possess youthful energy, newfound corporate ambition and a vision to establish ourselves as one of the world's fastest growing pigment companies.

At Asahi Songwon, we demonstrated our youthfulness through the simple philosophy of getting more out of less.

We could have increased investments in plant and machinery to generate a larger output; we selected to empower our teams to de-bottleneck existing facilities at a negligible cost and generate incremental output thereafter.

We could have gone by conventional productivity standards, generating a given output for a quantity of input. We challenged and motivated our teams to extend beyond the conventional; the result is that they responded with superior process efficiencies that strengthened our margins and return on employed capital.

We could have continued to manufacture what we had in the past. We inspired our people to seek opportunities in the manufacture of value-added contiguous products. The result is that the company launched its first two products after a gap of seven years, the full impact of which will be reflected in our numbers during the next financial year.

We could have sourced technologies to manufacture additional products and seek new manufacturing processes. We strengthened a culture where our people were encouraged to experiment, the bigger and more audacious the better. The result is that we introduced products through proprietary product development initiatives; these products were derived following stable and repeatable processes; the product quality

was cleared by seven of the most demanding global customers; this clearance was validated by attractive commercial orders that have since proved to be an intellectual game-changer for our company.

My optimism about the company's performance in the current year is derived from three areas.

**One**, we feel that the time is right for us to de-bottleneck our operating capacity of CPC blue capacity, our flagship product, from 750 tonnes per month to 850 tonnes per month, effective April 2017. We are one of the largest global producers of this product; following expansion, we intend to emerge as the undisputed global leader in this space, carving out a larger customer market share, accounting for 15% of the global market in this product and emerging as the inevitable 'go to' company for most quality-respecting downstream

FROM A SLIGHTLY  
LONGER-TERM  
PERSPECTIVE, WE  
BELIEVE THAT EVEN  
AS THE PREVAILING  
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COLLABORATIVE  
ENGAGEMENTS  
WITH CUSTOMERS  
WILL GENERATE  
INCREASING  
RETURNS.

customers. We believe that the Rs.14 cr expansion, funded through accruals, can generate an incremental Rs.50 cr in annual revenues around our existing profitability.

**Two**, we intend to allocate capacities for the manufacture of value-added products like alpha blue and beta blue 15.4, generating enhanced margins coupled with shrinking payback for the company. In view of this, we expect to generate 10% growth in revenues during the current financial year with a disproportionately higher growth in profits.

**Three**, from a slightly longer-term perspective, we believe that even as the prevailing marketplace realities continue to be sluggish, our collaborative engagements with customers will generate increasing returns. Our product quality is benchmarked with the shop floor requirements as specified by technicians at our customer premises, contributing to their success in challenging market segments. In view of this reality, we are optimistic of not just retaining our customers; we are optimistic of marketing larger quantities to them, which represents the very basis of our decision to increase the capacity of our flagship product.

What I wish to impress upon our shareholders is that the company is attractively placed to grow its business. We believe that this financial structure will make it possible for the company to generate attractive and sustainable growth that enhances value in the hands of all those who own shares in our company.

Regards,

**Mrs. Paru M. Jaykrishna**, *Chairperson*

# Our performance ambition

AT ASAHI SONGWON COLORS, OUR PERFORMANCE AMBITION IS TO EMERGE AS ONE OF THE MOST RESPECTED CPC BLUE COMPANIES IN THE WORLD.

## Overall goal

- Account for 15% of the global CPC blue capacity
- Generate Rs. 300 cr in revenues in 2017-18.

## Probable goal contributors

- Successfully market two new products (Beta Blue 15.4 and Alpha Blue)
- Seek inorganic opportunities
- Consistently generate a desired 17% EBIDTA margin

## We are making focused investments in:

- The timely commissioning of CPC Blue capacity expansion
- Extension from product development to product research
- Strengthening organisational entrepreneurial culture
- Carving out a larger customer wallet share

We are measuring our performance ambition through:



## Profitable growth

- Operating profit margin: Grew 15.3% to 17.73% in 2015-16
- Consistent EBIDTA margin expansion.



## Customer relationships

- Core vendorship: Revenues from the five largest customers increased from 84% in 2013-14 to 82.81% in 2015-16
- Top quality product, service oriented approach and competitive pricing has ensured customer retention for ten years



## Consistent value creation

- Return on average invested capital: Maintained an excellent Return on Average Invested Capital of 9.99% in 2015-16
- Market capitalisation: Grew from Rs. 153.40 cr as on 31 March 2014 to Rs. 159.78 cr as on 31 March 2016

# Creating a robust business model

The pigments business is a challenging one to be in.

The sector is marked by variables on the one hand and growing need for sustained increase in stakeholder value on the other.

The number of variables is quite a lot. Fluctuating input costs. Demanding consumer needs. Capital intensiveness. Service intensity. Globally dispersed customers. Premium on partnership (over vendorship). Environment sensitivity. Conventional sectoral mindset.

At Asahi Songwon, we graduated to a business model that we believe is likely to generate sustainable multi-year growth across industry cycles.

## Vision

In a sector marked by scale, the company resolved to be contrarian: not singularly focused on emerging as the largest with the biggest Balance Sheet but the best pigments company with the smallest Balance Sheet (which would inevitably and sustainably help the company emerge among the largest as well). This perspective has influenced our capital allocation, product mix and realisations strategy, virtually defining our personality. As a result, the company has compromised peak margins in exchange for sustained margins, strengthening corporate stability - ideal for a capital-intensive business in a high cost economy.

## Commitment

The promoters of the company continued to invest in the business even when the industry reality was challenging, convinced as they

were of the long-term prospects of value-addition. The management invested Rs.26.80 cr in environment assets in recent years, even as this investment was considered defensive and would not directly translate into revenues and profits. So even as this investment threatened margins in the short-term, it enhanced the company's long-term credibility.

## Brand

The company has gradually evolved its personality from a conventional pigments personality (commodity) into a global organisation (volume cum value-added). The 'global' highlights our geographic presence and aspiration; the 'volume cum value-added' signifies the niche in which we expect to grow. The combination encapsulates our intent and direction from the Board down to the shop floor, strengthening our customer responsiveness.

## Scale

The Company responded to the volume-driven nature of its CPC Blue business through progressive investment in capacity (750 TPM) that is among the largest in the space today. The Company intends to de-bottleneck our operating capacity to 850 TPM effective April 2017, empowering it to address 15% of the global market and emerge as the undisputed market leader. The company believes that the scale has not only helped enhance customer confidence in the company's ability to provide material anytime and anywhere but also helped the company enhance raw material procurement economies, protecting its margins.

## Corporate

- **Presence:** The Company enjoys more than two-and-a-half-decades of industry experience, translating into product and service reliability on the one hand and working with some of the most prominent global clients on the other.
- **R&D focus:** The Company's R&D team works with a development perspective that makes it possible to enhance product quality and extend into contiguous product spaces.
- **Compliance:** The Company's products have been validated by some of the largest global customers, who are global leaders in their respective spaces (ink, paint and plastic). The Company is registered with the Department of Scientific and Industrial Research operating under the aegis of the Ministry of Science and Technology. The Company's plants are certified for ISO 9001:2008 and ISO 14001:2004.
- **Knowledge capital:** The Company's management comprises professionals and technologists (35% of the total employee base), resulting in product and process competence.
- **Environmental responsibility:** The Company made a sizable Rs.27 cr investment in recent years, environment-protecting plants, processes and practices, which assured customers of the company's long-term commitment and sustainability.

## Marketing

- **Logistical efficiency:** The Company enjoys enduring relationships with distributors in South Africa, Taiwan and Spain, among others, making it possible for products to be delivered on schedule.
- **Trusted vendor:** The Company is a trusted vendor addressing evolving customer needs. Exports accounted for 84% of revenues in 2015-16.
- **Client visibility:** The Company's customers comprise among the largest global companies like DIC (Japan), Sun Chemicals (USA), Clariant Chemicals India Limited. Sales to large customers accounted for 76% of the company's revenues in 2015-16.
- **Enduring relationships:** The Company's collaborative partnerships resulted in 76% of its 2015-16 revenues being derived from clients with more than five years of engagement.

# 76%

Sales to large customers accounted for 76% of revenues in 2015-16.

## Combination

The Company recognises that margins can only be enhanced through a combination of volume-driven products on the one hand and value-enhancing products on the other. This strategy will become increasingly evident from 2016-17 onwards, reflected in sales of Alpha Blue and Beta Blue 15.4, which are value-added variants (speciality) of the overarching Blue family.

## Uptime

In a business where 67% of the revenues are derived from a product that is volume-based, there is a premium on the need to enhance manufacturing uptime. In view of this, the company took a planned annual shutdown for repairs and maintenance during the third quarter of the last financial year. This shutdown affected revenues by Rs. 12 cr, but has virtually ensured the company will be able to run its plant efficiently for the next ten years.

## Product development

The company acquired advanced technology for the manufacture of CPC Blue, improved it substantially, evolved product quality ahead of the market curve, strengthened its

pitch to the technical personnel on the shop floor of prominent customers, moderated costs and enhanced competitiveness to deliver probably the highest customer value proposition in the world. Going ahead, the company intends to invest in research with the objective to accelerate product innovation.

## Core vendorship

The Company selected to market products in developed countries marked by a receptivity for quality products. Nearly 20% of the company's 2015-16 revenues were derived from US; most of the rest was derived from exports to Japan and Germany.

## Customer mix

The Company services the needs of the largest downstream customers in the world, marked by stable core vendorship, service and positioning itself as their dependable back-end. These customers comprise names like DIC, Sun Chemicals, Clariant. The company accounted for a modest share of pigments purchased by the downstream customers, indicating room to increase wallet share and also that a decline in purchases by the customers could possibly hurt alternative vendors

and not the company (on account of its competitiveness). Besides, its sales to such customers accounted for 76% of its revenues in 2015-16. The company's prudent customer selection was reflected in the fact that the company has not suffered any bad debts in ten years.

## Relationships

The company's engagement with its large downstream customers were relationship-based; these customers continued to buy from the company in exchange for assured quality, service timeliness, environment integrity and compatibility of the company's products with their production machines and technical specifications. The result is that 76% of the company's 2015-16 revenues were derived from companies it had been working with for five years or more.

## Fiscal conservatism

The Company has selected to plough accruals into asset building as against the conventional mobilisation of large debt in building manufacturing scale. Over time, this preference for accrual-based investing has translated into a relatively small Balance Sheet and high interest cover in a capital-intensive sector.

## Quality

- **Product quality:** The Company's business is based around first-rate product quality comprising best-in-class Quality Maintenance System, standard operating procedures and dedicated quality management team leading to zero product rejection.
- **Top-of-the-line equipment:** The Company invested in top-of-the-line ink and plastic testing equipment (vibro shakers, muller machines and injection moulding machines) addressing demanding customer standards.
- **Process discipline:** The Company's systems and processes are periodically audited by third parties.

## Financial

- **Gearing:** The Company had debt of Rs.44.47 cr on its books as on 31 March 2016 and a corpus of Rs.25.72 cr in investments as on that date, which made it a relatively low gearing company. As an extension, interest cover was an attractive 6.98 in 2015-16.
- **Margins:** The Company reported improving margins, its 15.30% EBIDTA margin in 2014-15 rising to 17.73% in 2015-16 and 20.45% in the last quarter of the year under review.

## Manufacturing

- **Strategic location:** The Company enjoys access to qualified personnel as Gujarat (the state in which the Company's plant is located) is the largest producer of chemicals in India.
- **Extensive scale:** The Company is a leading manufacturer of phthalocyanine pigments and derivatives in India, accounting for 5% of the world's organic pigment production.
- **Wide portfolio:** The Company is engaged in the manufacture of phthalo pigment varieties like CPC blue crude and the gamut of beta blue pigments (accounting for 99% of the Company's FY15 turnover).
- **Diverse applications:** About 40% of the phthalocyanine pigments are used in the manufacture of printing inks, while the rest finds applications in paints, plastics, textiles and paper industries. The beta blue pigments account for 80% of the pigments used for manufacturing printing inks.
- **Benefits:** The Company's CPC blue division is registered as an export-oriented unit with corresponding tax advantages. The Company's windmill enjoys tax benefits under Section 80 1 (A) of the Income Tax Act.

# Risk management

## RISK: AN INDUSTRY SLOWDOWN

The global market for pigment is expected to grow at an estimated CAGR of 4.5% between 2013 and 2020 (\$14.7 billion by 2018). There is a growing traction in buying from organised players following downstream customers demanding higher product quality and environment integrity. Asahi Songwon is attractively placed; the Company is one of the global leaders in the phthalocyanine segment, accounting

for 5% of the world's organic pigment market, extensive environment investments a wide product range (printing, paints, plastics, automobile coatings and textiles). In the event of an industry slowdown, the company expects to leverage its longstanding relationship with its customers (some of the largest in the global pigments sector) to carve out a larger wallet share.

## RISK: TECHNOLOGY OBSOLESCENCE

The manufacturing technologies required in the pigments business are largely stable. At Asahi Songwon, these technologies were benchmarked with the best in the world. The Company received technical support from global giants like DIC and Clariant Pigments. The company improved upon these

technologies through proprietary process competence. Besides, the Company strengthened its process discipline through ISO 9001:2008 certification, standard operating protocols, stringent quality checks and the import of raw materials from dependable international vendors.

## RISK: FAILURE IN ENVIRONMENT COMPLIANCES COULD AFFECT CUSTOMER ACCRETION

The Company made a forward-looking investment of Rs.27 cr in cutting-edge environment facilities a few years ago. This showcased the company's long-term commitment to the business. The Company complies with all relevant requirements pertaining to safety and environment standards (periodically audited and upgraded). This investment enhanced the Company's

brand among customers, sending out a signal that their operations in turn are not likely to be interrupted due to environment transgressions. We believe that even as this environment investment was defensive (and would not generate returns), the payback has already transpired in the form of stronger customer relationships and revenues from existing customers

## RISK: INCREASED COMPETITION AND CONSEQUENT DECLINE IN MARKET SHARE

The company has protected (even increased) its share of revenues derived from its five largest customers (84% of revenues, FY16). This indicates that the company enhanced its competitiveness. The Company intends to enhance its manufacturing

capacity for CPC Blue, effective April 2017 at a cost lower than the prevailing cost for greenfield investments. This will strengthen the company's competitiveness and potentially enhance market share.

# Directors' profile



## Mrs Paru M Jaykrishna

*Chairperson and Managing Director*

She is the Founder, Chairperson and Managing Director of the Company. She is a Law Graduate and holds Bachelor's degree in Philosophy and Sanskrit & Masters' degree in English Literature. Her role in the organisation is that of a strategic decision maker and policy maker to ensure growth. She is one of the most renowned Women Entrepreneurs of India and was the First Elected Lady as a President of Gujarat Chambers of Commerce and Industry in 65 years. In past she has been Director in Tourism Corporation of Gujarat Ltd., Gujarat State Handloom House Corporation and Small Industries Development Bank of India (SIDBI)

## Mr. H. K. Khan

Mr. H. K. Khan, IAS (Retd.), held very senior position both in Government of India and Government of Gujarat. Besides holding Chairman / Director on the Board of several public sector as well as private sector companies, he has served very important position in Gujarat Government as Chief Secretary, Adviser to Chief Minister, Additional Chief Secretary and Principal Secretary of Industry. In 1988, he was appointed as Secretary to the Government of India in the Department of Chemicals and Petrochemicals.

## Mr. R. K. Sukhdevsinhji

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

## Mr. Arvind Goenka

Mr. Arvind Goenka, is a graduated from St. Xavier College, Kolkatta, is an industrialist hailing from the renowned family of Goenkas. Mr. Goenka commands rich experience over 28 years in managing and / or looking after industries of diverse business interests

such as jute, cotton textiles, rubber, chemical and sophisticated industrial engineering products. He is on the board of reputed companies like Oriental Carbon and Chemicals Ltd. and Schrader Duncan Ltd.

## Mr. Gaurang N. Shah

Mr. Gaurang N. Shah, is an industrialist having more than 35 years experience in business and in particularly in the chemical industry and is director of Devarsons Industries Private Limited.

## Dr. Pradeep Jha

Dr. Pradeep Jha, is an mathematician and actively involved in exploring different research areas in mathematics. He has over 40 years of experience in teaching. He is a research guide at many universities and more than 20 research articles are written by him and also under his active guidance articles have been published from different international journals. In addition to this, he designs soft skill programs for cooperate executives. He has authored many books on Mathematics and Operations Research. His busy schedule of educational activities scarcely keep him away from his spiritual disciplines.

## Mr. Gokul M. Jaykrishna

He is the Joint Managing Director of the Company looking after operation of the company including finance, production, marketing and strategic development of the company. He has done his specialization in Finance from Lehigh University USA. He has the experience of working with Krieger Associates, New Jersey (USA) one of the most influential currency and option traders in USA. He is also on board of AksharChem (India) Ltd. & Skyjet Aviation Pvt. Ltd.

## Mr. Munjal M. Jaykrishna

He is the Director of the Company. He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He has an experience of working with Bank of California (San Francisco) as Financial Analyst and Paragon Knits, Bethlehem, (USA) as a Consultant.

# NOTICE

Notice is hereby given that the 26th Annual General Meeting of ASAHI SONGWON COLORS LIMITED will be held on Monday, 26th day of September, 2016 at the Registered Office of the Company situated at "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road, Thaltej, Ahmedabad - 380059, at 11.00 A.M. to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2016 including Audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the interim dividend already paid to equity shareholders as final dividend for the Financial Year 2015-2016.
3. To appoint a director in place of Mr. Munjal M. Jaykrishna (DIN: 00671693), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) (in the capacity of Partnership Firm) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company in consultation with said auditors."

## Special Business:

5. **REAPPOINTMENT OF MRS. PARU M. JAYKRISHNA (DIN: 00671721) AS CHAIRPERSON AND MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as Special Resolution:

**"RESOLVED THAT** subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Article No. 138 & 166 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mrs. Paru M. Jaykrishna (DIN: 00671721), as Chairperson and Managing Director of the Company for a period of 5 years with effect from August 1, 2016, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mrs. Paru M. Jaykrishna.

**RESOLVED FURTHER THAT** the remuneration payable to Mrs. Paru M. Jaykrishna, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

6. **REAPPOINTMENT OF MR. GOKUL M. JAYKRISHNA (DIN: 00671652) AS JOINT MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** subject to the provisions of Sections

196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article No. 166 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Gokul M. Jaykrishna (DIN: 00671652), as Joint Managing Director of the Company for a period of 5 years with effect from August 1, 2016, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Gokul M. Jaykrishna.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Gokul M. Jaykrishna, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**7. TO CONSIDER AND DETERMINE THE FEES FOR DELIVERY OF ANY DOCUMENT THROUGH A PARTICULAR MODE OF DELIVERY TO A MEMBER**

To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to section 20 and other

applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a Member for delivery of any document through a particular mode, an amount of Rs. 200/- (Rupees Two Hundred Only) per each such document, over and above reimbursement of actual expenses of delivery of the documents incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode.

**RESOLVED FURTHER THAT** the estimated fees for delivery of the document shall be paid by the member ten days in advance to the Company, before dispatch of such document and that no such request shall be entertained by the company post the dispatch of such document by the company to the Member.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

By the Order of the Board of Directors

**Mrs. Paru M. Jaykrishna**

Chairperson & Managing Director

DIN: 00671721

Place : Ahmedabad

Date : August 22, 2016

**Registered Office :**

"Asahi House", 13, Aaryans Corporate Park

Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road

Thaltej, Ahmedabad – 380 059 (India)

(CIN: L24222GJ1990PLC014789)

## Notes

1. The Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, in respect of the business under Item No. 5 to 7 of the Notice, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company, either in person or through post, duly completed and signed, not later than forty-eight hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

3. The Company has received Notice(s) under section 141 of the Companies Act, 2013 from the Statutory Auditors of the Company, namely M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) confirming that their appointment if made, will be within the prescribed limits as per section 141 of the Companies Act, 2013. The auditors also informed that they had subjected themselves to the Peer Review Process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI.

The Audit Committee and the Board of Directors recommends the appointment of M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) as the Statutory Auditors of the Company for the financial year 2016-17 till the conclusion of the 27th Annual General Meeting.

The re-appointments proposed are within the time frame for transition under the third proviso to sub-

section (2) of Section 139 of the Companies Act, 2013.

4. Register of members and share transfer books of the Company will remain closed from September 21, 2016 to September 26, 2016 (both days inclusive).
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to notify immediately any change in their address, to their DP in respect of their Demat Accounts and to the Registrar in respect of their physical shares, as the case may be. To support 'Green Initiative' Members holding share in physical mode are requested to register their email id with the Company/ Registrar.
7. Members/proxies are requested to bring their attendance slip along with their copy of Annual Report at the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. All documents referred to in the notice are available for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays, upto the date of Meeting and will also be available at the venue of the Meeting.
10. The Register of Directors and key managerial personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at the venue of the Meeting by the Members attending the meeting.
11. The Register of contracts or arrangements, in which Directors are interested shall be produced at the commencement of Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
12. Information of the Director seeking reappointment at the ensuing Annual General Meeting as prescribed under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At the ensuing Annual General Meeting, Mr. Munjal M. Jaykrishna (DIN: 00671693), retire by rotation and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.

Mr. Munjal M. Jaykrishna (DIN: 00671693), aged 46 years, is Director of the Company. He is Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He has an experience of working with Bank of California (San Francisco) as Financial Analyst and Paragon Knits, Bethlehem, (USA) as a Consultant. He is associated with the Company since 1996. He is on the Board of AksharChem (India) Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Skyjet Aviation Private Limited, Asahi Energy Private Limited, Flyover Communication Private Limited, Akshar Pigments Private Limited, Vapi Enviro Management System Private Limited. As on date he is not holding any Equity Shares in the Company.

13. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.

Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.asahisongwon.com](http://www.asahisongwon.com) for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.

14. Unclaimed dividends for the year 2008-2009 and onwards will be deposited with the Investors Education and Protection Fund. Those members, who have not encashed the dividend cheques are requested to immediately forward the same, duly discharged to the Company's Registrar and Share Transfer Agent to facilitate payment of dividend.
15. Route Map showing directions to reach to the venue of the Annual General Meeting is given at the end of this Notice.

## 16. Voting Options

### I. Voting through electronic means:

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies

(Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to members to exercise their right to vote at this Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereinafter.

### II. The process and manner for remote e-voting are as under:

- A. In case a Member receiving e-mail from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) Open email and open PDF file viz.; "ASAHISONGWON.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iii) Click on Shareholder – Login
  - (iv) In case you are logging in for the first time –
    - a. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - b. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (v) Home page of e-voting will open. Click on e-voting → Active Voting Cycles
  - (vi) Select "EVEN" of Asahi Songwon Colors Limited. You can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period i.e. till 5.00 p.m. IST on September 25, 2016.
  - (vii) Cast Vote page opens.

- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Please note that once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. and preferably with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to makwanabipin577@gmail.com with a copy marked to evoting@nsdl.co.in

**B. In case a Member receives physical copy of the Notice of Annual General Meeting [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:**

- (i) Initial password is provided as below/at the Ballot Form:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

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

**III. Voting at Annual General Meeting:**

The members who have not cast their vote by remote e-voting can exercise their voting rights at the meeting. The Company will make arrangements of ballot papers in this regards at the meeting venue.

cast their vote electronically. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

**Other Instructions**

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the "Downloads" section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
2. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
4. The remote e-voting period will commences on Friday, September 23, 2016 (9:00 a.m. IST) and end on Sunday, September 25, 2016 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2016, may
5. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 21, 2016.
6. Any person who acquires shares of the Company and become member of the Company after the dispatch of the Notice and holding shares as of the cut-off date i.e. September 21, 2016, may obtain the login ID and password by sending an email to the Company at [cs@asahisongwon.com](mailto:cs@asahisongwon.com) or at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No./ DP ID and Client ID No.
7. A person, whose name is recorded in the register of members or in the beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through Ballot Form.
8. Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

9. The Scrutinizer shall, immediately after the conclusion of voting at the 26th annual general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. Scrutinizer shall within 3 days of the conclusion of the meeting submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the Results of the voting forthwith.
10. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited (BSE) & National Stock Exchange of India Limited (NSE).

## Explanatory Statement Pursuant 102 of the Companies Act, 2013

The following Explanatory Statement set out all the material facts relating to the Special Business mentioned in Item No. 5 and 7 of the accompanying notice.

### Item No. 5

At the 21st Annual General Meeting held on August 21, 2011, Mrs. Paru M. Jaykrishna was reappointed as Chairperson and Managing Director of the Company for a further period of five years with effect from August 1, 2011. The terms of appointment was revised at the 24th Annual General Meeting held on September 24, 2014.

Her brief resume is given below.

Name of the Director	Mrs. Paru M. Jaykrishna
DIN	00671721
Date of Birth	05/08/1943
Nationality	Indian
Date of Appointment	19/12/1990 (Since Inception)
Relationship with director	Mother of Mr. Gokul M. Jaykrishna, Joint Managing Director and Mr. Munjal M. Jaykrishna, Director
Qualification	Bachelor's degree in Philosophy and Sanskrit & Masters' degree in English Literature and LLB.
Directorship in other Companies	AksharChem (India) Limited Akshar Pigments Private Limited Akshar Silica Private Limited Asahi Powertech Private Limited Asahi Energy Private Limited Skyjet Aviation Private Limited
Chairmanship/Membership in committees of other companies	AksharChem (India) Limited : Chairperson - CSR Committee, Member - Stakeholders Relationship Committee
Number of Shares held in the Company	5,043,820 Equity Shares held as a trustee(s) of M/s. Mrugesh Jaykrishna Family Trust-1

Subject to approval of Members and on recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on July 29, 2016 has re-appointed Mrs. Paru M. Jaykrishna, as Chairperson and Managing Director for a period of five years w.e.f August 1, 2016.

Mrs. Paru M. Jaykrishna is the promoter of the Company. She is a Law Graduate and holds Bachelor's degree in Philosophy and Sanskrit & Masters' degree in English Literature. Her role in the organisation is that of a strategic decision maker and policy maker to ensure growth. She is one of the most renowned Women Entrepreneurs of India and was the First Elected Lady as a President of Gujarat Chambers of Commerce and Industry in 65 years. In past she has been Director in Tourism Corporation of Gujarat Ltd, Gujarat State Handloom House Corporation and Small Industries Development Bank of India (SIDBI). Under her able leadership, the Company has achieved phenomenal growth since inception to the current year. The Company has reported all around progress year after year under her leadership.

Mrs. Paru M. Jaykrishna is having the age of more than 70 years and hence continuation of her employment as Chairperson and Managing Director requires the approval of members by way of a special resolution pursuant to Section 196(3) of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

Considering rich and varied experience in the Industry and her involvement in the operations of the Company over a long period of time and responsibilities being handled by her, it would be in the interest of the Company to continue her employment as Chairperson and Managing Director.

The terms of re-appointment of Mrs. Paru M. Jaykrishna are in accordance with the applicable provisions of the Companies Act, 2013.

Brief terms and conditions of re-appointment of Mrs. Paru M. Jaykrishna are given below:

<b>1. Remuneration</b>		
A.	Basic Salary	Rs. 6,00,000/- per month with effect from August 1, 2016 with such revisions as approved by the Board of Directors from time to time.
B.	Commission	In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 196 and 197 read with Schedule V of the Companies Act, 2013.
<b>2. Perquisites:</b>		
In addition to the salary and commission as outlined above, the Chairperson and Managing Director shall be entitled to perquisites/allowances as under:		
<i>Category "A"</i>		
a.	Housing	<ul style="list-style-type: none"> <li>i) The expenditure incurred by the Company on hiring furnished accommodation for the Chairperson and Managing Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Chairperson and Managing Director.</li> <li>ii) In case the accommodation is owned by the Company, 10% of the salary of Chairperson and Managing Director shall be deducted by the Company.</li> <li>iii) In case no accommodation is provided by the Company, Chairperson and Managing Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.</li> </ul>
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.		
b.	Medical Reimbursement	The Company shall reimburse expenses incurred for the Chairperson and Managing Director for herself and her family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.
c.	Leave Travel Concession	For the Chairperson and Managing Director and her family once in a year incurred in accordance with the rules of the Company.
d.	Insurance	Insurance policy to cover personal effects, personal accident and medical expenses.
e.	Club Fees	Fees of clubs subject to maximum four clubs. This will include admission or entrance fees and monthly and annual subscriptions.
f.	Entertainment Expenses	The Company shall reimburse entertainment expense actually incurred in the course of business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.
Explanation: For the purposes of Category "A" family means the spouse, the dependent children and dependent parents of the Chairperson and Managing Director.		
<i>Category "B"</i>		
Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration.		

Category "C"	The Company shall provide a car with driver and telephone at residence. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Chairperson and Managing Director.
<b>3. Overall Remuneration:</b>	The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.
<b>4. Minimum Remuneration:</b>	In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Chairperson and Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Paru M. Jaykrishna and her sons Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna and their relatives is concerned or interested in the passing of the resolution set out at item no. 5 of the accompanying notice.

The Board recommends the above resolution for the approval of the members as a Special Resolution.

#### Item No. 6

At the 21st Annual General Meeting held on August 25, 2011, Mr. Gokul M. Jaykrishna was reappointed as Joint Managing Director of the Company for a further period of 5 years. His term of remuneration was revised at the 24th Annual General Meeting held on September 26, 2014.

Subject to approval of Members and on recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on July 29, 2016 has re-appointed Mr. Gokul M. Jaykrishna, as Joint Managing Director for a period of five years with effect from August 1, 2016.

Mr. Gokul M. Jaykrishna, aged around 48 years has over 24 years experience in chemical and pigments industries. He is a promoter of our company. He was working in Krieger Associates, New Jersey, USA one of the most influential currency and options trader in USA. He has done his specialization in Finance from Lehigh University USA. Since, 1996 he is in charge of operation of the company including finance, production, marketing and strategic development of the company. He has been the guiding force behind the Company's fast track growth. Considering rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time and responsibilities being handled by him, it is therefore proposed to reappoint Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company for a further period of 5 (Five) years from August 1, 2016. His re-appointment shall be in accordance with the applicable provisions of the Companies Act, 2013.

His brief resume is given below.

Name of the Director	Mr. Gokul M. Jaykrishna
DIN	00671652
Date of Birth	24/10/1968
Nationality	Indian
Date of Appointment	08.03.1996
Relationship with director	Son of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director and brother of Mr. Munjal M. Jaykrishna, Director
Qualification	Major in Finance and Marketing from Lehigh University, USA

Directorship in other Companies	AksharChem (India) Limited Asahi Powertech Private Limited Asahi Energy Private Limited Skyjet Aviation Private Limited Flyover Communication Private Limited Echke Limited
Chairmanship/Membership in committees of other companies	Nil
Number of Shares held in the Company	2,598,332 Equity Shares held as a trustee(s) of M/s. Gokul M. Jaykrishna Family Trust.

Brief terms and conditions of re-appointment of Mr. Gokul M. Jaykrishna are given below:

<b>1. Remuneration</b>		
A.	Basic Salary	Rs. 4,00,000/- per month with effect from August 1, 2016 with such revisions as approved by the Board of Directors from time to time.
B.	Commission	In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 196 and 197 read with Schedule V of the Companies Act, 2013.
<b>2. Perquisites:</b>		
In addition to the salary and commission as outlined above, the Joint Managing Director shall be entitled to perquisites/ allowances as under:		
<i>Category "A"</i>		
a.	Housing	<ul style="list-style-type: none"> <li>i) The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Joint Managing Director.</li> <li>ii) In case the accommodation is owned by the Company, 10% of the salary of Joint Managing Director shall be deducted by the Company.</li> <li>iii) In case no accommodation is provided by the Company, Joint Managing Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.</li> </ul>
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.		
b.	Medical Reimbursement	The Company shall reimburse expenses incurred for the Joint Managing Director for himself and his family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.
c.	Leave Travel Concession	For the Joint Managing Director and his family once in a year incurred in accordance with the rules of the Company.
d.	Insurance	Insurance policy to cover personal effects, personal accident and medical expenses.
e.	Club Fees	Fees of clubs subject to maximum four clubs. This will include admission or entrance fees and monthly and annual subscriptions.
f.	Entertainment Expenses	The Company shall reimburse entertainment expense actually incurred in the course of business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.
Explanation: For the purposes of Category "A" family means the spouse, the dependent children and dependent parents of the Joint Managing Director.		

<i>Category "B"</i>	Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration.
<i>Category "C"</i>	The Company shall provide a car with driver and telephone at residence. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Joint Managing Director.
<b>3. Overall Remuneration:</b>	The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.
<b>4. Minimum Remuneration:</b>	In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Joint Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Gokul M. Jaykrishna and his mother Mrs. Paru M. Jaykrishna and brother Mr. Munjal M. Jaykrishna and their relatives is concerned or interested in the passing of the resolution set out at item no. 6. of the accompanying notice.

The Board recommends above the resolution for the approval of the members as an Ordinary Resolution.

#### **Item No. 7**

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is desirable to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Ordinary Resolution at item no. 7 of the accompanying notice, for the approval of the members of the Company.

None of the Directors or Key managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the accompanying Notice.

By the order of the Board of Directors

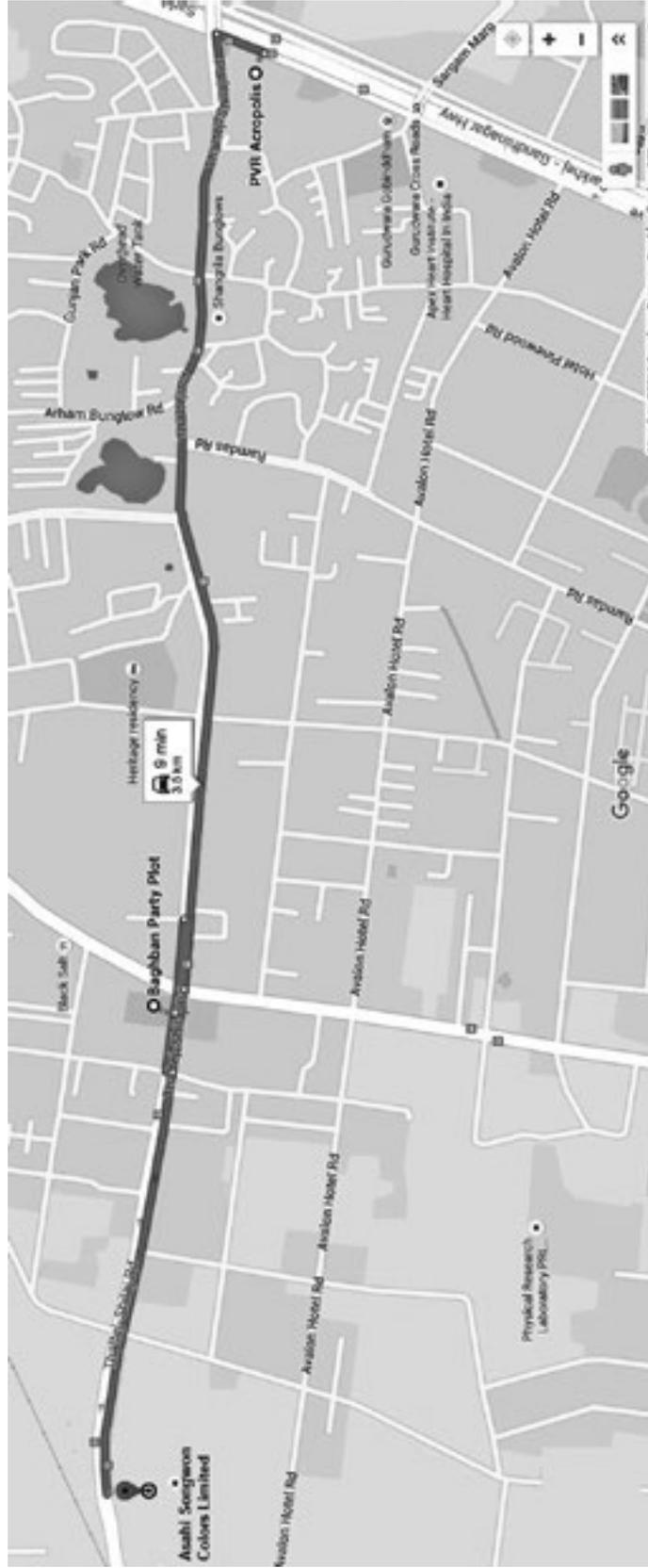
Place: Ahmedabad  
Date: August 22, 2016

**Mrs. Paru M. Jaykrishna**  
*Chairperson & Managing Director*  
DIN No. 00671721

#### **Registered Office:**

"Asahi House"  
13, Aryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road  
Thaltej, Ahmedabad – 380 059 (India)  
(CIN:L24222GJ1990PLC014789)

Route map to the venue of Annual General Meeting of Asahi Songwon Colors Limited



# Directors' Report

## *Dear Shareholders,*

Your Directors are pleased to present their 26th Annual Report of the Company together with the audited financial statement for the financial year ended March 31, 2016.

## FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2016 is summarized below:

Particulars	(Rs. In Lac)	
	2015-2016	2014-2015
Revenue from Operations (Net of Excise Duty)	22,392.01	23,953.44
Other Income	363.26	93.18
Total Income	22,755.27	24,046.62
Profit for the year before Finance Costs, Depreciation, Prior Period adjustments, Extra Ordinary Item and Taxation	4,259.16	3,681.01
Less : Finance Costs	449.49	478.18
Profit for the year before Depreciation, Extra Ordinary Item and Taxation	3,809.67	3,202.83
Less : Depreciation and Amortisation Expenses	671.00	606.60
Profit for the year before Prior Period Adjustments, Extra Ordinary Item and Taxation	3,138.67	2,596.23
Prior period adjustments (Expenses)/Incomes	-	38.55
Profit for the year before Extra Ordinary Item and Taxation	3,138.67	2,634.78
Extra Ordinary Item	-	-
Profit for the year before Taxation	3,138.67	2,634.78
Less : Current Tax	919.73	806.10
Less : Deferred Tax	120.67	59.17
Net Profit for the year	2,098.27	1,769.51
Add: Balance brought forward from previous year	6,726.52	5,622.42
<b>Surplus available for Appropriation</b>	<b>8,824.79</b>	<b>7,391.93</b>
Appropriation:		
General reserve	150.00	150.00
Final Dividend at Rs. Nil (Previous Year Rs. 3.50) per Equity Shares	-	429.53
Interim Dividend at Rs. 2.00 (Previous Year Rs. Nil) per Equity Shares	245.45	-
Dividend Distribution Tax	49.97	85.88
Balance Carried to Balance Sheet	8,379.37	6,726.52
<b>Total</b>	<b>8,824.79</b>	<b>7,391.93</b>

## BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS

### a. General

During year 2015-16, the global economy continued to be uncertain, characterized by weak growth in global output, weakening commodity prices, global trade and capital flows. Growth prospect of most of the developing countries remained gloomy. However, Indian economy has shown sign of revival, where, inflation and fiscal deficit showed marked improvement.

### b. Performance Review

During the year under review, the Company earned a total income of Rs. 22,755 lac compared to Rs. 24,046 lac in the previous year.

The total sales of the Company stood at Rs. 22,392 lac (Previous Year Rs. 23,953 lac) The profit after tax (PAT) increased by 19 percent from Rs. 1,770 lac to Rs. 2,098 lac in the previous year.

The financial year 2015-16 embarked upon visible improvement in operating profit margins due to focused cost efficiency measures, price discipline and low commodity prices.

### c. Exports

During the year under review, the total exports value to Rs. 17,636 lac compared to Rs. 20,533 lac during the previous year. Your Company is trying to locate new export markets for its products and see good potential for growth to the export business.

### d. Capital Expenditure

The Company has carried out routine modernization and improvements in the plant and incurred a capital expenditure of Rs. 1,481 lac in the year under review compared to Rs. 1,740 lac in the previous year.

## DIVIDEND

The Company has already paid interim dividend @20% (Rupee 2.00 per share of face value of Rs. 10/- each) on the fully paid up equity share capital of the Company as recommended by the Board of Directors of the Company at its meeting held on March 14, 2016 for the year 2015-16.

Considering the capital requirement of the ongoing business expansion, the Board of Directors of the Company do not recommend any final dividend on the equity shares and the interim dividend declared is the dividend on equity shares of the Company for the financial year ended March 31, 2016. The interim dividend declared and paid on equity

shares including dividend tax thereon would result in an outflow of Rs. 295 Lac.

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

## TRANSFER TO RESERVE

Your Company proposes to transfer Rs. 150 lac (Previous Year Rs. 150 lac) to the General Reserves. An amount of Rs. 8,379 lac is proposed to be retained in the Statement of Profit and Loss.

## SHARE CAPITAL

### a. Issue of equity Shares with differential rights

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2016, it stood at Rs. 1227.23 Lacs divided into 12,272,262 equity shares of Rs. 10/- each. During the year under review, no equity shares with differential rights as to dividend, voting or otherwise were issued.

### b. Issue of sweat equity shares

The Company has not issued any sweat equity share during the year under review.

### c. Issue of employee stock options

The Company has not granted any Employee Stock Option within the meaning of section 62(1) (b) of the Companies Act, 2013 read with its Rules framed there under and respective SEBI Regulations.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, the Company does not have any subsidiaries, joint ventures and associate companies.

## CHANGE IN THE COMPANY'S REGISTERED OFFICE

The Company's Registered Office is now located at "Asahi House", 13 Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej - Shilaj Road, Thaltej, Ahmedabad - 380 059, Gujarat with effect from March 28, 2016.

## FINANCE AND INSURANCE

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

All assets and insurable interests of your Company including building, plant and machinery, stocks, vehicles, stores and spares have been adequately insured against various risks and perils.

## CREDIT RATING

During the year, CARE has reaffirmed the rating assigned to the long-term facilities of your Company from CARE A+ [A Plus]. This rating is applicable to facilities having a tenure of more than one year. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.

CARE has also reaffirmed the CARE A1+ [A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having a tenure upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

## LISTING

The Equity shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited. The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2016-17.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

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

The particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 are given as per "Annexure – A" forming part of this Report.

## RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company has in place a mechanism to identify, assess, monitor and mitigate

various risks to key business objectives. Many risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Board is of the opinion that there are no identifiable risks which may threaten the existence of the Company.

## FIXED DEPOSIT

During the year under review, the Company has not accepted any fixed deposit from public under Section 73 of Companies Act, 2013 and the Rules framed there under and no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2016.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended March 31, 2016.

## CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is Chaired by Mrs. Paru M. Jaykrishna the Chairperson and Managing Director of the Company, the other members of the committee are Mr. Gaurang N. Shah and Dr. Pradeep Jha who are independent directors of the Company. Your Company also has in place a CSR policy and the same is available on the website of the Company. The committee places before the Board the details of the activities to be undertaken during the year. A detail report is attached as "Annexure – D" forming part of this report.

## DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

### Reappointment of Managing Directors

The Board of Directors of the Company, subject to the approval of the members at the ensuing Annual General Meeting has reappointed Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company and Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company for further period of 5 (five) years w.e.f. August 1, 2016, respectively.

During the year under review, Mr. Munjal M. Jaykrishna resigned as Joint Managing Director of the Company w.e.f.

October 9, 2015, however, he shall continue as director of the Company.

### Retirement by rotation

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Munjal M. Jaykrishna, Non-Executive Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his reappointment.

### Declaration of independence

The Company has received declarations of independence as stipulated under section 149(7) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Independent Directors confirming that they are not disqualified from appointment/ continuing as an Independent Director.

### Profile of Directors seeking appointment/ re-appointment

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are annexed to the notice convening 26th Annual General Meeting.

### Key Managerial Personnel

During the year under review, Mr. Munjal M. Jaykrishna resigned as Joint Managing Director of the Company w.e.f. October 9, 2015, however, he shall continue as director of the Company.

The following persons are the Key Managerial Personnel:

1. Mrs. Paru M. Jaykrishna, Chairperson and Managing Director
2. Mr. Gokul M. Jaykrishna, Joint Managing Director
3. Mr. Chandravanandan R. Raval, General Manager Accounts & CFO and
4. Mr. Saji V. Joseph, Company Secretary

### Women Director

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

### Board Evaluation

Pursuant to provisions of the Act and Rules made there under and as provided in Schedule IV to the Act and the Listing Regulations, 2015, the Nomination and Remuneration Committee has carried out the annual performance evaluation of itself, the Directors individually as well as the evaluation of its committees. The manner in which the evaluation was carried out has been provided in the Corporate Governance Report, which is a part of this Annual Report.

### Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is attached herewith as per "Annexure – B" form part of this Report.

### DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (3) (c) of the Companies Act, 2013, your directors confirm that;

- (i) in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2016 and of the profit or loss of the Company for the year ended on that date;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual financial statements for the year ended March 31, 2016 on a going concern basis;
- (v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2015-2016, the Board of Directors of the Company, met 6 (Six) times on May 19, 2015, August 12, 2015, October 9, 2015, October 29, 2015, January 25, 2016, and March 14, 2016.

### Independent Directors' Meeting

A separate Meeting of the Independent Directors of the Company was also held on March 14, 2016, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

## AUDIT COMMITTEE

The Board has constituted an Audit Committee comprises of three members:

1. Mr. Gaurang N Shah - Independent Director and Chairman
2. Mr. R. K. Sukhdevsinhji - Independent Director
3. Dr. Pradeep Jha - Independent Director

As per the Section 177 (8) of the Companies Act, 2013 the Board has accepted all the recommendations of the Audit Committee during the Financial Year 2015-16. Further details on the Audit Committee are provided in the Corporate Governance Section of the Annual Report.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by Securities Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as per "Annexure – H".

## AUDITORS

### a. Statutory Auditors

During the year under review, casual vacancy of statutory auditors was created on account of change in their constitution/status of M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad from proprietorship firm to partnership firm. However, there was no change in their registration number. Members at the Extra Ordinary General Meeting held on August 22, 2016 appointed M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.111072W) in the capacity has partnership firm as

Statutory Auditor of the Company from the conclusion of the Extra Ordinary General Meeting until the conclusion of the ensuing Annual General Meeting of the Company.

On the recommendation of the Audit Committee M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad it is proposed to appointed them as Statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company.

The Company has received a letter to the effect that their re-appointment, if made, would be within the prescribed limit under Section 139 (1) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act and rules framed thereunder.

As required under SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2016. Your Board of Directors recommends their appointment as Independent Auditors for the financial year 2016-17.

### b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Mr. Bipin L. Makawana, Practising Company Secretary was appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ended March 31, 2016.

### SECRETARIAL AUDIT REPORT

A Report of the Secretarial Auditor is annexed with this Report as "Annexure – F" forming part of this Report.

There were no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

### c. Cost Auditors

During the year under review, cost audit was not applicable to the Company.

## EXTRACT OF THE ANNUAL RETURN

As required under the provisions of sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the

Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of annual return in Form No. MGT-9 forms part of this report as "Annexure - E".

## AWARDS AND RECOGNITION

During the year under review, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company was honoured with Entrepreneurial Spirit Award -Woman Entrepreneur (Mid Corporate) organized by Dun & Bradstreet in association with Vyasa bank & S.M.E. Business Excellence Awards.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year ended March 31, 2016, no Loan under Section 186 of the Companies Act, 2013 was made by the Company.

Particulars of investment made during the period under review, are provided in the financial statement (Please refer to Note. 11 to the financial statement). There were no loan given, guarantees given and securities provided by the Company during the reporting period.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party transactions that were entered into during the financial year under review were in ordinary course of business and were on arm's length basis. There are no materially significant related party transactions made by the Company which may have potential conflict of interest.

Further, there were no material related party transactions which are not in ordinary course of business and are not on arm's length basis and hence there are no information required to be provided under Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 and under Section 188(2) of the Companies Act, 2013.

## DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your company has in place adequate internal control systems commensurate with the size of its operations. The internal control systems, comprises of policies and procedures which are designed for safeguarding the assets, optimal utilization of resources, sound management of company's operations. These are continually reviewed by

the Company to strengthen the same wherever required. The internal control systems are supplemented by internal audit carried out by an Independent Cost Accountant and periodical review by management. The Audit Committee of the Board addresses issues, if any, raised by both, the Internal Auditors and the Statutory Auditors.

Details in respect of adequacy of internal financial controls with reference to the financial statements are stated in Management Discussion and Analysis which forms part of this Report.

## DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Whistle Blower Policy is disclosed on the website of the Company.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

## EMPLOYEE RELATIONS

The industrial relations of the Company during the year continued to be cordial and amicable. Your Directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are annexed as per "Annexure - C".

## CERTIFICATIONS

Your Company has ISO 14001:2004 certification and ISO 9001-2008 for quality management system for plant at Vadodara.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 with the stock exchanges is presented in a separate section forming part of the Annual Report as per "Annexure- G".

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year under review, the Company had not received any complaint.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As provided in Companies Act dividend amount which was due and payable and remained unclaimed for a period of seven years has to be transferred to Investor Education & Protection Fund.

The Company has transferred an amount of Rs. 74,173/- remaining unclaimed was transferred to Investor Education and Protection Fund (IEPF) during the year.

## ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to health and safety of its employees, contractors and visitors. We are compliant with all EHS Regulations stipulated under the Water (Prevention

and Control of Pollution) Act, The Air (Prevention and Control of Pollution) Act, The Environment Protection Act, The Factories Act and Rules made there under. Safety and environmental standards are periodically reviewed and upgraded. The Company preserves in its efforts to educate safe and environmentally accountable behavior in every employee, as well as its vendors.

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

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

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

## APPRECIATION AND ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

**Mrs. Paru M. Jaykrishna**

*Chairperson & Managing Director*

DIN No. 00671721

Place : Ahmedabad

Date: August 22, 2016

### Registered Office:

"Asahi House"

13, Aaryans Corporate Park

Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road

Thaltej, Ahmedabad – 380 059 (India)

(CIN:L24222GJ1990PLC014789)

# ANNEXURE – “A” TO THE DIRECTORS’ REPORT

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

## A. CONSERVATION OF ENERGY

- (i) **The steps taken or impact on conservation of energy:** The Company put continues efforts to energy conversation and its utilization. The Company regularly benchmarks it energy conservation levels and consistently work towards improving efficiencies towards getting the cost of energy down to every unit produced. Strong team headed by senior personnel to continuously monitor energy consumption. Efforts have been taken to upgrade plant and machinery. The Company has five DG set installed at Vadodara plant out of which two is of 1010 KVA, and one 500 KVA. The Company has also undertaken various initiative s towards green energy thereby contributing towards clean environment.
- (ii) **The steps taken by the Company for utilizing alternative sources of energy:** To conserve energy the Company has one windmill with total installed capacity of 600 KW WTG, which will help to generate energy through environmental friendly measure and also reduce carbon emission in the atmosphere.
- (iii) **The Capital investment on energy conservation equipment:** The Company has invested Rs. 5 Lac on energy conservation equipment during the year under review.

## B. TECHNOLOGY ABSORPTION

- (i) **The efforts made towards technology absorption:** The Company has taken initiatives for training the technical persons with latest technology. The Research and Development centre of the Company is recognized by the Ministry of Science and Technology, Government of India. The centre is engaged in development of new product, cost effective technology for existing and new product which are environment friendly, reduction back cycle time.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution**
- The above efforts have improved the quality of the product and improved the productivity and reduced wastages.
- (iii) **In case of imported technology (imported during the**

**last three years reckoned from the beginning of the financial year)**

- a. The details of technology : Nil imported
- b. The year of Import : Not Applicable
- c. Whether the technology : Not Applicable been fully absorbed
- d. If not fully absorbed, areas : Not Applicable where absorption has not taken place, and the reasons thereof
- (iv) The Expenditure incurred on Research and Development

Particulars	(Rs. In Lac)	
	2015-2016	2014-2015
Capital	-	2.41
Recurring	14.76	16.99
<b>Total</b>	<b>14.76</b>	<b>19.40</b>
Total Research and Development Expenditure as percentage of total turnover	<b>0.07</b>	<b>0.08</b>

## C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- a. **Activities relating to Exports, initiatives taken to increase exports, development of new export markets for products and service and export plans**
- The Company is an export oriented company, where 79% of the total turnover comes from Exports. During the year under review, the Company exported pigments (Blue) valuing (FOB) Rs. 17,544 Lac (previous year Rs. 20,338 Lac) to various countries around the World. The Company is global phthalocyanine pigment exporter to various countries, major to Europe, USA and Asian Markets. Your Company is constantly exploring new markets to enhance the exports of its products.
- b. **Foreign Exchange used and earned**

	(Rs. In Lac)	
	2015-2016	2014-2015
Foreign Exchange Earned (FOB)	17,544.00	20,337.80
Foreign Exchange Used	3,931.22	5,164.57

# ANNEXURE – “B” TO THE DIRECTORS’ REPORT

## NOMINATION AND REMUNERATION POLICY

### 1. PREAMBLE

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the provisions of SEBI Listing Regulations, 2015. The Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company.

### 2. OBJECTIVES

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 3. REMUNERTION TO DIRECTORS

#### A. Remuneration to Managing Director / Whole – time Directors:

The remuneration / commission etc to be paid to Managing Director / Whole – time Directors etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactments for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Director.

#### B. Remuneration to Non-Executive / Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and

Remuneration Committee and approved by the Board of Director of the Company.

- All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for the attending the meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

#### C. Remuneration to Key Managerial Personnel and Senior Management:

- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company’s policy.
- A committee of the Company constituted for the purpose of administering the Employee Stock Options shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- The Fixed pay shall include monthly remuneration, employer’s contribution to Provident Fund, contribution to pension fund, pension scheme etc., as decided from time to time.
- The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management to be decided annually or such interval as may be consider appropriate.

### 4. REVIEW

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board from time to time as may be necessary.

# ANNEXURE – “C” TO THE DIRECTORS’ REPORT

Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

(Rs. In Lac)

Sr. No.	Particulars	Remuneration for the year ended March 31, 2016 (Rs. in Lac)	Ratio of Remuneration to median remuneration of employees
1.	Mrs. Paru M. Jaykrishna, Chairperson and Managing Director	72.92	27.63 : 1
2.	Mr. Gokul M. Jaykrishna, Joint Managing Director	49.08	18.60 : 1
3.	Mr. Munjal M. Jaykrishna*, Director	-	-

\*During the year under review, Mr. Munjal M. Jaykrishna has resigned as Joint Managing Director of the Company w.e.f. 09.10.2015, however he is a non-executive director of the Company. He has not received any remuneration from the Company during the year.

**ii. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/ (decrease) in remuneration in the financial year
Mrs. Paru M. Jaykrishna	10.90
Mr. Gokul M. Jaykrishna	9.42
Mr. Munjal M. Jaykrishna*	-
Mr. H. K. Khan	Not Applicable
Mr. R. K. Sukhdevsinhji	Not Applicable
Mr. Arvind Goenka	Not Applicable
Mr. Gaurang N. Shah	Not Applicable
Dr. Pradeep Jha	Not Applicable
Mr. Chandravadan R. Raval – General Manager Accounts & CFO	10.84
Mr. Saji V. Joseph – Company Secretary	14.70

\*During the year under review, Mr. Munjal M. Jaykrishna has resigned as Joint Managing Director of the Company w.e.f. 09.10.2015, however he is a non-executive director of the Company. He has not received any remuneration

from the Company during the year.

iii. **The percentage increase in the median remuneration of employees in the financial year:** During the year under review, there was an increase of 12% in the median remuneration of employees.

iv. **The number of permanent employees on the rolls of Company:** There were 141 permanent employees on the rolls of the Company as on March 31, 2016.

v. **The explanation on the relationship between average increase in remuneration and Company performance:** Increase in remuneration is linked to the Company performance through performance appraisal system. The profit before tax increased by 21% whereas the increase in the median remuneration was 12%. The average increase in median remuneration was in line with the performance of the Company.

**vi. Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY16 (Rs. Lac)	142.78
Revenue (Rs. Lac)	22,392.01
Remuneration of KMPs (as % of revenue)	0.64
Profit before Tax (PBT) (Rs. Lac)	3,138.67
Remuneration of KMP (as % of PBT)	4.55

**vii. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

(Rs. In Lac)

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation (Rs. Lac)	15,978	13,966	14.00
Price Earnings Ratio	7.62	7.89	-0.03

viii. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** The Company had come out with initial public offer (IPO) in 2007 at a premium of Rs. 80/- per share and face value Rs. 10/- per share. The equity share of face value Rs. 10/- per share closed at Rs. 130.20 on BSE Limited and Rs. 130.90 on National

Stock Exchange of India Limited on March 31, 2016, representing an increase of 45% (BSE) since the date of last public issue.

**ix. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage of increase made in the salaries of employees other than the managerial personnel in the year under review was 12%, whereas there is decrease in managerial remuneration. The criteria for increase in remuneration of employees other than managerial personnel is based on internal performance appraisal by the management annually which are based on the overall performance of the Company.

**x. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	Mrs. Paru M. Jaykrishna, Chairperson and Managing Director	Mr. Gokul M. Jaykrishna, Joint Managing Director	Mr. Chandravadan R. Raval – General Manager (Accounts) & CFO	Mr. Saji V. Joseph Company Secretary
Remuneration during the year under review (Rs. Lac)	72.92	49.08	11.75	9.04
Revenue (Rs. in Lac)	22,392.01			
Remuneration as % of revenue	0.33	0.22	0.05	0.04
Profit before Tax (PBT) (Rs. in Lac)	3,138.67			
Remuneration (as % of PBT)	2.32	1.56	0.37	0.29

\*During the year under review, Mr. Munjal M. Jaykrishna has resigned as Joint Managing Director of the Company w.e.f. 09.10.2015, however he is a non-executive director of the Company. During the year he has not received any remuneration from the Company.

**xii. The key parameters for any variable component of remuneration availed by the directors:** Remuneration of the Directors do not have variable component and are considered by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee and as per the Remuneration Policy of the Company for Directors, Key Managerial Personnel and other employees.

**xii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** None.

**xiii Affirmation that the remuneration is as per the remuneration policy of the Company:** It is hereby affirmed that remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**B. Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014**

Information showing names and other particulars of employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 60,00,000/- for financial year.

Name of the Employee	Designation	Qualification	Age (years)	Joining Date	Experience (Years)	Gross Remuneration (Rs. in lac)	Last Employment	Last Designation	% of Equity Shares Held
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	MA, LLB	73	Since Inception	47	72.92	Skyjet Aviation Pvt Ltd	Managing Director	3.26

Notes:

1. The Gross remuneration includes Salary, Commission, Company's contribution to Provident Fund and taxable value of Perquisites.
2. Nature of employment is contractual and renewable.
3. No Employees other than Managing Directors hold more than 2% of the equity shares of the Company along with their spouse and dependent children.

# ANNEXURE – “D” TO THE DIRECTORS’ REPORT

## Annual Report on Corporate Social Responsibility Activities

**1. A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

Corporate Social Responsibility is the contribution by the Corporate towards social and economic development of the society. The Company’s vision on CSR is to enhance the quality of life and the economic well being of communities around our operations. The Company has framed a CSR policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and is placed on website of the Company.

**2. Composition of the CSR Committee:**

As at March 31, 2016, the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board out of which 2 (Two) are Independent Directors. The CSR Committee comprises of the following directors:

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

**3. Average net profit of the Company for last three financial years (2012-13 to 2014-15):** The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2014-15, 2013-14, 2012-13) calculated in accordance with section 135 of the Companies Act, 2013 is Rs. 218.30 Lac.

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :** The prescribed CSR Expenditure to be incurred during the financial year i.e. 2015-16 is Rs. 43.66 Lac

**5. Details of CSR spend for the financial year :**

- a) Total Amount to be spent for the financial year: Rs. 43.66 Lac
- b) Amount unspent, if any : Rs. 33.66 Lac
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project /Activity identified	Sector in which the project is covered	Projects / Programmes 1. Local area / other – 2. Specify the state / district (Name of the District/s State/s where project / programme was undertaken)	Amount outlay (budget) project / programme wise (in Rs.)	Amount spent on the project / programme Sub-heads : 1. Direct expenditure on project / programme. 2. Overheads (in 'Rs.) Direct:	Cumulative spend up to the reporting period (in 'Rs.)	Amount spent : Direct / through implementing agency
1	To promote facility of education to poor and under privileged children	Promotion of Education	Maninagar Ahmedabad	500,000	500,000	500,000	Implementing Agency : All India Social Education Charitable Trust
2	To promote facility of education to poor and under privileged children	Promotion of Education	Vasantnagar Township, Gota, Ognaj, Ahmedabad	500,000	500,000	500,000	Implementing Agency : The Ashok Education Land Mark Trust

**6. Reason for not spending the amount at 5(c) :**

The amount required to be spend on CSR activities during the year under review in accordance with the provision of Section 135 of the Companies Act, 2013 and rules made there under is Rs. 43.66 Lac and the Company has spent Rs. 10 Lac during the financial year ended March 31, 2016. The shortfall in the spending during the year under report is intended to be utilized

in a phased manner in future, upon identification of suitable projects within the Company’s CSR Policy.

**7. Responsibility Statement**

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objective and policy of the Company.

Place :Ahmedabad  
Date: August 22, 2016

**Gokul M. Jaykrishna**  
Joint Managing Director  
DIN No. 00671652

**Mrs. Paru M. Jaykrishna**  
Chairperson of the CSR Committee  
DIN No. 00671721

# ANNEXURE – “E” TO THE DIRECTORS’ REPORT

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L24222GJ1990PLCO14789
- ii) Registration Date : December 10, 1990
- iii) Name of the Company : Asahi Songwon Colors Limited
- iv) Category / Sub-Category of the Company : Company having Share Capital
- v) Address of the Registered office and contact details : 167/168, Indrad Village, Kadi - Kalol Road, Dist : Mehsana, Gujarat - 382 715  
Tel : 02764 -233007
- vi) Whether Listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Private Limited  
C - 13, Pannalal Silk Mill Compound, LBS Road, Bhandup (West), Mumbai - 400 078  
Tel : +91- 22-25960320

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Pigments	3031	100
2.	Trading Activity and Power Generation	-	-

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

### IV. SHAREHOLDING PATTERN: (Equity Share Capital Breakup as % to total Equity)

#### i) Category Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	7,642,152	0	7,642,152	62.27	3,410,098	0	3,410,098	27.79	34.48

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	600	0	600	0.001	600	0	600	0.001	0.00
e) Bank/Fl	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other- Family Trust	0	0	0	0.00	4,232,054	0	4,232,054	34.49	100.00
<b>SUB TOTAL:(A) (1)</b>	<b>7,642,752</b>	<b>0</b>	<b>7,642,752</b>	<b>62.28</b>	<b>7,642,752</b>	<b>0</b>	<b>7,642,752</b>	<b>62.28</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter</b>	<b>7,642,752</b>	<b>0</b>	<b>7,642,752</b>	<b>62.28</b>	<b>7,642,752</b>	<b>0</b>	<b>7,642,752</b>	<b>62.28</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/Fl	8,790	0	8,790	0.07	0	0	0	0.00	(100.00)
c) Cenntal govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>8,790</b>	<b>0</b>	<b>8,790</b>	<b>0.07</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100.00)</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate									
i) Indian	1,242,152	0.00	1,242,152	10.12	1,064,240	0	1,064,240	8.67	1.45
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1,860,219	2,099	1,862,318	15.18	1,750,476	2099	1,752,575	14.28	0.90
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	413,031	0	413,031	3.36	538,058	0	538,058	4.38	(1.02)
c) Others (specify)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
HUF	0	0	0	0	144,341	0	144,341	1.18	100.00
NRI/OBC	73,265	0	73,265	0.60	81,325	0	81,325	0.66	(0.06)
Clearing Member/ House	164,754	0	164,754	1.34	183,771	0	183,771	1.50	(0.16)
Foreign Company	0	865,200	865,200	7.05	0	865,200	865,200	7.05	0.00
<b>SUB TOTAL (B)(2):</b>	<b>3,753,421</b>	<b>867,299</b>	<b>4,620,720</b>	<b>37.65</b>	<b>3,762,211</b>	<b>867,299</b>	<b>4,629,510</b>	<b>37.72</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>11,404,963</b>	<b>867,299</b>	<b>12,272,262</b>	<b>100.00</b>	<b>3,762,211</b>	<b>867,299</b>	<b>4,629,510</b>	<b>37.72</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>11,404,963</b>	<b>867,299</b>	<b>12,272,262</b>	<b>100.00</b>	<b>11,404,963</b>	<b>867,299</b>	<b>12,272,262</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mrs. Paru M. Jaykrishna	4,632,054	37.74	0.00	400,000	3.26	0.00	34.48
2.	Mr. Gokul M. Jaykrishna	1,505,049	12.27	0.00	1,505,049	12.27	0.00	0.00
3.	Mr. Munjal M. Jaykrishna	1,505,049	12.27	0.00	1,505,049	12.27	0.00	0.00
4.	M/s. Intercon Finance Private Limited	600	0.001	0.00	600	0.001	0.00	0.00
5.	Mrugesh Jaykrishna Family Trust – I	0	0.00	0.00	4,232,054	34.48	0.00	100.00
	<b>Total</b>	<b>7,642,752</b>	<b>62.28</b>	<b>0.00</b>	<b>7,642,752</b>	<b>62.28</b>	<b>0.00</b>	<b>0.00</b>

## (iii). Change in Promoters' Shareholding\*

Sl. No.	Particulars	Date wise Increase / Decrease			Cumulative shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Mrs. Paru M. Jaykrishna</b>					
	At the beginning of the year	01/04/2015	-	-	4,632,054	37.74
		21/03/2016	(402,054)	3.27	4,230,000	34.47
		22/03/2016	(770,000)	6.27	3,460,000	28.20
		23/03/2016	(1,530,000)	12.47	1,930,000	15.73
		29/03/2016	(1,530,000)	12.47	4,00,000	3.26
	At the end of the year	31/03/2016	-	-	4,00,000	3.26
2.	<b>Mr. Gokul M. Jaykrishna</b>					
	At the beginning of the year	01/04/2015	-	-	1,505,049	12.27
	At the End of the year	31/03/2016	-	-	1,505,049	12.27

Sl. No.	Particulars	Date wise Increase / Decrease			Cumulative shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of Shares	% of total Shares of the company
3.	<b>Mr. Munjal M. Jaykrishna</b>					
	At the beginning of the year	01/04/2015	-	-	1,505,049	12.27
	At the End of the year	31/03/2016	-	-	1,505,049	12.27
4.	<b>M/s. Intercon Finance Private Limited</b>					
	At the beginning of the year	01/04/2015	-	-	600	0.001
	At the End of the year	31/03/2016	-	-	600	0.001
*5.	<b>Mrugesh Jaykrishna Family Trust – I</b>					
	At the beginning of the year	01/04/2015	-	-	0	0.00
		21/03/2016	402,054	3.27	402,054	3.27
		22/03/2016	770,000	6.27	1,172,054	9.54
		23/03/2016	1,530,000	12.47	2,702,054	22.01
		29/03/2016	1,530,000	12.47	4,232,054	34.48
	At the end of the year	31/03/2016	-	-	4,232,054	34.48

\*Note : Mrugesh Jaykrishna Family Trust -1 is in receipt of the SEBI order dated March 08, 2016 bearing reference no.WTM/PS/184/CFD-DCR/MAR/2016 granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the proposed acquisition of shares of the Target company i.e Asahi Songwon Colors Limited. Accordingly, as on 31 March 2016, Mrs. Paru M. Jaykrishna and Mr. Munjal M. Jaykrishna are in the process of transferring their holding in Equity Shares of the Target Company to Mrugesh Jaykrishna Family Trust -1 (Trust) by way of block deal in a phased manner at a price prevailing on the stock exchange on the date of respective tranche of acquisition. As on 31 March 2016, 400,000 shares owned by Mrs. Paru M. Jaykrishna and out of 15,05,049 shares owned by Munjal M. Jaykrishna; 411,766 shares were under the process of being transferred to the Trust pursuant to the direction of aforesaid SEBI order and the said shares were transferred to the Trust on April 04, 2016 by way of Block deal.

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.15)/ End of the year (31.03.16)	% of total share of the Company				No of shares	% of total shares of the Company
1	DIC Corporation	865,200	7.05	01.04.2015	-	No Change	865,200	7.05
		865,200	7.05	31.03.2016			865,200	7.05
2	Clariant Chemicals India Limited	718,600	5.86	01.04.2015	-	No Change	718,600	5.86
		718,600	5.86	31.03.2016			718,600	5.86
3	Achintya Securities Private Limited	0	0.00	18.12.2015	53	Purchase	53	0.0004
				29.01.2016	47	Purchase	100	0.0008

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.15)/ End of the year (31.03.16)	% of total share of the Company				No. of shares	% of total shares of the Company
				05.02.2016	6,845	Purchase	6,945	0.0566
				12.02.2016	30,028	Purchase	36,973	0.3013
				19.02.2016	36,610	Purchase	73,583	0.5996
				26.02.2016	(7,000)	Sell	66,583	0.5425
				04.03.2016	(7,650)	Sell	58,933	0.4802
				31.03.2016	7,000	Purchase	65,933	0.5373
		65,933	0.5373	31.03.2016			65,933	0.5373
4	Jitendra Natwari Shah	0	0	10.04.2015	57,106	Purchase	57,106	0.4653
		57,106	0.4653	31.03.2016			57,106	0.4653
5.	Amit Jain	50,000	0.4074	01.04.2015			50,000	0.4074
				05.06.2015	5	Purchase	50,005	0.4075
				30.09.2015	(5)	Sale	50,000	0.4074
		50,000	0.4074	31.03.2016			50,000	0.4074
6	Rural Engineering Co. Pvt Ltd	45,000	0.3667	01.04.2015	-	No Change	45,000	0.3667
		45,000	0.3667	31.03.2016			45,000	0.3667
7	Saujyot Consultancy LLP L	43,161	0.3517	01.04.2015	-	No Change	43,161	0.3517
		43,161	0.3517	31.03.2016			43,161	0.3517
8	Prabhudas Lilladhar Pvt Ltd	24,109	0.1965	01.04.2015	-		24,109	0.1965
				10.04.2015	300	Purchase	24,409	0.1989
				17.04.2015	(300)	Sale	24,109	0.1965
				28.08.2015	600	Purchase	24,709	0.2013
				04.09.2015	(600)	Sale	24,109	0.1965
				30.09.2015	100	Purchase	24,209	0.1973
				09.10.2015	(100)	Sale	24,109	0.1965
				16.10.2015	100	Purchase	24,209	0.1973
				23.10.2015	(100)	Sale	24,109	0.1965
				30.10.2015	110	Purchase	24,219	0.1973
				06.11.2015	290	Purchase	24,509	0.1997
				20.11.2015	(400)	Sale	24,109	0.1965
				27.11.2015	200	Purchase	24,309	0.1981
				04.12.2015	(200)	Sale	24,109	0.1965
				18.12.2015	(1,109)	Sale	23,000	0.1874
				31.12.2015	2,097	Purchase	25,097	0.2045
				01.01.2016	50	Purchase	25,147	0.2049
				08.01.2016	450	Purchase	25,597	0.2086
				15.01.2016	(500)	Sale	25,097	0.2045

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.15)/ End of the year (31.03.16)	% of total share of the Company				No. of shares	% of total shares of the Company
				22.01.2016	5,321	Purchase	30,418	0.2479
				29.01.2016	(721)	Sale	29,697	0.2420
				19.02.2016	9,030	Purchase	38,727	0.3156
				26.02.2016	(30)	Sale	38,697	0.3153
		38,697	0.3153	31.03.2016			38,697	0.3153
9	Kalyani P. Jain	0	0.000	01.04.2015	-	-	0	0.0000
				25.12.2015	9,209	Purchase	9,209	0.0750
				15.01.2016	28,378	Purchase	37,587	0.3063
		38,697	0.3063	31.03.2016				
10	Globe Capital Market Ltd	85,852	0.6996	01.04.2015			85,852	0.6996
				10.04.2015	(7,806)	Sale	78,046	0.6360
				17.04.2015	125	Purchase	78,171	0.6370
				24.04.2015	(695)	Sale	77,476	0.6313
				01.05.2015	200	Purchase	77,676	0.6329
				08.05.2015	(1,485)	Sale	76,191	0.6208
				15.05.2015	(142)	Sale	76,049	0.6197
				22.05.2015	(8)	Sale	76,041	0.6196
				26.06.2015	(130)	Sale	75,911	0.6186
				03.07.2015	(200)	Sale	75,711	0.6169
				10.07.2015	200	Purchase	75,911	0.6186
				14.08.2015	27,338	Purchase	1,03,249	0.8413
				21.08.2015	40	Purchase	1,03,289	0.8416
				28.08.2015	(14,458)	Sale	88,831	0.7238
				04.09.2015	(31,500)	Sale	57,331	0.4672
				11.09.2015	(4,015)	Sale	53,316	0.4344
				18.09.2015	(400)	Sale	52,916	0.4312
				30.10.2015	3,010	Purchase	55,926	0.4557
				06.11.2015	(3,010)	Sale	52,916	0.4312
				20.11.2015	(3,500)	Sale	49,416	0.4027
				11.12.2015	(4,695)	Sale	44,721	0.3644
				18.12.2015	1,213	Purchase	45,934	0.3743
				25.12.2015	(8,259)	Sale	37,675	0.3070
				31.12.2015	(8,713)	Sale	28,962	0.2360
				01.01.2016	855	Purchase	29,817	0.2430
				08.01.2016	(650)	Sale	29,167	0.2377
				22.01.2016	7,645	Purchase	36,812	0.3000

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.15)/ End of the year (31.03.16)	% of total share of the Company				No. of shares	% of total shares of the Company
				29.01.2016	(1,300)	Sale	35,512	0.2894
				12.02.2016	(200)	Sale	35,312	0.2877
				19.02.2016	100	Purchase	35,412	0.2886
		35,412	0.2886	31.03.2016				

- The above information is based on weekly downloads of beneficiary position received from Depositories.

#### (v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name	Date wise Increase / Decrease			Cumulative Shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of Shares	% of total Shares of the company
<b>1*</b>	<b>Mrs. Paru M. Jaykrishna</b>					
	At the beginning of the year	01/04/2015	-	-	4,632,054	37.74
		21/03/2016	(402,054)	3.27	4,230,000	34.47
		22/03/2016	(770,000)	6.27	3,460,000	28.20
		23/03/2016	(1,530,000)	12.47	1,930,000	15.73
		29/03/2016	(1,530,000)	12.47	4,00,000	3.26
	At the end of the year	31/03/2016	-	-	4,00,000	3.26
<b>2</b>	<b>Mr. Gokul M. Jaykrishna</b>					
	At the beginning of the year	01/04/2015	-	-	1,505,049	12.27
	At the end of the year	31/03/2016	-	-	1,505,049	12.27
<b>3</b>	<b>Mr. Munjal M. Jaykrishna</b>					
	At the beginning of the year	01/04/2015	-	-	1,505,049	12.27
	At the end of the year	31/03/2016	-	-	1,505,049	12.27
<b>4</b>	<b>Mr. H. K. Khan</b>					
	At the beginning of the year	01/04/2015	-	-	0	0.00
	At the end of the year	31/03/2016	-	-	0	0.00
<b>5</b>	<b>Mr. R. K. Sukhdevsinhji</b>					
	At the beginning of the year	01/04/2015	-	-	0	0.00
	At the end of the year	31/03/2016	-	-	0	0.00
<b>6</b>	<b>Mr. Arvind Goenka</b>					
	At the beginning of the year	01/04/2015	-	-	0	0.00
	At the end of the year	31/03/2016	-	-	0	0.00
<b>7</b>	<b>Mr. Gaurang N. Shah</b>					
	At the beginning of the year	01/04/2015	-	-	0	0.00
	At the end of the year	31/03/2016	-	-	0	0.00

Sl. No.	Name	Date wise Increase / Decrease			Cumulative Shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of Shares	% of total Shares of the company
<b>8</b>	<b>Dr. Pradeep Jha</b>					
	At the beginning of the year	01/04/2015	-	-	0	0.00
	At the end of the year	31/03/2016	-	-	0	0
<b>9</b>	<b>Mr. Chandravadan R. Raval</b>					
	At the beginning of the year- 01.04.2015	01/04/2015	-	-	0	0.00
	At the end of the year-31.03.2016	31/03/2016	-	-	0	0
<b>10</b>	<b>Mr. Saji V. Joseph</b>					
	At the beginning of the year- 01.04.2015	01/04/2015	-	-	0	0.00
	At the end of the year-31.03.2016	31/03/2016	-	-	0	0

Note : Mrugesh Jaykrishna Family Trust -1 is in receipt of the SEBI order dated March 08, 2016 bearing reference no.WTM/PS/184/CFD-DCR/MAR/2016 granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the proposed acquisition of shares of the Target company i.e Asahi Songwon Colors Limited. Accordingly, as on 31 March 2016, Mrs. Paru M. Jaykrishna and Mr. Munjal M. Jaykrishna are in the process of transferring their holding in Equity Shares of the Target Company to Mrugesh Jaykrishna Family Trust -1 (Trust) by way of block deal in a phased manner at a price prevailing on the stock exchange on the date of respective tranche of acquisition. As on 31 March 2016, 400,000 shares owned by Mrs. Paru M. Jaykrishna and out of 15,05,049 shares owned by Munjal M. Jaykrishna; 411,766 shares were under the process of being transferred to the Trust pursuant to the direction of aforesaid SEBI order and the said shares were transferred to the Trust on April 04, 2016 by way of Block deal.

## V. INDEBTNESS:

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

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	471,080,846	-	-	471,080,846
i) Principal Amount	471,080,846	-	-	471,080,846
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	471,080,846	-	-	471,080,846
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Additions	3,636,375,219	-	-	3,636,375,219
Reduction	3,678,874,394	-	-	3,678,874,394
<b>Net Change</b>	(42,499,175)	-	-	(42,499,175)
<b>Indebtedness at the end of the financial year</b>	428,581,671	-	-	428,581,671
i) Principal Amount	428,581,671	-	-	428,581,671
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	428,581,671	-	-	428,581,671

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

(Rs. In Lacs)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna	Mr Munjal M. Jaykrishna	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	72.00	48.00	0	120.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.92	1.08	0	2.00
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00	0.00
	others (specify)	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	<b>72.92</b>	<b>49.08</b>	<b>0</b>	<b>122.00</b>
	Ceiling as per the Act	Rs. 311.96 Lac (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

\*During the year under review, Mr. Munjal M. Jaykrishna has resigned as Joint Managing Director of the Company w.e.f. 09.10.2015, however he is a non-executive director of the Company. He has not received any remuneration from the Company during the year.

### B. Remuneration to other directors:

(Rs. In Lacs)

Sl. No	Particulars of Remuneration	Particulars of Remuneration			Total Amount
		Fees for attending the Board/ Committee Meetings	Commission paid	Other, please specify	
<b>1</b>	<b>Independent Directors</b>				
1.	Mr. H. K. Khan	0.02	0	0	0.02
2.	Mr. R. K. Sukhdevsinhji	0.04	0	0	0.04
3.	Mr. Arvind Goenka	0.03	0	0	0.03
4.	Dr. Pradeep Jha	0.17	0	0	0.17
	Total (I)	0.26	0	0	0.26
II.	Other Non-Executive Director	0.00	0	0	0.00
	Total (II)	0.00	0	0	0.00
	Total Managerial Remuneration (I+II)	0.26	0	0	0.26
	Overall Ceiling as per the Companies Act, 2013	Rs. 343.15 Lac (being 11% of the net profits of the Company as per Section 196 of the Companies Act, 2013)			

\* Mr. Gaurang N. Shah has not accepted any Sitting Fees or Commission.

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. In Lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Saji V. Joseph Company Secretary	Chandravadan R. Raval CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9.04	11.75	20.79
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0.00
	(c) Profits in lieu of salary under the Income Tax Act, 1961	0	0	0.00
2	Stock Option	0	0	0.00
3	Sweat Equity	0	0	0.00
4	Commission	0	0	0.00
	as % of profit	0	0	0.00
	others, specify	0	0	0.00
5	Others, please specify	0	0	0.00
		0	0	0.00
	Total	9.04	11.75	20.79

### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

# ANNEXURE – “F” TO THE DIRECTORS’ REPORT

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

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

To,

The Members,

**Asahi Songwon Colors Limited**

“Asahi House”, 13, Aaryans Corporate Park,  
Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road,  
Thaltej, Ahmedabad – 380 059

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Asahi Songwon Colors Limited (hereinafter called ‘the Company’) for the audit period covering the financial year ended on 31st March, 2016. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; the explanation and clarification given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment and external commercial borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulation, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations;
  - (h) The Securities and Exchange Board of India

(Buyback of Securities) Regulations, 1998;

(vi) I further report that with respect to the compliance of below mentioned laws which are specifically applicable to the Company, I have relied on compliance system prevailing in the Company and based on the representation received from the Company.

1. Indian Boiler Act, 1923 and rules made thereunder.
2. Explosive Act, 1984 and rules made thereunder.
3. Applicable Environmental Laws and rules made thereunder and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
4. Applicable Labour Laws and rules made thereunder.

I have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreement entered into by the Company with Stock Exchange (s) and SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015.

However, it has been found that there were no instances requiring the compliance of the law mentioned at point (c) to (h) of para (v) hereinabove during the year under review.

I report that during the year under audit, the Company has complied with the provisions of the Act, rules, regulations, guidelines etc. as mentioned above.

I further report that based on the information provided by the Company, its officers there exists adequate systems, process and control commensurate with the size and operation of the Company to monitor and ensure compliance of other laws. I have not reviewed the compliance by the company of applicable financial laws like direct and indirect tax laws as the same has been reviewed by the other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

I further report on the basis of information provided that

- (i) the company has, during the year under review given consent through Postal Ballot Notice dated January 25, 2016, inter alia to mortgage/charge company's assets/properties pursuant to Section 180 (1) (a) of the Companies Act, 2013 to secure borrowings of bank (s)/ Financial Institution (s) for an amount upto Rs.500 Crore.
- (ii) during the period under review, the Company was informed by Mrugesh Jaykrishna Family Trust -1 that they are in receipt of SEBI order No. WTM/PS/184/CFD-DCR/MAR/2016 dtd. 8th March, 2016 granting exemption from making an open offer under Regulation 3 of Takeover Regulations for proposed acquisition of 4632054 equity shares of Mrs. Paru M. Jaykrishna and 411766 equity shares of Mr. Munjal M. Jaykrishna (Promoters of the Company) by Mrugesh Jaykrishna Family Trust -1 and accordingly out of 4632054 equity shares owned by Mrs. Paru M. Jaykrishna, 4232054 equity shares in different tranches were transferred pursuant to direction of the said SEBI Order, by way of block deal in a phased manner at a price prevailing on the stock exchange on the date of respective tranche of acquisition to Mrugesh Jaykrishna Family Trust -1 during the period under review whereas as on 31.3.2016, 400000 equity shares owned by Mrs. Paru M. Jaykrishna (Promoter of the Company) and out of 1505049 equity shares owned by Mr. Munjal M. Jaykrishna (Promoter of the Company), 411766 equity, were transferred to Mrugesh Jaykrishna Family Trust -1 on 04/04/2016 by way of Block deal.

Place: Ahmedabad

Date: 22/08/2016

**Bipin L. Makwana,**

*Company Secretary in Practice*

ACS 15650/ C. P. No.5265

## Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2016

To,  
The Members,  
**Asahi Songwon Colors Limited**

My Secretarial Audit Report of even date is to be read along with this letter

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are responsibility of management of the Company. My responsibility is to express an opinion on these Secretarial records and compliance based on my audit.
2. I have followed audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide reasonable basis for my opinion.
3. I have not verified correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place: Ahmedabad  
Date: 22/08/2016

**Bipin L. Makwana,**  
*Company Secretary in Practice*  
ACS 15650/ C. P. No.5265

# ANNEXURE – “G” TO THE DIRECTORS’ REPORT

## Management Discussion and Analysis

### OVERVIEW

Blue is the color of water, ocean, river and sky. Pigment bearing color blue has a difference when it is used in ink, paints plastics, rubber and textiles. Your Company manufactures blue pigments.

Your Company is engaged in the manufacture of Phthalo pigments (one of the largest categories of pigments manufactured in India) comprising of CPC blue crude and a range of blue pigments. The pigment business helps to provide vibrant and safe colors to the world. Almost all industrial sector need pigments with printing ink, paints, plastics, textile all being a growth market for pigment business.

About 40 percent of all phthalocyanine pigments are used in the manufacturing of printing ink while rest finds application in paints, plastics, textiles and paper industries.

Your Company’s principal manufacturing facilities are at Padra near Vadodara in the State of Gujarat, manufacturing CPC Blue Crude and a range of Blue Pigments, with an installed capacity of 11,400 tone per annum.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Chemical industry in India is one of the most diversified sector of all industrial sector, being 5th largest in the world and 2nd largest in Asia after China. The industry accounts of about 10 percent of the output of the Indian manufacturing sector and 13 percent of Indian total exports. Your Company manufacture pigments which an integral part of chemical industry.

Pigment industry can be classified into organic pigments and inorganic pigments, whereas organic pigments consists of high performance pigments, AZO pigments and Phthalocyanines pigments and inorganic pigments consists of iron oxide, titanium dioxide and carbon black.

The Inorganic pigment accounts for the largest market share. With increasing environmental awareness organic pigment is slowly replacing the share of inorganic pigment market. Industrialization and growing infrastructure development in Asia-pacific and developing economies is driving the growth of global pigment market.

The global market of pigments has witnessed a steady growth in the last couple of years, due to increase in growth in the end-user industry like paints, printing inks and packaging. The global market of pigment is estimated to grow at CAGR of 6.8 percent from 2016 to 2022. The market is expected to grow in terms of volume as well as value of the product. (Source: P & S Market Research). Some of the main features that constituting to the growth are increase are rising consumer spending, which is driving the demand for colorants in textiles and plastics, while strong growth in global construction maker is boosting the demand for paints and coating. Demand is also driven by growth in printing ink and papers. With demand for pigments in end-user industries Asia - Pacific continues as dominant market for pigments followed by Europe and US. With rapidly growing manufacturing base, Asia - Pacific region continue to remain one of the fast growing market in future.

### OPPORTUNITIES, THREATS, RISK & CONCERNS

Your Company is one of the leading manufacturing of Phthlo pigment in India. The Company has significant presence in responding to the needs of ink, paint, coating, textiles and plastic application and is a preferred supplier to major MNC’s who are leaders in the industry. With increasing globalization and industrialization there exist opportunities for significant growth in the pigment industry and which will open up newer opportunities for the Company.

In order to leap forward with growing demand for pigment,

the Company has to address the issue of clean and green environment. There has been tightening of pollution control norms in India particularly related to water and industrial waste treatment. The Company has been investing continuously in meeting the relevant statutory and environmental compliances. Safety and environmental standards are periodically reviewed and upgraded. The Company has a state of the art emissions and effluent management system.

The manufacturing inputs are sourced from outside India and major chunk of the revenue of the Company comes from the foreign countries, hence earnings are subject to fluctuation due to exchange rate movements. However, the Company has consistent policy to mitigate the currency variation risks.

The main raw materials used in the manufacture of the pigments are Phthalic Anhydride and Cuprous Chloride are petroleum derivatives and their prices fluctuate along with the global crude prices. The Company has an in-built system of monitoring the inventory and logistics. Further, production process of the Company is vertically integrated, where CPC Blue Crude is the primary raw material for the production of pigment blue. This helps the Company to manage the raw material cost.

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

## OUTLOOK

Whereas, exchange rates, crude oil prices and market trends in the emerging economies continue to caution the year 2016-17, India is expected to 'turn the corner' in the back of structural reforms and better business environment. There was noteworthy reduction in level of inflation, fiscal deficit and current account deficit. The growth momentum is

expected to continue in pigments with global economic condition expected to pick up.

During the year under review, your Company has developed two new environment-friendly products and which the Company plans to commercialize (both Pigment Beta Blue 15: 4 and Alpha Blue) in the market. The Company has plans to de-bottleneck the operating capacity of CPC Blue Crude. However, continued focus will be on environmentally responsible company with improving the operating margins through better productivity, capacity enhancement, overall cost control, customer satisfaction, new product addition, safety management and better working capital management.

## INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate internally system commensurate with the size of its operations. The internal control system comprises of policies and procedure which has been designed to provide a reasonable assurance with regard to maintaining of accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with applicable regulatory laws and for ensuring reliability of financial reporting.

The Company has appointed Independent Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls and suggest improvements.

An Audit Committee headed by a Non-Executive Independent Director reviews audit observations on a periodic basis.

## FINANCIAL PERFORMANCE

During the year under review moderate economy recovery persisted in US & Europe. China's economy is in the midst of structural adjustment, however there is upswing in India and Japan. The global economic downturn has affected the business volume.

(Rs. In Lac)

Particulars	2015-2016	2014-2015
Revenue from Operations	22,392.01	23,953.44
Other Income	363.26	93.18
Total Income	22,755.27	24,046.62
Operating Profit	4,259.16	3,681.01
Finance Costs	449.49	478.18
Depreciation and Amortization Expenses	671.00	606.60
Profit for the year before prior period adjustments, extra ordinary item and tax expenses	3,138.67	2,696.23
Prior Period adjustments (Expenses)/Incomes	-	38.55
Profit for the year before extra ordinary item and tax expenses	3,138.67	2,634.78
Extra Ordinary Item	-	-
Profit for the year before tax expenses	3,138.67	2,634.78
Tax Expenses	1,040.40	865.27
Profit after Tax	2,098.27	1,769.51

## Results of Operations

During the year under review, the Company earned a total income of Rs. 22,755 lac compared to Rs.24,046 lac in the previous year.

The total sales of the Company stood at Rs. 22,392 lac (Previous Year Rs. 23,953 lac) The profit after tax (PAT) increased by 19 % from Rs. 1,770 lac to Rs. 2,098 lac in the previous year.

The financial year 2015-16 embarked upon visible improvement in operating profit margins due to focused cost efficiency measures, price discipline and low commodity prices.

## Exports

During the year under review, the total exports value to Rs. 17,636 lac compared to Rs. 20,533 lac during the previous year. Your Company is trying to locate new export markets for its products and see good potential for growth to the export business.

## HUMAN RESOURCES DEVELOPMENT

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

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

## CAUTIONARY STATEMENT

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

# ANNEXURE – “H” TO THE DIRECTORS’ REPORT

## REPORT ON CORPORATE GOVERNANCE

The Directors present a detail report on Corporate Governance for the financial year ended March 31, 2016 as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 1. Company’s Philosophy on Corporate Governance

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

The Securities Exchange Board of India (“SEBI”) on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”) with an aim to consolidate and streamline the provisions of the Listing Regulations for differed segments of capital markets to ensure better enforceability. The Listing Regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into Uniform Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Uniform Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during the month of December, 2015.

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

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

### 2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Company’s management and supervises the Company’s performance. The Board also provides strategic guidance and independent view to the Company’s senior management which discharging

its fiduciary responsibilities. As at March 31, 2016, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with one women director and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and half of the board of directors is comprised of Independent Directors. The Board meets at least four times a year. In addition to the above, the Board also meets as and when necessary to address specific issued concerning to business of your Company. During the financial year 2015-16, the time gap between two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Chairperson and Managing Director and Joint Managing Director of the Company looks after the day – to – day business affairs of the Company, the Board of Directors reviews the overall business operations at least once in quarter based on updates on the Company’s performance provided by the Chairperson and Managing Director/Joint Managing Director.

### 2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2016, the total strength of the Board of Directors of the Company was eight (8) members including two executive directors and six non executive directors and five of them are independent directors. There are two directors in whole time employment being the Managing Directors of the Company.

Mr. Munjal M. Jaykrishna is the Non-Executive – Non Independent director of the Company.

#### Independent Directors

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

The independent directors on the Board are senior, competent and highly respected persons from their respective fields. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than five committees across all companies in which they are directors. The necessary disclosures regarding compliance have been made by the directors.

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

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013.

As at March 31, 2016, the composition of the Board of Directors of the Company was as follows

No.	Name of the Director	Promoter/ Non-Promoter	Category
1.	Mrs. Paru M. Jaykrishna	Promoter	Executive Chairperson and Managing Director
2.	Mr. Gokul M. Jaykrishna		Executive Joint Managing Director
3.*	Mr. Munjal M. Jaykrishna		Non-Executive Director
4.	Mr. H.K. Khan	Non-Promoter	Independent Director
5.	Mr. R. K. Sukhdevsinhji		Independent Director
6.	Mr. Arvind Goenka		Independent Director
7.	Mr. Gaurang N. Shah		Independent Director
8.	Dr. Pradeep Jha		Independent Director

\* On 09.10.2015 Mr. Munjal M. Jaykrishna resigned as Joint Managing Director of the Company, however he remains a non-executive director of the Company.

## 2.2 Details of Attendance of each director at the meeting of Board of Directors and the last Annual General Meeting

Sr. No.	Date of Board Meeting	Place	Number of Directors Present
1.	19.05.2015	Ahmedabad	4
2.	12.08.2015	Ahmedabad	7
3.	09.10.2015	Ahmedabad	5
4.	29.10.2015	Ahmedabad	4
5.	25.01.2016	Ahmedabad	4
6.	14.03.2016	Ahmedabad	8

## 2.3 Details of Number of other Board of Directors or Committees in which a Director is a Member or Chairperson

Name of the Director	No. of Outside Directorship Held		No. of Outside Committee Positions Held		Attendance in AGM 30.09.2015
	Public	Private	Public	Private	
Mrs. Paru M. Jaykrishna	1	5	2	-	No
Mr. H.K. Khan	1	1	2	-	No
Mr. R. K. Sukhdevsinhji	1	1	-	-	No
Mr. Arvind Goenka	3	1	3	-	No
Mr. Gaurang N. Shah	2	3	-	-	Yes
Dr. Pradeep Jha	1	-	3	-	Yes
Mr. Gokul M. Jaykrishna	2	4	-	-	Yes
Mr. Munjal M. Jaykrishna	1	7	-	-	No

## 2.4 Number of Meetings of the Board of Directors held and dates on which held:

During the financial year 2015-16, Six (6) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/ Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

### Board Procedures

The dates for meetings of the Board of Directors and its Committees are scheduled in advance and published as a part of the Annual Report. The Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards.

The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulations. Regular updates provided to the Board, inter alia, include:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions or business segments;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material defaults in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;

- Any significant labour problem involving human resource management;
- Sale of a material nature, or of investments, subsidiaries and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer; and
- Any other information which is relevant for decision making by the Board.

## 2.5 Disclosure of relationships between Directors inter-sec:

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company is the mother of Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company and Mr. Munjal M. Jaykrishna, Non Executive Director of the Company. Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna are brothers. Other than Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna, none of the directors are related to any other directors.

## 2.6 Reappointment of Director liable to retire by rotation

Mr. Munjal M. Jaykrishna shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible is considered for reappointment. His brief resume is annexed to the notice of the Annual General Meeting.

## 2.7 Reappointment of Whole time Directors

The term of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company expired on July 31, 2016. The Board of Directors at their meeting held on July 29, 2016 has reappointment her as Chairperson and Managing Director for further period of 5 years with effect from August 1, 2016 subject to approval of shareholders and accordingly a special resolution is included in the Notice of Annual General Meeting.

The term of Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company expired on July 31, 2016. The Board of Directors at their meeting held on July 29, 2016 has reappointment him as Joint Managing Director for

further period of 5 years with effect from August 1, 2016 subject to approval of shareholders and accordingly ordinary resolution is included in the Notice of Annual General Meeting. A brief resume of the Whole-time Directors proposed to be reappointed is included in the Notice of the Annual General Meeting.

### 2.8 Familiarisation Programme:

Your Company has put in place a well structured induction and familiarisation programme for all its directors including independent directors of the Company. They are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plants, Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

### 2.9 Evaluation of Board

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2015-16.

### 2.10 Code of Conduct

The Board has formulated Code of Conduct for all Board members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board member and senior level employees for the financial year 2015-16. Annual Declaration by the Chairperson and Managing Director to this effect is annexed at the end of this report.

### 2.11 Separate Meeting of Independent Directors

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years. Their appointment was approved by the shareholders of your Company at their Annual General Meeting held on August 25, 2014. During the reporting financial year, a separate Meeting of the Independent Directors of the Company was held on March 14, 2016, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) to review of performance of Non-Independent Directors and the Board as a whole;
- b) to review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- c) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 3. RELATED PARTY DISCLOSURE

Transactions with related parties are disclosed in the notes to Accounts in the Annual Report all transaction with related parties are at arms' length.

The Register of Contracts containing the transactions, in which director are interested, is placed before the Board regularly. All Related Party Transactions are entered in to by the Company only after the prior approval of the Audit Committee and Board of Directors.

In terms of the Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The policy is placed on the Company's website.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on Management Discussion and Analysis report is annexed to the Directors Report and forms part of this Annual Report.

## 5. DISCLOSURE OF ACCOUNTING TREATMENT

The Company follows the Accounting Standards in preparation of its financial statements.

## 6. SUBSIDIARIES

The Company does not have any subsidiary companies.

## 7. COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board as a part of good corporate governance practice. The Board supervises these committees and minutes of the all the committees are placed before the board for review. Currently there are Four (4) committees of the Board.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility (CSR) Committee

### 7.1. Audit Committee

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, General Manager Accounts and CFO & Company Secretary, Vice President – Finance, Statutory Auditor and Internal Auditor to attend the meetings of the Committee.

The Audit Committee meets the Statutory Auditors and the Internal Auditor independently without the management at least once in a year.

#### A. Brief description of terms of reference:

The terms of reference of the Audit Committee are as per

the governing provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II). The brief of terms of reference of the Audit Committee is as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report.
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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Considering such other matters the Board may specify;
21. Reviewing other areas that may be brought under the preview of role of Audit Committee as specified in Securities Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### B. Composition, Name of Members and Chairman

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

The following are members of Audit Committee:

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

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

#### C. Secretary

The Company Secretary act as secretary to the committee.

#### D. Meeting and Attendance during the year

No.	Name of Members	Attendance in Audit Committee Meetings held on				
		19.05.2015	12.08.2015	29.10.2015	25.01.2016	14.03.2016
1.	Mr. Guarang N. Shah	√	√	√	√	√
2.	Mr. R. K. Sukhdevsinhji	x	√	x	x	√
3.	Dr. Pradeep Jha	√	√	√	√	√

## 7.2. Nomination and Remuneration Committee

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

### A. Brief description of terms of reference:

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Wholtime Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Director and the Board of Directors;
3. Devising a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
6. To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
7. Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and

8. Undertake any other matters as the Board may decide from time to time.

### B. Composition, Name of Members and Chairman

The Nomination and Remuneration Committee comprises of three (3) Non-Executive Independent Directors:

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

Mr. Guarang N. Shah, Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting (AGM).

### C. Secretary

The Company Secretary acts as secretary to the committee.

### D. Meeting and Attendance during the year

Name of the Committee Member	No. of Meeting (s)	
	Held	Attended
Mr. Guarang N. Shah	3	3
Mr. H. K. Khan	3	1
Dr. Pradeep Jha	3	3

### E. Remuneration policy, details of remuneration and other terms of appointment of directors

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a period basis.

### G. Details of remuneration paid to Executive Directors

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company and Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company are the Executive Directors on the Board. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to them within the ceiling fixed by the shareholders as per the Resolution passed at the General Meeting.

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

Whole – Time Director	Business relationship with the Company	Remuneration during the year 2015-16 (inclusive of P. F. Contribution, Perquisites and Commission) (Rs. in Lac)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	81.56
Mr. Gokul M. Jaykrishna	Joint Managing Director	54.84
Total		136.40

### 1. Service Contract, Severance Fees and Notice Period:

The appointment of the Managing Director and whole time directors are governed by Articles of Association of the Company and the resolution passed by Board of Directors and the members of the Company. These covers and terms and condition of such appointment. No separate service contract is entered into by the Company with Managing Directors. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors.

### 2. Stock Option details, if any

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

### Non Executive Directors

Non-Executive Directors were paid sitting fees for attending the Board Meeting and Committee Meetings, except to Mr. Guarang N. Shah who has voluntarily consented not to avail any benefits including sitting fees from the Company. Mr. Munjal M. Jaykrishna resigned as Joint Managing Director of the Company with effect from 09/10/2015 and now Non Executive Director – Non Independent Director. He has not received any remuneration during the year under review.

### Shareholding of Non-Executive Directors

None of the Non-Executives of the Company are holding any shares in the Company, except Mr. Munjal M. Jaykrishna, Non Executive – Non Independent Director who holds 1,505,049 as on March 31, 2016.

### 7.3. Stakeholders Relationship Committee

The constitution and terms of reference of Stakeholder Relationship Committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

The terms of reference and other details of the committee are as follows:

#### A. Terms of Reference

The Committee approves the matters relating to:

1. Oversee and review all matters connected with the transfer of the Company's securities;
2. Monitor redressal of investors' / shareholders' / security holders' grievances;
3. Oversee the performance of the Company's Registrar and Transfer Agents;

4. Recommend methods to upgrade the standard of services to investors;
5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

#### B. Composition of the Committee

The Committee comprises of following directors:

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

#### C. Secretary

The Company Secretary acts as secretary to the committee.

#### D. Meeting and Quorum

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

#### E. Attendance of the Stakeholders Relationship Committee

The details of meeting held of Stakeholders Relationship Committee:

Name of the Committee Member	No. of Meeting (s)	
	Held	Attended
Mr. Gaurang N. Shah	2	2
Mrs. Paru M. Jaykrishna	2	2
Dr. Pradeep Jha	2	2

#### F. Details of Shareholders Complaints

Number of complaints received and resolved to the satisfaction of Stakeholders Relationship Committee during the year under review is below:

Number of complaints received	29
Number of complaints solved	28
Number of pending complaints	01

There were no share transfers pending for registration for more than 30 days as on the said date.

#### G. Compliance Officer

Mr. Saji V. Joseph, Company Secretary and Compliance Officer is entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the Stakeholder's Relationship Committee.

#### 7.4. Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility Committee as required under section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

##### A. Terms of Reference

The Committee looks into the matters relating to:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on CSR activities;
3. To monitor the implementation of framework of CSR policy; and
4. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may applicable or as may be necessary or appropriate for performance of its duties.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company.

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

##### B. Composition of the Committee

The Committee comprises of following directors:

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

##### C. Secretary

The Company Secretary acts as secretary to the committee.

##### D. Attendance of the Corporate Social Responsibility (CSR) Committee

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

Name of the Committee Member	No. of Meeting (s)	
	Held	Attended
Mrs. Paru M. Jaykrishna	4	4
Mr. Gaurang N. Shah	4	4
Dr. Pradeep Jha	4	4

## 8. MANAGEMENT

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

## 9. CEO/CFO CERTIFICATION

A certificate from Managing Directors of the Company on the financial reporting and internal controls was placed before the Board in terms of SEBI Listing Regulations, 2015 is annexed and forms part of this Report..

## 10. PREVENTION OF INSIDER TRADING

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

## 11. ANNUAL GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2012-13	At the Registered Office at 167-168, Village Indard, Kadi - Kalol Road, Mehsana, Gujarat.	September 27, 2013	11.30 a.m
2013-14	At the Registered Office at 167-168, Village Indard, Kadi - Kalol Road, Mehsana, Gujarat.	September 26, 2014	11.30 a.m
2014-15	At the Registered Office at 167-168, Village Indard, Kadi - Kalol Road, Mehsana, Gujarat.	September 30, 2015	4.00 p.m

### 11.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2015-16.

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

At the 24th Annual General Meeting held on September 26, 2014:

- Resolution in respect of revision in terms of appointment of Mrs. Paru M. Jaykrishna (DIN No. 00671721), the Chairperson and Managing Director.
- Resolution in respect of revision in terms of appointment of Mr. Gokul M. Jaykrishna (DIN No. 00671652), the Joint Managing Director.
- Resolution in respect of revision in terms of appointment of Mr. Munjal M. Jaykrishna (DIN No. 0067693), the Joint Managing Director.
- Resolution in respect of borrowing powers of the Board

of Directors of the Company under section 180 (1) (c) of the Companies Act, 2013 up to Rs. 500 crores .

- Resolution in respect of authority to charge/mortgage assets of the Company both present and future.
- Resolution in respect to adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.
- Resolution in respect of Maintenance of Register of Members and other statutory registers at a place other than the registered office of the Company.

### 11.4 Resolution passed with requisite majority in last year through Postal Ballot

During the year under review, the Company has received approval of the members through Postal Ballot process on March 28, 2016 for Resolution No. 1 to 4 listed in the below Table - I and the details of voting pattern is provided Table - II.

Table – I: Details of Resolution passed:

Resolution No	Details of Resolution	Relevant provisions of the Companies Act, 2013
1.	Shifting of Registered Office of the Company from Indrad Village, Taluka: Kalol, Dist: Mehsana to Ahmedabad City.	12 and 110
2.	To Authorize the Board of Directors of the Company to secure the borrowings.	180 (1) (a)
3.	To give loans or to give guarantee or to provide securities in connection with loan made to any other body corporate or person or to make investment.	186
4.	Private placement of non-convertible debenture and/or other debt securities.	42 and 71

Table – II: Details of voting pattern of resolution passed:

Resolution No	Invalid votes	Ballot/E-	Particulars	Number of votes cast		
				Physical	E-voting	Total
1.	0.00		Favour	4,732	7,653,153	7,657,885
			Against	0	0	0
			<b>Total</b>	<b>4,732</b>	<b>7,653,153</b>	<b>7,657,885</b>
2.	0.00		Favour	4,732	7,652,293	7,657,025
			Against	0	860	860
			<b>Total</b>	<b>4,732</b>	<b>7,653,153</b>	<b>7,657,885</b>
3.	0.00		Favour	4,732	7,649,954	7,654,686
			Against	0	3,867	3,867
			<b>Total</b>	<b>4,732</b>	<b>7,653,821</b>	<b>7,658,553</b>
4.	0.00		Favour	4,732	7,652,503	7,657,235
			Against	0	550	550
			<b>Total</b>	<b>4,732</b>	<b>7,653,053</b>	<b>7,657,785</b>

### 11.5 Person who conducted the postal ballot exercise

Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) was appointed as the Scrutinizer for conducting the Postal Ballot process.

### 11.6 Procedure for Postal Ballot

After receiving approval of the Board of Director, notice of the Postal Ballot, text of Resolution and Explanatory Statement and other relevant documents, Postal Ballot Form and self-addressed postage paid envelopes are sent to the shareholders to enable them consider and vote for or against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all shareholders whose e-mail ids are available with the depositories. After the last day for receipt of ballots (physical/e-voting) the Scrutinizer, after due verification submits results to the Chairperson. Thereafter, the Chairperson declares the result of the Postal Ballot. The same is displayed on the Company's website and Notice Board and submitted to the Stock Exchanges. .

### 11.7 Special Resolution proposed to be conducted through postal ballot

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at the ensuring Annual General Meeting.

## 12. MEANS OF COMMUNICATION

- i. Financial Results: The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year. They are normally published in widely circulating national and local dailies such as "Business Standard" in English and 'Jaihind' Gujarati. The shareholding pattern, financial results, corporate governance report other announcements are also filed electronically on BSE Ltd and NSE Electronic Application Processing System (NEAPS).
- ii. Website, where displayed  
The Annual Report of the Company as well as the quarterly/ half yearly and annual results are posted on the website of the Company at [www.asahisongwon.com](http://www.asahisongwon.com) and can be downloaded by the shareholders.
- iii. The Company's website contains separate dedicated section for investors, where shareholder information is available.
- iv. Press release made by the Company from time to time are also displayed on the Company's website.
- v. The Company intimates to the Stock Exchanges all the price sensitive matter which in its opinion are material and of relevance to the shareholders.
- vi. Corporate presentations made to institution investors or to analyst are posted on the Company's website.

## 13. GENERAL SHAREHOLDER'S INFORMATION

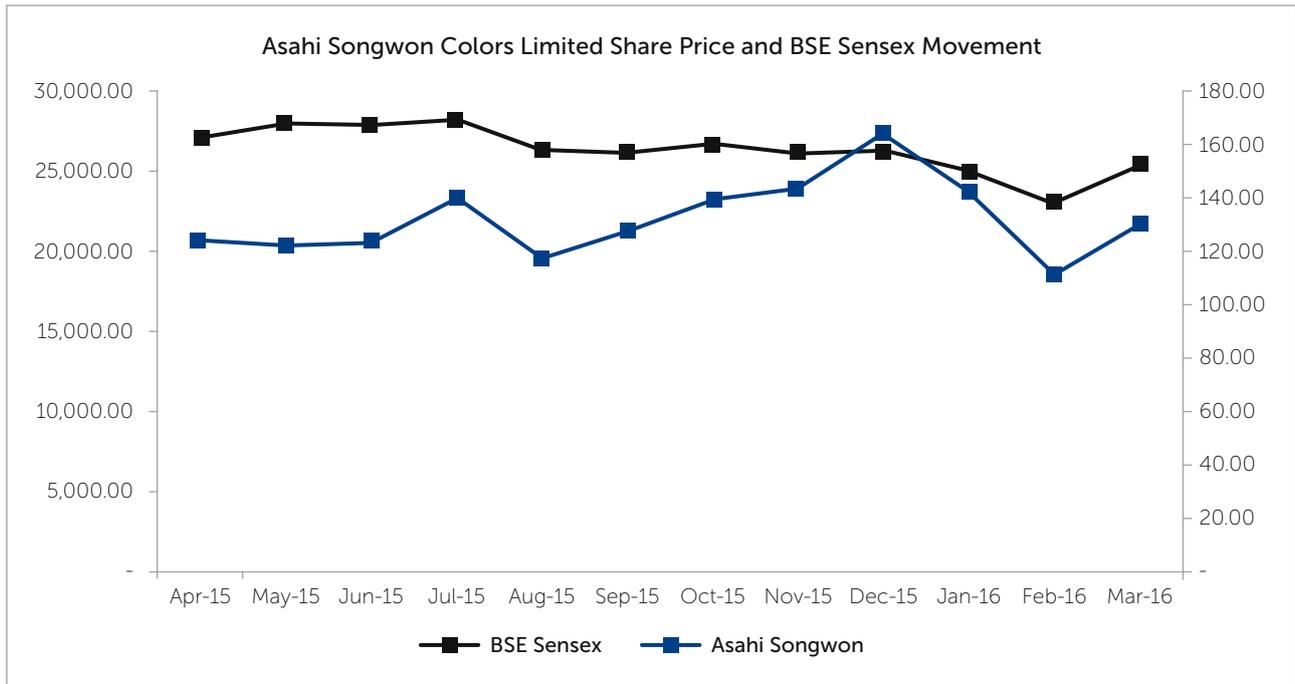
1.	Annual General Meeting													
	Day, Date, Time & Venue	Monday, September 26, 2016 at 11.00 A.M. at the Registered Office of the Company at "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej - Shilaj Road, Thaltej, Ahmedabad - 380 059												
2.	Tentative Financial Year Calendar	<table border="1"> <tr> <td>Financial Year</td> <td>April 1, 2016 to March 31, 2017</td> </tr> <tr> <td>Annual General Meeting</td> <td>August/ September, 2017</td> </tr> <tr> <td>First Quarter Results</td> <td>On or before August 14, 2016</td> </tr> <tr> <td>Half Yearly Results</td> <td>On or before November 14, 2016</td> </tr> <tr> <td>Third Quarter Results</td> <td>On or before February 14, 2017</td> </tr> <tr> <td>Audited Results for the year 2016-17</td> <td>On or before May 29, 2017</td> </tr> </table>	Financial Year	April 1, 2016 to March 31, 2017	Annual General Meeting	August/ September, 2017	First Quarter Results	On or before August 14, 2016	Half Yearly Results	On or before November 14, 2016	Third Quarter Results	On or before February 14, 2017	Audited Results for the year 2016-17	On or before May 29, 2017
Financial Year	April 1, 2016 to March 31, 2017													
Annual General Meeting	August/ September, 2017													
First Quarter Results	On or before August 14, 2016													
Half Yearly Results	On or before November 14, 2016													
Third Quarter Results	On or before February 14, 2017													
Audited Results for the year 2016-17	On or before May 29, 2017													
3.	Date of Book Closure	Closure of Register of Members and Share Transfer Books: September 21, 2016 to September 26, 2016 (both days inclusive).												
4.	Dividend payment date	Interim dividend paid on March 14, 2016 is proposed as final dividend and no additional dividend is recommended. Unclaimed Dividends Pursuant to provision Section 125A of Companies Act, 2013, the Company has transferred the unpaid or unclaimed final dividend for the financial year 2007-2008 on due date to the Investor Education and Protection Fund administered by the Central Government.												

5.	Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s)	The Equity Shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).  <b>Name and Address of Stock Exchange</b> <b>BSE Limited</b> Floor 25, P. J. Towers Dalal Street, Fort Mumbai - 400 001 <b>National Stock Exchange of India Ltd</b> Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra – Kurla Complex Bandra (East) Mumbai – 400 051 The Annual Listing Fees for the Financial Year 2016-17 have been paid to the above stock exchange within the stipulated time.
6.	Stock Code/Symbol BSE NSE	532853 ASAHISONG
7.	Corporate identification Number (CIN) of the Company	The Company's CIN, allotted to the by the Ministry of Corporate Affairs, Government of India is L24222GJ1990PLC014789.
8.	International Securities Identification Number (ISIN)	The Company's scrip form part of Securities Exchange Board of India (SEBI) compulsory demat segment bearing ISIN No. INE228I01012
9.	Market Price Data –high, low during each month in last financial year	The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2015-16 on BSE Limited and National Stock Exchange of India Limited are given below:

Months	BSE Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	Volume (No of Shares)	High (Rs.)	Low (Rs.)	Volume (No of Shares)
April, 2015	156.00	114.50	306,126	156.15	112.15	78,669
May, 2015	140.00	116.00	67,247	140.00	114.00	188,364
June, 2015	133.00	113.00	79,338	133.88	111.45	123,687
July, 2015	150.00	123.90	176,316	152.00	120.60	268,310
August, 2015	145.90	108.00	155,554	146.00	107.60	199,125
September, 2015	131.90	112.00	55,911	130.00	109.00	88,005
October, 2015	151.00	124.00	134,190	150.00	123.00	171,077
November, 2015	144.00	131.50	73,941	144.00	131.10	108,624
December, 2015	169.80	131.60	469,250	169.40	130.50	1,083,206
January, 2016	177.90	130.00	210,493	178.70	129.00	417,934
February, 2016	146.40	108.50	52,085	146.50	108.55	140,830
March, 2016	136.40	113.40	4,281,390	137.50	112.00	101,175

#### Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2015-16

The chart below provides the relative movement of the closing price of the Company's share and the BSE Sensex. The period covered is April 1, 2015 to March 31, 2016. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



**10. In case the securities are suspended from trading the Directors Report shall explain the reason thereof :** Not Applicable

### 11. Registrar and Transfer Agent

**Link Intime India Private Limited**

**UNIT : ASAHI SONGWON COLORS LIMITED**

#### Mumbai Office

C-133, Pannalal Silk Mills Compound

Kantilal Maganlal Ind. Estate

L. B. S. Marg, Bhandup (West)

Mumbai – 400 078.

Tel : 022-25960320-28

Fax : 022-25960329

#### Ahmedabad Branch Office

303, Shoppers Plaza V

Opp. Municipal Market

Off. C. G. Road, Navrangpura

Ahmedabad - 380009.

Tel : 079-26465179.

### 12. Share Transfer System

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialised form. The Registrar and Transfer Agent deal with Share Transfer both in Physical and dematerialised Mode. The Demat

shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Transfer Agent.

Pursuant to Regulation 39 of SEBI Regulations, 2015 Share transfer requests received in physical form are registered and certificate delivered within 30 days from the date of receipt, subject to documents being valid and complete in all respect and Demat requests are normally confirmed within an average of 10 days from the date of receipt.

In compliance of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/her.

### 13. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report mentions that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL, as depositories.

## 14. Distribution of shareholding

The distribution of shareholding as on March 31, 2016 is as under:

### a. Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	4,656	84.00	650,535	5.30
501 - 1000	433	7.81	355,886	2.90
1001 - 2000	222	4.01	340,334	2.77
2001 - 3000	76	1.37	188,531	1.54
3001 - 4000	27	0.49	95,302	0.78
4001 - 5000	21	0.38	97,812	0.80
5001 - 10000	60	1.08	416,249	3.39
10001 and above	48	0.86	10,127,613	82.52
<b>TOTAL</b>	<b>5,543</b>	<b>100.00</b>	<b>12,272,262</b>	<b>100.00</b>

### b. Shareholding Pattern as on March 31, 2016 (Categorywise)

Sr. No.	Category	No of Shares	% of Shareholding
<b>A.</b>	<b>Promoters</b>		
1.	Indian Promoters		
	Individuals	3,410,098	27.79
	Bodies Corporate	600	0.001
	Family Trust	4,232,054	34.48
2.	Foreign Promoters	-	-
	<b>Total Promoters Holding</b>	<b>7,642,752</b>	<b>62.28</b>
<b>B.</b>	<b>Non Promoters</b>		
1.	Institutional Investors		
a.	Mutual Funds	-	-
b.	Banks, Financial Institutions, Insurance Companies	-	-
c.	Foreign Institution Investors	-	-
2.	Others		
a.	Bodies Corporate	1,064,240	8.67
b.	Indian Public	2,290,633	18.66
c.	NRIs/OCBs	946,525	7.71
d.	HUF	144,341	1.18
d.	Clearing Members	183,771	1.50
	<b>Sub Total</b>	<b>4,629,510</b>	<b>37.72</b>
	<b>Grand Total</b>	<b>12,272,262</b>	<b>100.00</b>

### List of Shareholders other than Promoters holding more than 1% as on March 31, 2016

Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	865,200	7.05
2.	Clariant Chemicals India Limited	718,600	5.86
	<b>Total</b>	<b>1,583,800</b>	<b>12.91</b>

<b>15. Dematerialization of Shares and Liquidity</b>	The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE228I01012. Nearly 92.93% of total listed Equity Shares have been dematerialised as on March 31, 2016. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE and NSE.
--	---

#### Details of Dematerialised Shares as at March 31, 2016

Particulars	As on March 31, 2016		As on March 31, 2015	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	5,295,026	43.14	9,428,634	76.83
CDSL	6,109,937	49.79	1,976,329	16.10
Shares in Physical Form	867,299	7.07	867,299	7.07
<b>Total</b>	<b>12,272,262</b>	<b>100.00</b>	<b>12,272,262</b>	<b>100.00</b>

#### 16. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity

There are no Global Depository Receipts or American Depository Receipts or Warrants outstanding as on March 31, 2016.

#### 17. Plant Locations:

Pigment Blue Plant  
429-432, Village : Dhudwad, ECP Channel Road, Padra  
Vadodara, Gujarat – 391 450.

#### 18. Address for correspondence with the Company

The Company Secretary  
Asahi Songwon Colors Limited  
"Asahi House"  
13, Aaryans Corporate Park  
Nr. Shilaj Railway Crossing  
Thaltej – Shilaj Road, Thaltej  
Ahmedabad – 380 059, Gujarat  
Tel : (079) 39825000  
Fax: (079) 39825100  
www.asahisongwon.com  
CIN : L24222GJ1990PLC014789  
Email: cs@asahisongwon.com

#### Address for correspondence with the Registrar and Transfer Agent

Link Intime India Private Limited  
303, Shoppers Plaza V  
Opp. Municipal Market  
Off. C. G. Road, Navrangpura  
Ahmedabad - 380009  
Tel : (079) 26465179

Fax : (079) 26465179

Email: ahmedabad@linkintime.co.in

#### 19. Other Disclosures

##### a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company

During the financial year 2015-16, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board has approved a policy on related party transaction. The Registrar of Contracts/ Statement of related party transactions is placed before the Board / Audit Committee regularly. Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 37 to the Financial Statements in the Annual Report and they are not in conflict with the interest of the Company at large.

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

A Statement of Compliance with all Laws and Regulations as certified by the Joint Managing Director and Company Secretary is placed at periodic intervals for review by the Board.

There were no instances of non-compliance, penalty or strictures imposed on the Company by the Stock Exchange or Securities Exchange Board of India (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years.

##### c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has

#### **been denied access to the Audit Committee**

The Company has established a Whistle Blower policy and has established necessary mechanism to enable directors and employees to report concerns about ethical behaviour, actual or suspected fraud or violation of the Companies code of conduct. The policy offer appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel are denied the opportunity to meet the Audit Committee members of the Company. A copy of the Whistle Blower Policy is also available on the website of the Company.

The ombudsman had not received any complaint during the financial year ended March 31, 2016.

#### **d. Details of compliance with mandatory requirements and adoption of the non mandatory requirements**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

#### **e. Web link where policy for determining 'material' subsidiaries is disclosed**

The policy for determining 'material' subsidiaries is available on the website of the Company in the 'Corporate Governance' section and can be accessed at [www.asahisongwon.com](http://www.asahisongwon.com).

#### **f. Web link where policy on dealing with related party transactions is disclosed**

The policy on dealing with related party transactions is available on the website of the Company in the 'Corporate Governance' section and can be accessed at [www.asahisongwon.com](http://www.asahisongwon.com).

### **20. Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.**

1. The Company has an Executive Chairperson.
2. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
3. The Company's financial statements for the financial

year 2015-16 do not contain any audit qualification.

4. The internal auditors report to the Audit Committee.

### **21. Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management**

The Company has obtained affirmation from Chairperson and Managing Director that all the Members of the Board and Senior Management personnel that they have complied with the Code of Conduct for Board Members and Senior Management Personnel for the year ended on March 31, 2016.

### **22. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance**

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed with the Directors' Report and forms an integral part of the Annual Report.

### **23. Disclosures with respect to demat suspense account/unclaimed suspense account**

The disclosure as required under schedule V of the Listing Regulations is given below:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : Nil
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : Nil
- (c) Number of shareholders to whom shares were transferred from suspense account during the year : Nil
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : Nil
- (e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares : NA

Place: Ahmedabad

Date: August 22, 2016

For and on behalf of the Board of Directors

**Mrs. Paru M. Jaykrishna**

*Chairperson and Managing Director*

DIN No. 00671721

# CERTIFICATE

We, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director and Chandravadan R. Raval, General Manager (Accounts) & CFO of Asahi Songwon Colors Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal

- control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
    - i. that there have been no significant changes in internal control over financial reporting during the year;
    - ii. that there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
    - iii. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place :Ahmedabad  
Date: August 22, 2016

**Chandravadan R. Raval**  
*General Manager (Accounts) & CFO*

**Mrs. Paru M. Jaykrishna**  
*Chairperson & Managing Director*  
DIN No. 00671721

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Asahi Songwon Colors Limited**

We have examined the compliance of the conditions of Corporate Governance by Asahi Songwon Colors Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the said Company with the stock exchanges in India for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provision of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, ('Listing Regulation') as referred to in Regulation 15(2) of the Listing Regulation for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for

ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause and applicable Regulations. It is neither an audit nor an expression of the 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 Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement/ Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Trushit Chokshi and Associates**

*Chartered Accountants*

Firm Registration No : 111072W

Place : Ahmedabad  
Date : August 22, 2016

**Trushit Chokshi**  
*Partner*

Membership No. : 040847

# Financial Section

# Independent Auditor's Report

To the Members of  
Asahi Songwon Colors Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Asahi Songwon Colors Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best our information and according to the explanations given to us:
  - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
  - (b) The Company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
  - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016

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

**Trushit Chokshi**  
*Partner*

Place: Ahmedabad  
Date: August 22, 2016

Membership No. : 040847

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### Annexure "A" to the Independent Auditors' Report of even date on the Financial Statements of Asahi Songwon Colors Limited

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) According to the information and explanation given to us, the inventories have been physically verified by the management during the year. In our opinion, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause (iii)(a) and (iii)(b) of paragraph of the Order are not applicable to the Company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules frames there under.
- (vi) According to the information and explanation provided for the provisions of clause 3(vi) of the Order are not applicable to the Company as the Company is not covered by the Company (Cost Records and Audit) Rules, 2014. The Company does maintain cost records in accounting system as per financial data, however the detailed examination has not been made to determine whether they are sufficient accurate or correct.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at March 31, 2016, there are no such undisputed dues payable for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at March 31, 2016 which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount of Demand net of Deposits	Year to Which Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	554,841	2001-2002	The said Demand is outstanding because of non disposal of the application filed u/s 154
Income Tax Act, 1961	Income Tax	1,344,550	2002-2003	Income Tax Appellate Tribunal Ahmedabad
Income Tax Act, 1961	Income Tax	2,755,672	2004-2005	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	151,555	2006-2007	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	16,470	2010-2011	Income Tax Appellate Tribunal Ahmedabad
Income Tax Act, 1961	Income Tax	272,520	2011-2012	Income Tax Appellate Tribunal Ahmedabad
Income Tax Act, 1961	Income Tax	62,300	2013-2014	Commissioner of Income Tax (Appeal)

viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or due to debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year has been utilized by the Company for the purpose for which the same has been taken.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the books of account, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Trushit Chokshi**  
Partner

Place: Ahmedabad  
Date: August 22, 2016

Membership No. : 040847

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### Annexure "B" Report on the Internal Financial Control clause (i) of subsection 3 of section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of Asahi Songwon Colors Limited ("the Company") as at March 31, 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

**Trushit Chokshi**  
*Partner*

Place:Ahmedabad  
Date: August 22, 2016

Membership No. : 040847

## Balance Sheet as at March 31, 2016

(Amount in ₹)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	122,722,620	122,722,620
(b) Reserves and surplus	3	1,237,353,737	1,057,068,127
		<b>1,360,076,357</b>	<b>1,179,790,747</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	4	48,282,789	34,488,023
(b) Deferred tax liabilities (Net)	5	173,823,657	161,756,457
(c) Long-term Provisions	6	7,757,291	6,981,222
		<b>229,863,737</b>	<b>203,225,702</b>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	7	378,300,855	392,661,632
(b) Trade payables	8		
Outstanding dues of Micro Enterprises and Small Enterprises		9,863,333	5,282,707
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		178,390,091	210,148,197
(c) Other current liabilities	9	33,439,330	70,631,106
(d) Short-term provisions	6	10,151,998	61,165,243
		<b>610,145,607</b>	<b>739,888,885</b>
<b>TOTAL</b>		<b>2,200,085,701</b>	<b>2,122,905,334</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		931,565,637	944,657,298
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		57,521,790	8,128,775
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	257,226,509	178,532,613
(c) Long-term loans and advances	12	13,058,246	12,593,116
(d) Other non-current assets	13	-	310,079
		<b>1,259,372,182</b>	<b>1,144,221,881</b>
<b>2. Current assets</b>			
(a) Inventories	14	193,497,315	288,421,633
(b) Trade receivables	15	510,061,578	426,941,044
(c) Cash and cash equivalents	16	26,315,971	27,040,833
(d) Short-term loans and advances	17	207,947,231	234,534,201
(e) Other current assets	18	2,891,424	1,745,742
		<b>940,713,519</b>	<b>978,683,453</b>
<b>TOTAL</b>		<b>2,200,085,701</b>	<b>2,122,905,334</b>

Significant Accounting Policies 1  
The accompanying notes are an integral part of financial statements 2 to 42

As per our Report of even date attached.

For and on behalf of the Board of Directors

**For Trushit Chokshi & Associates**

Chartered Accountants  
Firm Registration No. 111072W

**Trushit Chokshi**

Partner  
Membership No. 040847

**Chandravadan R. Raval**

General Manager (Accounts) & CFO

**Saji V. Joseph**

Company Secretary

**Mrs. Paru M. Jaykrishna**

Chairperson & Managing Director  
(DIN No.00671721)

**Gokul M. Jaykrishna**

Joint Managing Director  
(DIN No.00671652)

Place : Ahmedabad

Date : 22/08/2016

## Statement of Profit & Loss for the year ended March 31, 2016

(Amount in ₹)

Particulars	Note	Year ended March 31, 2016	Year ended March 31, 2015
<b>I. Revenue from operations</b>	19	2,239,200,985	2,395,343,688
<b>II. Other income</b>	20	36,326,258	9,317,609
<b>III. Total Revenue</b>		<b>2,275,527,243</b>	<b>2,404,661,297</b>
<b>IV. Expenses:</b>			
Cost of Materials consumed	21	1,148,186,225	1,447,700,057
Purchases of Stock-in-Trade	22	850,000	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	65,678,678	(66,081,812)
Employee benefits expense	24	81,516,050	81,951,482
Finance costs	25	44,948,745	47,818,101
Depreciation and amortization expense	26	67,100,181	60,659,812
Other Expenses	27	553,380,830	572,991,348
<b>Total expenses</b>		<b>1,961,660,709</b>	<b>2,145,038,988</b>
<b>V. Profit before prior period items, extraordinary items and tax expenses</b>		313,866,534	259,622,309
Prior period adjustments (Expenses) / Income		-	3,855,000
<b>VI. Profit before extraordinary items and tax expenses</b>		313,866,534	263,477,309
Extraordinary items		-	-
<b>VII. Profit before tax expenses</b>		313,866,534	263,477,309
<b>VIII. Tax expense:</b>			
Current tax		91,972,400	80,609,578
Deferred tax		12,067,200	5,917,060
<b>IX. Profit for the Year</b>		<b>209,826,934</b>	<b>176,950,671</b>
<b>X. Earnings per equity share: (face value of Rs. 10/- per share)</b>	28		
Basic		17.10	14.42
Diluted		17.10	14.42

Significant Accounting Policies 1

The accompanying notes are an integral part of financial statements 2 to 42

As per our Report of even date attached.

**For Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

**Trushit Chokshi**

Partner

Membership No. 040847

**Chandravadan R. Raval**

General Manager (Accounts) & CFO

**Saji V. Joseph**

Company Secretary

For and on behalf of the Board of Directors

**Mrs. Paru M. Jaykrishna**

Chairperson & Managing Director

(DIN No.00671721)

**Gokul M. Jaykrishna**

Joint Managing Director

(DIN No.00671652)

Place : Ahmedabad

Date : 22/08/2016

# Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

Particulars		Year ended March 31, 2016		Year ended March 31, 2015
<b>A. Cash Flow from Operating Activities</b>				
Profit Before Tax		313,866,534		263,477,309
Adjustments for				
Depreciation and Amortisation Expenses	67,100,181		60,659,812	
Finance Cost	44,948,745		47,818,101	
Loss on sales of Tangible Assets	239,471		-	
Amount spent and utilized on CSR Activities	1,000,000		-	
Miscellaneous Expenditure written off	310,079		1,318,050	
Interest Received	(3,706,415)		(3,373,187)	
Profit / loss from sale of Current Investment	(25,723,102)		2,644,730	
Dividend Income	(2,383,612)	81,785,347	(1,294,280)	107,773,226
<b>Operating Profit Before Working Capital Changes</b>		<b>395,651,881</b>		<b>371,250,535</b>
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade & Other receivables	(83,120,534)		117,239,821	
(Increase)/Decrease Inventories	94,924,318		(70,444,401)	
Increase/ (Decrease) Trade & other payables	(22,094,418)		(45,745,433)	
Amount spent and utilized on CSR Activities (Refer note - 3 below)	(1,000,000)		-	
Changes in Loans and Advances	462,829	(10,827,805)	(60,620,393)	(59,570,406)
<b>Cash Generated from Operating Activities</b>		<b>384,824,076</b>		<b>311,680,129</b>
Direct taxes paid	(67,459,070)		(61,655,310)	
		(67,459,070)		(61,655,310)
<b>Net Cash from Operating Activities</b>		<b>317,365,006</b>		<b>250,024,819</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Tangible Assets	(103,741,007)		(67,915,628)	
Proceeds from sale of Tangible Assets	100,000		-	
Purchase of Current Investments	(336,357,493)		(103,851,291)	
Sale of Current Investments	283,386,698		81,956,736	
Margin money deposit (placed) / matured	-		(2,500,000)	
Interest and Other Income	6,090,027		4,667,467	
		(150,521,775)		(87,642,716)
<b>Net Cash (used in) Investing Activities</b>		<b>(150,521,775)</b>		<b>(87,642,716)</b>

# Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long term borrowings	31,587,086	30,604,479
(Repayment) of Long term borrowings	(58,689,186)	(69,183,170)
Availment/(Repayment) Short term borrowings	(14,360,777)	(41,884,693)
Payment of Dividend (including Dividend Distribution Tax)	(81,082,298)	(30,905,450)
Unclaimed dividend paid	(74,173)	-
Interest Paid	(44,948,745)	(167,568,093)
		(47,818,101)
		(159,186,935)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(167,568,093)</b>	<b>(159,186,935)</b>
Net increase / (decrease) in cash and cash equivalents	(724,862)	3,195,168
Cash and cash equivalent at the beginning of the year	8,840,833	7,404,450
Less: Transferred pursuant to scheme of arrangement (Refer note No. 41)	-	1,758,785
	8,840,833	5,645,665
Cash and cash equivalent at the end of the year	<b>8,115,971</b>	<b>8,840,833</b>
<b>Notes to Cash Flow Statement:</b>		
1. Reconciliation of cash and cash equivalent with the Balance Sheet		
Cash and cash equivalent as per balance Sheet: (refer Note - 16)	26,315,971	27,040,833
Less: Margin money not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statement	18,200,000	18,200,000
	8,115,971	8,840,833
2. Components of cash and cash equivalents:		
Cash on hand	892,690	727,224
In current accounts	2,169,403	3,144,011
In unpaid dividend accounts	677,917	593,637
In deposit accounts	4,375,961	4,375,961
	8,115,971	8,840,833
3. Amount spent and utilized on CSR Activities:		
Contribution to various Trust, NGOs, Societies and Agencies	1,000,000	-
Expenditure on Administrative Overheads for CSR	-	-
	1,000,000	-

- Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Accounting Standard-3 on Cash Flow Statement as Accounting Standard specified under section 133 of the Companies Act , 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

As per our Report of even date attached.

For and on behalf of the Board of Directors

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

**Chandravadan R. Raval**  
General Manager (Accounts) & CFO

**Mrs. Paru M. Jaykrishna**  
Chairperson & Managing Director  
(DIN No.00671721)

**Trushit Chokshi**  
Partner  
Membership No. 040847

**Saji V. Joseph**  
Company Secretary

**Gokul M. Jaykrishna**  
Joint Managing Director  
(DIN No.00671652)

Place : Ahmedabad  
Date : 22/08/2016

# Notes forming Part of Financial Statements

## Corporate Information

Asahi Songwon Colors Limited ("The Company") is a public limited company incorporated in India under the Companies Act, 1956. The Company is engaged in the business of manufacturing and export of color pigments. The company's equity shares are listed at BSE Limited and National Stock Exchange of India Ltd.

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Disclosure of Accounting Policies

#### a. Basic Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities Exchange Board of India (SEBI). The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of Financial Statements are consistent with those followed in the previous year.

#### b. Use of Estimates

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

#### c. Current and non-current classification

All assets and liabilities are classified as current and non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of the activities, the Company has determined its operating cycle as 12 Months for the purpose current and non-current classification of assets and liabilities.

### 1.2 Valuation of Inventories

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

### 1.3 Cash Flow Statements

Cash Flow Statement are reported using the "Indirect method" The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and Cash Equivalents for the purpose of cash flow comprises of Cash at Bank, Cash in Hand, Demand Deposits with Banks and other Short Term Highly Liquid Investments / Deposits with an original maturity of three months or less and Current and other accounts held with Banks.

## Notes forming Part of Financial Statements

### 1.4 Contingencies and Event Occurring after the Balance Sheet Date

- a. Disclosure of contingencies as required by the accounting standards are furnished to the Notes on Financial Statements.
- b. Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.
- c. Dividends, which are proposed/declared by the Company after the Balance Sheet date but before the approval of the financial statements are adjusted.

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

Items of Income and Expenditure pertaining to prior period as well as extra ordinary items, where material, are disclosed separately.

### 1.6 Depreciation

- a. Depreciation on tangible and intangible assets has been provided on Straight Line bases, over the useful lives of the assets as prescribed in Schedule - II of the Companies Act, 2013.
- b. Depreciation on additions / deductions in respect of fixed assets are charged on pro-rata from / up to date in which asset is available for use.
- c. Depreciation in respect of Individual asset costing less than Rs. 5000/- full depreciation has been provided in the year of addition.
- d. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realizable values.

### 1.7 Revenue Recognition

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

### 1.8 Accounting of Tangible and Intangible Assets

- a. Fixed assets are stated at cost of acquisition or construction / erection, less accumulated depreciation / amortization. Cost of acquisition or construction is inclusive of purchase price, freight, and other incidental expenses related to acquisition and installation and exclusive of VAT, Excise Duty etc. credit availed as per prevailing rules thereof and any directly attributable cost of bringing the asset to its working condition for the intended use. Interest incurred during the period of erection of Tangible Assets on Borrowing Finance for such fixed assets is capitalized.

## Notes forming Part of Financial Statements

- b. Tangible Assets which are not ready for their intended use on reporting date are carried as capital work-in progress at cost, comprising direct cost and other incidental expenses. Depreciation is not provided on such work-in-progress.
- c. Assets are capitalized when they are ready to use / put to use.

### 1.9 The Effects of Changes in Foreign Exchange Rates

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

### 1.10 Accounting for Government Grants

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

### 1.11 Accounting for Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Long-term Investments.

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

### 1.12 Employee Benefits

#### a. Defined Contribution Plan

The contribution remitted to Government administered Provident and Pension Fund and Employee State Insurance Scheme on behalf of its employees in accordance with the relevant statute are charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

#### b. Defined Benefit Plan

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

### 1.13 Borrowing Costs

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

### 1.14 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks, returns, internal organisation and management structure. The company has considered business segments as the primary segment for disclosure and has only one reportable business segment "Pigments"

### 1.15 Related Party Disclosures

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

## Notes forming Part of Financial Statements

### 1.16 Accounting for Leases

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

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

### 1.17 Earning Per Share

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

### 1.18 Accounting for Taxes on Income

Tax expenses comprises of current tax and deferred tax

- a. Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period.
- b. Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.
- c. MAT credit entitlements are treated as advance payment of tax.

### 1.19 Discontinuing Operations

The Company has not discontinued any operations during the year.

### 1.20 Intangible Assets

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

### 1.21 Impairment of Assets

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

### 1.22 Provisions, Contingent Liabilities and Contingent Assets

- a. The provisions are recognized and measured by using a substantial degree of estimation.
- b. Contingent Liabilities  
Disputed liabilities and claims against the Company including claims raised by the authorities (e.g. Commercial Tax, Value Added Tax, Income Tax, Excise etc.) pending in appeal / Court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in Notes forming part of Financial Statements.
- c. Contingent Assets are neither accounted nor disclosed by way of Notes to financial statements.

### 1.23 Accounting of Derivative Financial Instruments

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

### 1.24 Expenses for Corporate Social Responsibility

In case of Corporate Social Responsibility "CSR" activities undertaken by the Company, if any expenditure of the revenue nature is incurred on any of the activities mentioned in Schedule VII of the Companies Act, 2013, the same is charged to Statement of Profit and Loss. In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognized where the company retains the control of the asset and any future economic benefit occurs to it. A liability incurred by entering into a contractual obligation is recognized to the extent to which CSR activity is completed during the year.

## Notes forming Part of Financial Statements

### 2. SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Authorised Shares		
16,500,000 (Previous Year 16,500,000) Equity Shares of Rs. 10 each	165,000,000	165,000,000
b. Issued, Subscribed and Fully Paid up Shares		
12,272,262 (Previous Year 12,272,262) Equity Shares of Rs. 10 each	122,722,620	122,722,620
<b>TOTAL</b>	<b>122,722,620</b>	<b>122,722,620</b>

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
At the beginning of the period	12,272,262	122,722,620	12,272,262	122,722,620
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the period	<b>12,272,262</b>	<b>122,722,620</b>	<b>12,272,262</b>	<b>122,722,620</b>

#### d. Terms / rights attached to Equity Shares

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

Particulars	As at March 31, 2016	As at March 31, 2015
e. Shares held by holding / ultimate holding company / or their subsidiaries / associates	-	-

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

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No of Equity Shares	% of holding in the class	No of Equity Shares	% of holding in the class
Mrs. Paru M. Jaykrishna	400,000	3.26	4,632,054	37.74
Mr. Gokul M. Jaykrishna	1,505,049	12.27	1,505,049	12.27
Mr. Munjal M. Jaykrishna	1,505,049	12.27	1,505,049	12.27
Mrugesh Jaykrishna Family Trust - 1	4,232,054	34.48	-	-
DIC Corporation	865,200	7.05	865,200	7.05
Clariant Chemical (India) Ltd	718,600	5.86	718,600	5.86
<b>Total</b>	<b>9,225,952</b>	<b>75.19</b>	<b>9,225,952</b>	<b>75.19</b>

- g. 1. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: NIL
2. Aggregate number and class of shares allotted as fully paid by way of Bonus Shares : NIL
3. Aggregate number and class of shares bought back: NIL

## Notes forming Part of Financial Statements

### 3. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<b>a. Securities Premium Account</b>		
Balance as per last financial statement	150,716,700	394,952,913
Transferred pursuant to scheme of arrangement	-	244,236,213
<b>Closing Balance</b>	<b>150,716,700</b>	<b>150,716,700</b>
<b>b. General Reserve</b>		
Balance as per last financial statement	233,699,588	218,699,588
Add: Transfer from the Statement of Profit & Loss	15,000,000	15,000,000
<b>Closing Balance</b>	<b>248,699,588</b>	<b>233,699,588</b>
<b>c. Surplus in Statement of Profit and Loss</b>		
Balance as per last financial statement	672,651,839	562,242,142
Add: Profit for the year	209,826,934	176,950,671
Less : Appropriations		
Transfer to General Reserves	15,000,000	15,000,000
Final Dividend Rs. Nil (Previous year Rs. 3.50) per Equity Share	-	42,952,917
Interim Dividend Rs. 2.00 ( Previous year Nil ) per Equity Share	24,544,524	-
Tax on Dividend ( Including Tax on Interim Dividend paid )	4,996,800	8,588,057
Net surplus in the Statement of Profit and Loss	<b>837,937,449</b>	<b>672,651,839</b>
<b>Total Reserves and surplus</b>	<b>1,237,353,737</b>	<b>1,057,068,127</b>

### 4. LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current portion		Current maturities	
	As at	As at	As at	As at
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Secured Loans</b>				
<b>a. Term Loans</b>				
Indian Rupees Loan				
From State Bank of India	48,077,315	33,693,223	17,506,029	58,461,436
<b>b. Other Loans and Advances</b>				
Vehicle Loan	205,474	794,800	589,326	530,786
<b>Amount disclosed under the head Other Current Liabilities (see Note: 9b)</b>	-	-	<b>(18,095,355)</b>	(58,992,222)
<b>Total</b>	<b>48,282,789</b>	<b>34,488,023</b>	<b>-</b>	<b>-</b>

#### I.a Indian Rupee Term loan from Banks(Other than Vehicle Loans) are secured by:

##### i Primary Security:

State Bank of India Term Loan: First charge in favour of State Bank of India By way of Hypothecation of Fixed Assets acquired for the upgradation of Plants at Plot No. 429-432, ECP Channel Road, Padra, Vadodara ( admeasuring 9751 Sq Mtrs each except Block No. 432 admeasuring 9632 Sq Mtrs, aggregating to 38885 Sq Mtrs.)

State Bank of India Corporate Term Loan: First charge in favour of State Bank of India By way of Hypothecation and Equitable Mortgage of Plant and Machinery / Fixed Assets created out of Corpotate Loan.

##### ii Collateral Security:

State Bank of India Term Loan and Corporate Term Loan: Second charge in favour of State Bank of India, on all chargable current assets of the Company, both present and future.

## Notes forming Part of Financial Statements

### 4. LONG TERM BORROWINGS (Contd.)

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

I.c Term of Repayment.

- i Rupee Term loan from State Bank of India amounting to Rs.7,506,029/- (Previous Year Rs. 63,164,430/-) Repayable in one quarterly Installment only.
- ii Corporate Term loan from State Bank of India amounting to Rs.58,077,415/- (Previous Year Rs.28,990,229/-) Repayable in 7 quarterly Installments of Rs. 2,500,000/- and 7 quarterly installments of Rs. 5,000,000/- and balance installment for Rs. 5,577,415/- ( Previous year Corporate Term loan sanctioned for Rs. 60,000,000/- was not fully disbursed as on March 31, 2015 )
- iii Vehicle loans are repayable in equal monthly installment over the terms of 16 installments
- iv There was no default in repayment of loan or interest.

### 5. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Deferred Tax Liabilities	180,021,703	167,400,663
b. Deferred Tax Assets	6,198,046	5,644,206
Liabilities (Net)	<b>173,823,657</b>	<b>161,756,457</b>

### 6. PROVISIONS

(Amount in ₹)

Particulars	Long Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>a. Provisions for employees benefits</b>				
Provision for Gratuity	7,757,291	6,981,222	10,151,998	9,624,269
(a)	<b>7,757,291</b>	<b>6,981,222</b>	<b>10,151,998</b>	<b>9,624,269</b>
<b>b. Other Provisions</b>				
Proposed Dividend	-	-	-	42,952,917
Tax on Dividend	-	-	-	8,588,057
(b)	-	-	-	<b>51,540,974</b>
(a)+(b)	<b>7,757,291</b>	<b>6,981,222</b>	<b>10,151,998</b>	<b>61,165,243</b>

### 7. SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans *		
Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	378,300,855	338,817,004
Buyers credit arrangement	-	53,844,628
<b>Total</b>	<b>378,300,855</b>	<b>392,661,632</b>

## Notes forming Part of Financial Statements

### 7. SHORT TERM BORROWINGS (Contd.)

The working capital limits from bank are secured by:

**i Primary Security:**

First charge in favour of State Bank of India by way of hypothecation over entire present and future current assets of Company.

**ii Collateral Security:**

First charge in favour of State Bank of India on the entire Fixed Assets of the Company ( Excluding Vehicles Purchased) of which includes:

- Equitable mortgage and / or hypothecation charge on entire Fixed Assets ( Land, Building, Plant and Machinery) both present and future of the Company situated at Block No. 429 to 432 ECP Channel Road, Village Dudhwada, Taluka Padra, District Vadodara, Gujarat.

- Hypothecation of Wind Mill with all it's accessories purchased out of Bank Finance located at 308 / P Moti Sindholi, Kutch, Gujarat.

- Lien of TDR worth of Rs. 0.25 Crore.

### 8. TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payable		
Outstanding dues of Micro Enterprises and Small Enterprises	9,863,333	5,282,707
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	178,390,091	210,148,197
<b>Total</b>	<b>188,253,424</b>	<b>215,430,904</b>

### 9. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Unpaid Dividends #</b>	677,917	593,636
<b>b. Current maturities of long term borrowings (See note: 4)</b>	18,095,355	58,992,222
<b>c. Other payables</b>		
Advances from customers	8,133	45,473
Statutory liabilities	2,527,287	3,531,904
Payable for fixed assets	6,610,211	2,544,042
Other Current liabilities and payables	5,520,427	4,923,829
<b>Total</b>	<b>33,439,330</b>	<b>70,631,106</b>

# The Company has transferred Rs. 74,173/- to the Investors Education and Protection Fund (IEPF), and there is no amount due and outstanding to be transferred to the IEPF as on March 31, 2016. Unpaid dividend if any shall be transferred to IEPF as and when they become due.

## Notes forming Part of Financial Statements

### 10. FIXED ASSETS

(Amount in ₹)

Sr. No.	Particulars Nature of Assets	Gross Block			Depreciation and amortization expenses			Net Block				
		As at 01-04-2015	Additions	Transferred pursuant to scheme of arrange- ment*	Disposals / Capitalized	As at 31-03-2016	As at 01-04-2015	Depreciation for the year	Transferred pursuant to scheme of arrange- ment*	On disposals	As at 31-03-2016	As at 31-03-2015
<b>A</b>	<b>Tangible Assets</b>											
1	Freehold Land	39,200,966	1,749,585	-	-	40,950,551	-	-	-	-	40,950,551	39,200,966
2	Buildings	115,428,999	2,710,400	-	-	118,139,399	25,165,604	5,285,837	-	30,451,441	87,687,958	90,263,395
3	Plant & Machinery	1,076,025,801	48,796,107	-	8,217,610	1,116,604,298	279,078,299	58,371,554	3,568,903	333,880,950	782,723,348	796,947,502
4	Furniture and Fixtures	7,053,237	1,073,001	-	-	8,126,238	1,538,773	779,587	-	2,318,360	5,807,878	5,514,464
5	Office equipments	2,731,382	1,308,068	-	-	4,039,450	1,177,501	935,844	-	2,113,345	1,926,105	1,553,881
6	Vehicles	12,563,190	3,359,537	-	419,609	15,503,118	1,386,100	1,727,359	80,138	3,033,321	12,469,797	11,177,090
	<b>Total (A)</b>	<b>1,253,003,575</b>	<b>58,996,698</b>	<b>-</b>	<b>8,637,219</b>	<b>1,303,363,054</b>	<b>308,346,277</b>	<b>67,100,181</b>	<b>-</b>	<b>3,649,041</b>	<b>931,565,637</b>	<b>944,657,298</b>
	Previous Year	1,562,715,467	124,616,848	434,328,740	-	1,253,003,575	338,080,462	60,659,812	90,393,997	308,346,277	944,657,298	1,224,635,005
<b>B</b>	<b>Intangible Assets</b>											
	<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
<b>C</b>	<b>Capital Work in Progress</b>	8,128,775	85,201,146	-	39,758,393	53,571,528	-	-	-	-	53,571,528	8,128,775
	Pre Operative Expenses	-	2,545,262	-	-	2,545,262	-	-	-	-	2,545,262	-
	Obsolate Assets	-	1,405,000	-	-	1,405,000	-	-	-	-	1,405,000	-
	<b>Total (C)</b>	<b>8,128,775</b>	<b>89,151,408</b>	<b>-</b>	<b>39,758,393</b>	<b>57,521,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,521,790</b>	<b>8,128,775</b>
	Previous Year	69,880,852	42,727,039	5,050,857	99,428,259	8,128,775	-	-	-	-	8,128,775	69,880,852
<b>D</b>	<b>Intangible Assets Under Development</b>											
	Software under development	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Previous Year	2,126,180	-	2,126,180	-	-	-	-	-	-	-	2,126,180
	<b>Grand -Total</b>	<b>1,261,132,350</b>	<b>148,148,106</b>	<b>-</b>	<b>48,395,612</b>	<b>1,360,884,844</b>	<b>308,346,277</b>	<b>67,100,181</b>	<b>-</b>	<b>3,649,041</b>	<b>989,087,427</b>	<b>952,786,073</b>

\* Pursuant to scheme of arrangement approved by Hon'ble High Court of Gujarat in the nature of demerger of CPC Green Division of the Company to AksharChem (India) Limited, all the total Block of assets and depreciation of CPC Green Division of the Company has been transferred to AksharChem (India) Limited on the appointed date i.e. April 01, 2014.

## Notes forming Part of Financial Statements

### 11. NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Non Current Investment in Equity Instruments</b>		
<b>Non Trade Quoted (Valued At Cost)</b>		
Nil (Previous Year 100,000) Equity Shares of Rs. 2/- each of Bodal Chemicals Ltd	-	3,976,704
Nil (Previous Year 4,000) Equity Shares of Rs. 1/- each of Asian Paints Ltd.	-	2,467,862
20,000 (Previous Year 7,000) Equity Shares of Rs. 2/- each of HDFC Bank Ltd.	20,090,587	5,906,591
Nil (Previous Year 70,000) Equity Shares of Rs. 10/- each of IDFC Ltd.	-	10,589,010
Nil (Previous Year 5,000) Equity Shares of Rs. 2/- each of Kaveri Seed Company Ltd.	-	3,777,248
Nil (Previous Year 20,180) Equity Shares of Rs. 1/- each of Patel Engineering Ltd.	-	2,576,486
Nil (Previous Year 10,000) Equity Shares of Rs. 1/- each of Pidilite Industries Ltd.	-	3,797,001
Nil (Previous Year 60,000) Equity Shares of Rs. 1/- each of Sonata Software Ltd.	-	5,227,057
1,10,000 (Previous Year 65,000) Equity Shares of Rs. 10/- each of Sun Pharma Advance Research Company Ltd.	29,360,313	14,587,700
10,000 (Previous Year 17,500) Equity Shares of Rs. 10/- each of Eclerx Services Ltd.#	5,013,721	12,297,142
Nil (Previous Year 5,000) Equity Shares of Rs. 10/- each of Shriram Transport Finance Company Ltd.	-	2,729,906
20,000 (Previous Year 10,155) Equity Shares of Rs. 2/- each of Housing Development Finance Ltd.	21,118,442	8,374,170
30,000 (Previous Year 20,000) Equity Shares of Rs. 10/- each of IRB Infrastructure Developers Ltd	6,564,048	4,610,133
20,000 (Previous Year 10,000) Equity Shares of Rs. 2/- each of Gruh Finance Ltd.	4,703,759	2,488,491
1,30,000(Previous Year 21,500) Equity Shares of Rs. 10/- each of Dewan Housing Finance Corporation Ltd. #	24,228,750	10,026,188
100,000(Previous Year 100,000) Equity Shares of Rs. 2/- each of Suzlon Energy Ltd	2,599,924	2,599,924
15,000 (Previous Year NIL) Equity Shares of Rs. 2/- each of Crompton Greaves Ltd	1,134,081	-
15,000 (Previous Year NIL) Equity Shares of Rs. 2/- each of Crompton Greaves Consumer Electricals Ltd	1,134,080	-
10,000(Previous Year NIL) Equity Shares of Rs. 10/- each of SKS Micro Finance Ltd	3,884,545	-
1,60,000 (Previous Year NIL) Equity Shares of Rs. 10/- each of Development Credit Bank	12,866,235	-
10,000 (Previous Year NIL) Equity Shares of Rs. 1/- each of Colgate Palmolive	8,067,590	-
30,000(Previous Year NIL) Equity Shares of Rs. 1/- each of Cadila Healthcare Limited	9,339,870	-
20,000 (Previous Year NIL) Equity Shares of Rs. 10/- each of Arvind Mills Ltd	5,580,518	-
7,000(Previous Year NIL) Equity Shares of Rs. 1/- each of Sun Pharmaceuticals Ltd	5,322,743	-
	<b>161,009,206</b>	<b>96,031,613</b>
<b>Non Current Investment in Mutual Funds</b>		
4,390.684 (Previous year NIL)Units of DSP Black Rock Mutual Funds Collection	8,716,303	-
	8,716,303	-
<b>Total of Quoted Investments</b>	<b>169,725,509</b>	<b>96,031,613</b>

## Notes forming Part of Financial Statements

### 11. NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Non Trade Unquoted Equity instruments (Valued At Cost)</b>		
100 (Previous Year 100) Equity Shares of Rs. 10/- each of Akshar Silica Pvt Ltd	1,000	1,000
3,425 (Previous Year Nil) Shares of Rs. 10/- each of Swadesh Essfil Pvt. Ltd. @ premium of Rs. 573.94 per share	2,000,000	-
<b>Total of Unquoted Equity Instruments</b>	<b>2,001,000</b>	<b>1,000</b>
<b>Non Trade Unquoted Debentures and Preference Shares (Valued at Cost)</b>		
30,000 (Previous Year Nil) CCD of Rs. 100/- each of Smart Institut Pvt Ltd	3,000,000	-
8,25,000(Previous Year 8,25,000) Redeemable Preference Shares of Akshar Silica Pvt Ltd of Rs. 100/- each	82,500,000	82,500,000
<b>Total of Unquoted Instruments</b>	<b>87,501,000</b>	<b>82,501,000</b>
<b>Total Non Trade Investments</b>	<b>257,226,509</b>	<b>178,532,613</b>
<b>Aggregate amount of quoted investments</b>	<b>169,725,509</b>	<b>96,031,613</b>
<b>Market Value of quoted investments</b>	<b>183,632,032</b>	<b>147,397,430</b>
<b>Aggregate amount of unquoted investments</b>	<b>87,501,000</b>	<b>82,501,000</b>

# Note: Non traded quoted non current investments include 3,666 Equity Bonus Share of Eclerx Services Ltd, 21,500 Equity Bonus Share of Dewan Housing Finance Corporation.

### 12. LONG TERM LOANS AND ADVANCES (unsecured, considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Security Deposits	12,558,246	12,093,116
b. Advance Against Expenses	500,000	500,000
<b>Total</b>	<b>13,058,246</b>	<b>12,593,116</b>

### 13. OTHER NON CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Miscellaneous Expenditure ( to the extent not written off )	-	310,079
	-	<b>310,079</b>

### 14. INVENTORIES (Valued at lower of cost or net realized value )

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Raw materials	70,704,262	72,071,236
b. Raw materials - in Transit	3,723,266	20,874,012
c. Work in progress	12,110,437	9,896,514
d. Finished goods	95,226,891	163,119,492
e. Stores and spares	10,872,372	18,169,064
f. Fuel & Oil	860,087	4,291,315
<b>Total</b>	<b>193,497,315</b>	<b>288,421,633</b>

## Notes forming Part of Financial Statements

### 15. TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Trade receivable outstanding for a period less than six months from the date they are due for payment unsecured, considered good.	494,972,953	418,602,489
b. Trade receivable outstanding for a period more than six months from the date they are due for payment unsecured, considered good.	15,088,625	8,338,555
<b>Total</b>	<b>510,061,578</b>	<b>426,941,044</b>

### 16. CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a. Cash and Cash Equivalents:</b>		
Balance with Banks in Current accounts	2,169,403	3,144,011
Deposits	4,375,961	4,375,961
Cash on hand	892,690	727,224
<b>b. Other Bank Balances</b>		
Unpaid Dividend accounts	677,917	593,637
Term Deposits with Bank as Margin Money against Letters of Credit and Guarantees with		
- Maturity within 3 months	2,500,000	2,500,000
- Maturity within 12 months	15,700,000	15,700,000
- Maturity over 12 months	-	-
<b>Total</b>	<b>26,315,971</b>	<b>27,040,833</b>

### 17. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Loans and advances to Employees	430,552	269,459
b. Advances to Capital Goods Suppliers	1,399,788	12,146,645
c. Prepaid expenses	3,601,740	7,164,836
d. Balance with government authorities		
i) CENVAT credit receivables	41,197,647	37,422,123
ii) VAT - CST credit receivables	43,228,599	63,040,737
iii) Export Incentive Receivable	48,440,174	16,837,056
iv) Advance payment of tax (Net of Provisions)	53,804,873	78,318,202
e. Others - Advance to suppliers	15,843,858	13,335,143
f. Inter Corporate Deposits	-	6,000,000
<b>Total</b>	<b>207,947,231</b>	<b>234,534,201</b>

### 18. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits	2,891,424	1,745,742
<b>Total</b>	<b>2,891,424</b>	<b>1,745,742</b>

## Notes forming Part of Financial Statements

### 19. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Sale of Products</b>		
a. Export Sales	1,763,643,868	2,053,349,826
b. Domestic Sales	457,623,056	321,602,729
Less : Excise Duty	46,501,670	40,387,357
Net Domestic Sales	411,121,386	281,215,372
<b>Total Sale of Products</b>	<b>2,174,765,254</b>	<b>2,334,565,198</b>
c. Other operating revenues (Refer 1 below)	64,435,731	60,778,490
<b>Total</b>	<b>2,239,200,985</b>	<b>2,395,343,688</b>
1 Other Operating revenues		
Export incentives	34,076,304	21,775,966
Exchange Rate difference related to export sales	30,359,427	39,002,524
<b>Total - Other Operating revenues</b>	<b>64,435,731</b>	<b>60,778,490</b>

### 20. OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a. Interest from Deposits	3,706,415	3,373,187
b. Dividend Income on long term investments	2,383,612	1,294,280
c. Gain on Investment in Shares Long Term	24,596,423	272,714
d. Gain on Investment in Shares Short term	1,126,679	-
e. Others	4,513,129	4,377,428
<b>Total</b>	<b>36,326,258</b>	<b>9,317,609</b>

### 21. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>a. Raw Materials</b>		
Opening Stock	61,306,486	65,504,672
Add : Purchases	1,133,944,901	1,418,888,358
	1,195,251,387	1,484,393,030
Less : Closing Stock	70,676,992	61,306,486
<b>Cost of Raw Material Consumed</b>	<b>1,124,574,395</b>	<b>1,423,086,544</b>
<b>b. Packing Material</b>		
Opening Stock	3,199,444	4,492,421
Add : Purchases	23,020,351	23,320,536
	26,219,795	27,812,957
Less : Closing Stock	2,607,965	3,199,444
Cost of Packing Material Consumed	23,611,830	24,613,513
<b>Cost of Total material consumed</b>	<b>1,148,186,225</b>	<b>1,447,700,057</b>

## Notes forming Part of Financial Statements

### 22. PURCHASE OF STOCK-IN-TRADE

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Pigments	850,000	-
<b>Total</b>	<b>850,000</b>	<b>-</b>

### 23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a. Inventories at the end of the year		
Finished goods	95,226,891	163,119,492
Work-in-progress	12,110,437	9,896,514
<b>Total</b>	<b>107,337,328</b>	<b>173,016,006</b>
b. Inventories at the beginning of the year		
Finished goods	163,119,492	96,856,880
Work-in-progress	9,896,514	10,077,314
<b>Total</b>	<b>173,016,006</b>	<b>106,934,194</b>
<b>Net (Increase) / decrease</b>	<b>65,678,678</b>	<b>(66,081,812)</b>

### 24. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a. Salaries, Wages & Bonus	63,029,216	61,914,596
b. Contribution to Provident and other funds	3,643,638	3,001,205
c. Staff welfare expenses	2,643,847	2,475,552
d. Directors Remuneration including perquisites and commission	12,199,349	14,560,129
<b>Total</b>	<b>81,516,050</b>	<b>81,951,482</b>

### 25. FINANCE COSTS

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a. <b>Interest</b>		
On long term borrowings *	8,089,536	2,510,278
On short term borrowings	24,619,556	36,048,964
b. <b>Bank &amp; Other Charges</b>		
Bank Charges	12,239,653	9,258,859
Exchange rate differences	-	-
<b>Total</b>	<b>44,948,745</b>	<b>47,818,101</b>

\* Interest on long-term borrowings, Rs.2,545,262/- (Previous year Rs. 11,151,093/-) is capitalised being the interest pertaining to the construction period.

### 26. DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation and amortization for the year on tangible assets	67,100,181	60,659,812
Depreciation and amortization for the year on intangible assets	-	-
<b>Depreciation and amortization relating to continuing operations</b>	<b>67,100,181</b>	<b>60,659,812</b>

## Notes forming Part of Financial Statements

### 27. OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>a. Manufacturing Expenses</b>		
Power and Fuel	261,568,303	279,408,005
Consumption of Stores and Spare parts	27,940,197	24,992,398
Pollution Treatment Expenses	53,015,015	68,258,826
Repairs to Machinery	41,334,572	22,377,349
Repairs to Building	4,857,848	1,753,688
Manufacturing & Labour Charges	61,159,490	60,337,971
	<b>449,875,425</b>	<b>457,128,237</b>
<b>b. Selling and Distribution Expenses</b>	<b>58,408,832</b>	<b>70,962,594</b>
<b>c. Establishment Expenses</b>		
Rent	2,599,565	4,258,192
Rates & Taxes (excluding taxes on income)	322,165	264,431
Insurance	4,801,655	3,642,282
Travelling, Conveyance & Vehicle Expenses	5,382,920	6,162,237
Directors Travelling Expenses	8,329,403	8,514,076
Stationery and Printing Expenses	847,821	1,033,722
Communication Expenses	2,450,825	2,144,418
Auditors Remuneration (Refer Note 32)	229,726	183,118
Internal Audit Fees	225,000	272,500
Directors Sitting Fees	26,000	19,500
Legal & Professional Expenses	7,490,571	9,737,905
General Charges	8,035,478	4,042,816
Other Repairs	283,170	313,826
Donation	100,000	76,000
Miscellaneous expenses written off	310,079	1,318,050
Expenditure towards Corporate Social Responsibility activities	1,000,000	-
Loss on sales of Assets, Investments	2,662,195	2,917,444
<b>Total</b>	<b>553,380,830</b>	<b>572,991,348</b>

### 28. EARNING PER EQUITY SHARE

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net Profit after tax attributable to Shareholders before Extra Ordinary Item	209,826,934	176,950,671
Net Profit after tax attributable to Shareholders after Extra Ordinary Item	209,826,934	176,950,671
Weighted average number of Equity Shares at the end of year.	12,272,262	12,272,262
Nominal Value of Share	10.00	10.00
Basic and diluted (before extraordinary item) Earning per Share Rs.	17.10	14.42
Basic and diluted (after Extraordinary Item) Earning per Share Rs.	17.10	14.42

## Notes forming Part of Financial Statements

### 29. CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
1 Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	106,640,747	83,939,833
2 Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	4,196,600	26,911,916
3 In respect of Income Tax	5,157,908	6,843,084
Name of Statute : Income Tax Act, 1961		
Nature of the dues : Income tax (A.Y. 2001-02 to 2013-14)		
Forum where dispute is pending : Commissioner of Income Tax (Appeal) / ITAT		

30. The following disclosure have been made on the information available with the Company, for suppliers who are registered as micro and small enterprises under 'MSMED Act, 2006'

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each period:		
Principal	9,863,333	5,282,707
Interest	-	-
b. The amount of interest paid by the buyer in terms of Section - 16 of the MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each period	-	-
c. The amount of interest due and payable for the period of delay in making payment ( Which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of the period.	-	-
e. The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	9,863,333	5,282,707

There are no Micro, Small & Medium Enterprises to whom the company over dues, which are outstanding for more than 45 days as at March 31, 2016. This information is disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of the information available with the company.

### 31. SUNDRY DEBTORS, SUNDRY CREDITORS AND LOANS AND ADVANCES

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

## Notes forming Part of Financial Statements

### 32. PAYMENT TO AUDITORS

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
For audit fees (Including tax audit fees)	115,725	115,618
For others (Certification work)	114,001	67,500
<b>Total</b>	<b>229,726</b>	<b>183,118</b>

### 33. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS, SPARE PARTS CONSUMED

(Amount in ₹)

Particulars	March 31, 2016		March 31, 2015	
	Amount Rs.	%	Amount Rs.	%
<b>A Raw Materials</b>				
Imported	491,162,430	43.68	777,662,506	54.65
Indigenous	633,411,965	56.32	645,424,038	45.35
<b>Total</b>	<b>1,124,574,395</b>	<b>100.00</b>	<b>1,423,086,544</b>	<b>100.00</b>
<b>B Packing Materials</b>				
Imported	-	-	-	-
Indigenous	23,611,830	100.00	24,613,513	100.00
<b>Total</b>	<b>23,611,830</b>	<b>100.00</b>	<b>24,613,513</b>	<b>100.00</b>

### 34. FOREIGN CURRENCY TRANSACTIONS

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
<b>a) Value of Imports on CIF Basis</b>		
Raw Materials	379,878,789	506,036,858
Capital Goods	318,133	229,902
<b>b) Expenditure in Foreign Currency</b>		
Purchase of Raw Materials	379,878,789	506,036,858
Capital Goods	318,133	229,902
Commission	1,752,969	2,395,628
Others	11,172,233	7,794,129
<b>c) Dividends remitted in Foreign Currency</b>		
Final Dividend		
Number of Non-Resident Shareholders	1	1
Number of Shares held by Non-Resident Shareholders	865,200	865,200
Amount of Dividend remitted in Rupees	3,028,200	3,028,200
Period to which dividend relates	2014-15	2013-14
Interim Dividend		
Number of Non-Resident Shareholders	1	1
Number of Shares held by Non-Resident Shareholders	865,200	865,200
Amount of Dividend remitted in Rupees	1,730,400	Nil
Period to which dividend relates	2015-16	2014-15
<b>d) Earnings in Foreign Currency</b>		
Export of Goods (FOB)	1,754,400,183	2,033,779,658
<b>e) Effect of Exchange Fluctuations including Forward Contracts:</b>		
Statement of Profit and Loss	30,359,427	39,002,524

## Notes forming Part of Financial Statements

### 35. EMPLOYEES BENEFITS

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

#### 1 Defined Contribution Plan:

The Company has recognized the following amount as an expense: (Amount in Rupees)

Particulars	(Amount in ₹)	
	March 31, 2016	March 31, 2015
i) Contribution to Provident and Other Funds	3,608,177	2,985,433
ii) Contribution to Employee's State Insurance Corporation	35,461	15,772

#### 2 Defined Benefit Plan

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

Particulars	April 2015 – March 2016
<b>I Assumption</b>	
Discount Rate Previous Period	7.94%
Discount Rate Current Period	8.08%
Rate of Return on Plan Assets Previous Period	7.94%
Rate of Return on Plan Assets Current Period	8.08%
Salary Escalation Previous Period	6.00%
Salary Escalation Current Period	6.00%
<b>II Table showing change in Benefit obligation</b>	
Liability at the beginning of the Period	16,605,491
Interest Cost	1,318,476
Current Service Cost	717,621
Benefit Paid	(229,616)
Actuarial (gain)/loss on obligations due to change in financial assumptions	(125,051)
Actuarial (gain)/loss on obligations due to experience	(377,632)
Liability at the end of the period	17,909,289

### 36. SEGMENT REPORTING

The Company has only one identified reportable business segment namely "Pigments".

### 37. RELATED PARTY DISCLOSURES AND THEIR RELATIVES

Related Party Disclosures as required by Accounting Standard 18 issued by Institute of Chartered Accountants of India are given below:

#### 1 Related Parties and Nature of Relationship

- a) The Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence:
  - AksharChem (India) Ltd
  - Skyjet Aviation Pvt Ltd
  - Skyways
  - Asahi Energy Pvt Ltd
  - Asahi Powertech Pvt Ltd
  - Flyover Communication Pvt Ltd
  - Akshar Silica Pvt. Ltd
  - Akshar Pigments Pvt. Ltd

## Notes forming Part of Financial Statements

### 37. RELATED PARTY DISCLOSURES AND THEIR RELATIVES (Contd.)

b) **Key Management Personnel:**

Mrs. Paru M. Jaykrishna  
Mr. Gokul M. Jaykrishna  
Mr. Chandravadan R. Raval  
Mr. Saji V Joseph

c) **Relative of Key Managerial Personnel**

Mr. Mrugesh Jaykrishna  
Mr. Munjal M. Jaykrishna #

#### 2 Details of Transactions during the year

(Amount in ₹)

	March 31, 2016	March 31, 2015
<b>A Enterprises own or significantly influenced by key management personnel or their relatives</b>		
1 Aksharchem (India) Ltd		
Purchase of Goods	850,211	-
Sales of Goods	8,153,656	19,623,878
2 Akshar Silica Pvt Ltd.		
Investment	-	-
3 Skyways		
Rent Paid	170,500	193,000
4 Skyjet Aviation Pvt Ltd.		
Air Tickets booking services	1,588,446	-
<b>B Key Management Personnel and their relatives</b>		
1 Mrs. Paru M. Jaykrishna		
Remuneration	7,200,000	6,500,000
Perquisites	91,768	75,000
Provident Fund Contribution	864,000	756,000
2 Mr. Gokul M. Jaykrishna		
Remuneration	4,800,000	3,900,000
Perquisites	107,581	585,129
Provident Fund Contribution	576,000	468,000
3 Mr. Munjal M. Jaykrishna		
Remuneration	-	1,500,000
Perquisites	-	-
Provident Fund Contribution	-	-
Commission	-	2,000,000
4 Mr. Mrugesh Jaykrishna		
Consultancy	180,000	180,000
5 Mr. Chandravadan R. Raval		
Salary and allowances	1,174,982	1,063,082
6 Mr. Saji V Joseph		
Salary and allowances	903,792	787,944

# During the year under review Mr. Munjal M. Jaykrishna has resigned as Joint Managing Director, w.e.f. 09.10.2015 however continued as a Director of the Company.

## Notes forming Part of Financial Statements

### 38. ACCOUNTING FOR TAX ON INCOME

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

### 39. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY ( CSR ) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013 IS AS UNDER:

- Gross amount required to be spent by the Company during the year: Rs. 91.92 Lacs (Previous year Rs. 31.64 Lacs)
- Amount spent and utilized during the year on:

(Amount ₹ in Lacs)

Sr. No.	Particulars	Current Year			Previous Year		
		In Cash (Charged to P & L)	Yet to be paid in Cash	Total	In Cash (Appropriated from to P & L)	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	10.00	0.00	10.00	0.00	0.00	0.00
	b) Expenditure on Administrative Overheads for CSR	0.00	0.00	0.00	0.00	0.00	0.00
		<b>10.00</b>	<b>0.00</b>	<b>10.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 40. IMPAIRMENT OF ASSETS

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

### 41. SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement ("the Scheme") under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 between AksharChem (India) Limited ("ACIL"), Asahi Songwon Colors Limited ("the Company") and their respective shareholders and creditors as approved by the Hon'ble High Court of Gujarat vide its certified order dated November 29, 2014, which became effective from December 2, 2014 on filing with Registrar of Companies, Gujarat and accordingly all assets and liabilities of the CPC Green Division (i.e. business and interests in manufacture of CPC Green Division) of the Company has been transferred to and vested in AksharChem (India) Limited at their respective book values on a going concern basis with effect from the appointed date (i.e. April 1, 2014). Accordingly the same has been reflected in the previous year's figures.

- The figures of the previous period have been regrouped / reclassified, wherever necessary, so as to be in conformity with the figures of the current period's classification / disclosure.

As per our Report of even date attached.

For and on behalf of the Board of Directors

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

**Chandravadan R. Raval**  
General Manager (Accounts) & CFO

**Mrs. Paru M. Jaykrishna**  
Chairperson & Managing Director  
(DIN No.00671721)

**Trushit Chokshi**  
Partner  
Membership No. 040847

**Saji V. Joseph**  
Company Secretary

**Gokul M. Jaykrishna**  
Joint Managing Director  
(DIN No.00671652)

Place : Ahmedabad  
Date : 22/08/2016







# CORPORATE INFORMATION

## Board of Directors

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

Mr. H. K. Khan

Mr. R. K. Sukhdevsinhji

Mr. Arvind Goenka

Mr. Gaurang N. Shah

Dr. Pradeep Jha

Mr. Gokul M. Jaykrishna *Joint Managing Director*

Mr. Munjal M. Jaykrishna

## Chief Financial Officer

Mr. Chandravadan R. Raval

## Company Secretary

Mr. Saji V. Joseph

## Auditors

Trushit Chokshi & Associates

## Bankers

State Bank of India

## Registered Office

"Asahi House", 13, Aaryans Corporate Park  
Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road  
Thaltej, Ahmedabad – 380 059  
Gujarat - 382 715 (India).  
CIN : L24222GJ1990PLC014789

## Works: Pigment Blue Division

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

## Registrar and Share Transfer Agents

Link Intime India Private Limited  
Unit No. 303, 3rd Floor, Shoppers Plaza V  
Opp. Municipal Market, Behind Shoppers Plaza II  
Off C. G. Road, Ahmedabad - 380 009

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### Disclaimer and cautionary statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**ASAHI SONGWON COLORS LIMITED**

Registered Office

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Gujarat, India

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