AsahiSongwon

Ref: ASCL/1709/25

September 18, 2017

1. To,
Deputy General Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers
Dalal Street
Mumbai – 400 001
Company Code: 532853

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

SUB: ANNUAL REPORT FOR THE FINANCIAL YEAR 2016-2017

REF: REGULATION 34 (1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

In terms of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the a copy of Annual Report of the Company for the Financial year ended March 31, 2017 duly approved by members at the 27th Annual General Meeting of the Company held on Tuesday, September 12, 2017 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

IQC ISO 14001:2004 Registered QMS/C0485/0413
NABCB QMS 004 A MEMBER OF IAF KLA

PROACTIVE COLOR CHEMISTRY

ASAHI SONGWON COLORS LIMITED

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ANNUAL REPORT
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FORWARD LOOKING STATEMENTS

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 'ANTICIPATE', 'ESTIMATE', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES', AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF 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. READERS SHOULD BEAR THIS IN MIND. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

IN TODAY'S DYNAMIC BUSINESS LANDSCAPE, CHANGE IS THE ONLY CONSTANT.

NEW TECHNOLOGIES. INNOVATIONS. MARKET COMPLEXITIES. RISING COMPETITION.

INDUSTRIES ARE WITNESSING MASSIVE DISRUPTION.

IN SUCH A SCENARIO, IT IS OF UTMOST IMPORTANCE TO CHANGE BEFORE YOU ARE FORCED TO.

AT ASAHI SONGWON, WE UNDERSTAND THE CRITICALITY OF THIS. WE ARE PREPARING FOR TOMORROW BY DOING OUR BEST TODAY.

BRINGING IN MORE ACCOUNTABILITY WITHIN THE ORGANIZATION. ADOPTING A RESULT ORIENTED APPROACH. ENCOURAGING PEOPLE TO BRING IN FRESH IDEAS. MOTIVATING THEM TO PUSH BOUNDARIES. INCULCATING A CULTURE OF INNOVATION AND CONTINUOUS IMPROVEMENT.

WE ARE FOCUSED ON

SETTING NEW BENCHMARKS, SURPASSING EXISTING ONES, AND MORE IMPORTANTLY, PUSHING BOUNDARIES…

PRO

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ACTIVELY.

IN OUR 27 YEARS OF EXISTENCE, WE HAVE CONTINUOUSLY EMBRACED CHANGES WHILE STEADILY INVESTING IN SCALING CAPACITIES, ENHANCING KNOWLEDGE AND PROCESS INNOVATION, BUILDING ROBUST TEAM, AND DEVELOPING EFFICIENT AND ENVIRONMENT-FRIENDLY PROCESSES.

TODAY, WE ARE AMONGST THE LARGEST AND MOST COMPETITIVE PHTHALOCYANINE MANUFACTURERS ACROSS THE WORLD, DEALING WITH WORLD'S MOST QUALITY-CONSCIOUS INTERNATIONAL CUSTOMERS.

WE ARE NOW GRADUATING TO THE NEXT LEVEL, BY BECOMING PROACTIVE AND LEADING THE CHANGE.

Profile

Asahi Songwon was established in 1990 by Mrs. Paru M. Jaykrishna to manufacture pigments. Headquartered in Ahmedabad, the Company has emerged as the country's leading manufacturers of phthalocyanine pigments and derivatives supplying products to demanding downstream customers. Its principal manufacturing facilities are at Padra (Vadodara).

Product portfolio

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

Products manufactured:

- CPC blue crude
- Beta Blue 15.3
- Beta Blue 15.4
- Alpha Blue 15.1
- Alpha Blue 15.0

Certifications

Stringent quality standards and compliance to all applicable health, safety and environmental norms has enabled the Padra Plant to receive the coveted ISO 9001:2008 and ISO 14001:2004 certifications.

₹34,258 LACS
Market capitalisation as on March 31, 2017

35
No. of clients

11,400 TPA
Phthalocyanine pigments (blue) and derivatives manufacturing capacity

0.22
Debt: Equity as on March 31, 2017

72 %
Proportion of revenues from exports

Clientele

Awards and accolades

- Award for outstanding export performance for consecutive five years from GDMA.
- Award for 'Outstanding performance in the export of dye and dye intermediaries' from CHEMEXCIL for four 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 was ranked 364 by the International Business Times in 1000 fastest growing companies in the world in their list published in 2012. IBT also ranked the Company as 18th Fastest Growing Company in Chemical Sector.

STRATEGIC FOCUS

OUR FOCUS IS TO BECOME THE MOST RESPECTED PIGMENT BLUE COMPANIES IN THE WORLD.

NOT BY CHANGING WITH THE CHANGE, BUT BY **BECOMING PROACTIVE AND INITIATING THE CHANGE.**

Strengthen client relationships

- Analyse client's product and their application areas to work on specific areas of improvement
- Strengthen R&D to manufacture products that client's may require in future
- Offer value-added services and competitively priced products

Grow shareholder value

- Scale-up production and add new products to enhance revenues
- Enhance operations and undertake optimum utilisation of resources to reduce costs
- Scale up proportion of value added products that offer better margins

Enhance environmental sustainability

- Proactively invest in cutting-edge environmental solutions to reduce carbon footprint
- Encourage employees to undertake proper discharge of wastes after treatment

Adopt long-term perspective

- Explore new geographies and new clients
- Encourage employees to participate in exhibitions and seminar to understand market trends
- Continuous focus on superior customer value

Leverage market opportunity

- Adopt strategies to maximise opportunities from on-going slowdown in China
- With robust growth expected in downstream client industries, focus on enhancing business with existing clients

BUILDING LONG-TERM BUSINESS SUSTAINABILITY. CREATING VALUE FOR ALL STAKEHOLDERS.

This is our purpose statement that defines our reason for existence and guides all our actions and decisions.

"BRINGING PASSION AT WORK ENABLED US TO DELIVER RECORD PERFORMANCE IN 2016-17; **ADOPTING PROACTIVE APPROACH SHALL ENABLE US TO SUSTAIN THIS OVER LONG TERM."**

I am pleased to report to you at the end of what has been a splendid year for the Company. While the year has been great in terms of record performance, what makes it even better is the fact that industry dynamics have turned favourable for Indian pigment manufacturers. As regulators in China, the world's largest pigment manufacturer, initiated crackdown on local industries driven by environment pollution related concerns, several big players suffered set-backs and shutdown operations. Amidst this backdrop, the Indian manufacturers with better technical, environmental and operational technologies are in a sweet spot to capitalise on the opportunity.

Moreover, with global economic scenario likely to improve, downstream industries like printing ink, plastics, paint, coatings and textiles are expected to pick up. Research and Markets forecasts the global pigment market, pegged at USD 26 bn in 2016, and is expected to rise to USD 32 bn by 2023, growing at a CAGR of 3.8 %.

Performance review of the year

Talking of the financial performance, the year 2016-17 has been very satisfying. Our operational revenues recorded a 15% growth from ₹224.67 cr in 2015-16 to ₹257.84 cr in 2016-17 driven by a strong growth of 23% in production volumes to 1,644 MT. This was driven by the CPC Blue Crude capacity debottlenecking project that we undertook in the previous fiscal. With a mere ₹3.50 cr worth of investment, we have been able to increase capacities by 13% which has contributed towards an additional sale of ₹33 cr during the year. Interestingly, despite this 23% growth in production our overhead costs have in fact declined owing to several cost control measures implemented by us. So on one hand our capacity increased with practically no major investment, while on the other hand the overhead costs declined.

This was reflected in our even stronger growth in profitability as EBITDA and PAT increased by 19% each to ₹47.08 cr and ₹25.02 cr respectively. As a result, the EBITDA and PAT margins surged 58 and 36 basis points respectively to 18.26% and 9.70% respectively.

Key developments in 2016-17

While this kind of growth makes us proud, we are confident that this is just the beginning as we proactively pursue further improvement in efficiencies, productivity, and cost reduction. One of the most critical steps towards this is our initiative to increase accountability within the organisation and adopting a result oriented approach. I believe this approach shall facilitate us in becoming more mature, stable, and non-cyclical as an organisation along with enhancing our long-term business sustainability.

Some of the crucial proactive initiatives undertaken by us during the year include:

- Extending our product portfolio by adding two new products – the Alpha Blue and Beta Blue 15:4. For Alpha Blue, a new 600 TPA facility was set-up which has already commenced the trail shipments. For Beta

Blue 15:4, that finds application in publication gravure ink system, we have started supplies to leading customers on trial basis.

- Developed four new products (Phthalocyanine Blue 15.0 and 15.1, Orange 64 and Yellow 12) that would go into commercial production in the next fiscal.
- Installed a 128 kVA solar power plant that shall enhance our power reliability, and reduce carbon footprints and power costs.
- Increased focus on development of high performance pigments, raising product quality and enhancing productivity to become more competitive and earn higher margins.
- Continued efforts towards cost and carbon footprint reduction through process reengineering and improvement, cycle time reduction, preventing wastages and minimising energy consumption.
- Successfully completed installation of a comprehensive air pollution control system that shall further facilitate in reduction of pollution.

Employee initiatives

On our mission to become a proactive organisation, people would be the most critical element. We believe that as people within the organisation get accustomed to existing practices and conventions, it becomes necessary to have some disruption to bring them out of their comfort zones, push them to take on bigger challenges and change mind-sets. In view of this, each quarter we invite employees from top to bottom to bring in fresh ideas.

We are also encouraging employees to join external exhibitions and seminars to get better insight of the market scenario. The entire concept of proactive would revolve around fostering an open culture of brain storming, promoting team work and having a spirit built on an ethical work culture.

Outlook

I believe that Asahi Songwon is at an important inflection point in its existence whereby a combination of internal and external factors shall catalyse our growth momentum in the coming years. We are also proactively working towards making the organisation more competitive through adoption of zero tolerance for quality and delivery schedule, introducing new pigment grades for different markets, improving logistics and enhancing regulatory compliance. Our proactive attitude is reflected in our robust three new product launches in the past two years as compared to no new launches in seven years prior to that.

With highly skilled team, robust manufacturing facilities and equipment, experience and expertise, we have everything in place. From here onwards our proactive efforts towards new product development, new market development and continuous improvement shall make a difference.

Message to the shareholders

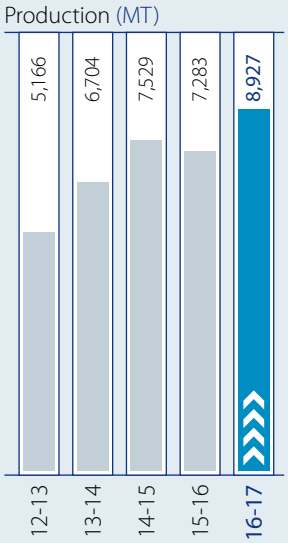
I, on behalf of the Board, am thankful to all our stakeholders who have continued to be with us over the years. The shareholders for believing in our growth story and investing in us, the suppliers for doing business with us, and the customers for having trust in us. Finally, I would like to appreciate the efforts of each of our employees, who have helped the organisation to reach its current level.

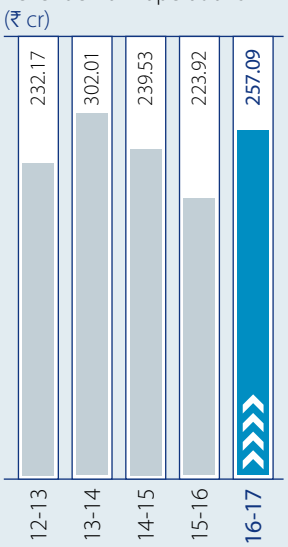
Warm regards,

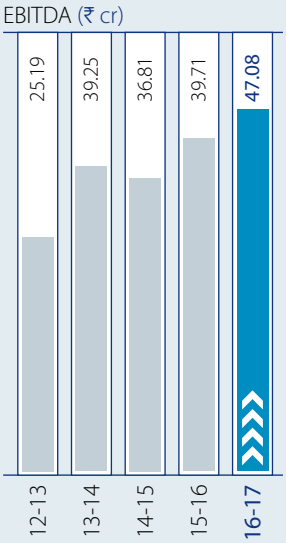
Paru M. Jaykrishna,
Chairperson

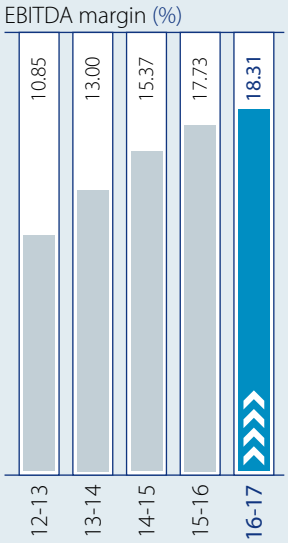
REVIEW OF **THE YEAR**

With a record year-end production, sales and profitability, 2016-17 was one of the best years that saw us debottlenecking CPC Blue Crude capacity and setting-up a new Alpha Blue facility.







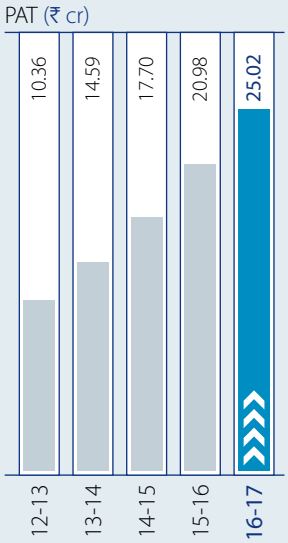


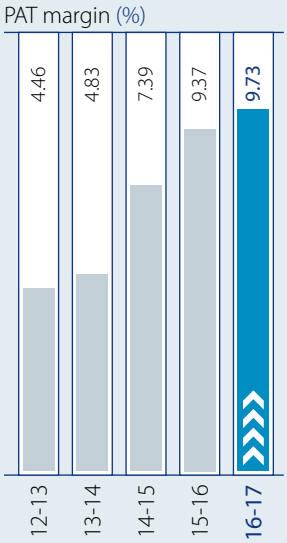
15%
Revenue growth over 2015-16

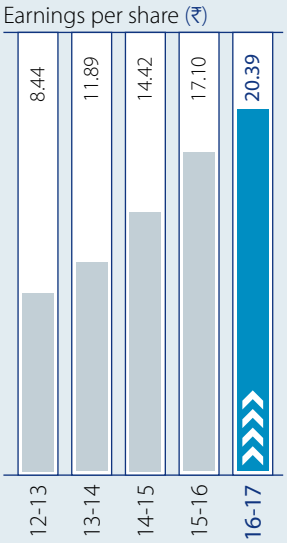
19%
EBITDA growth over 2015-16

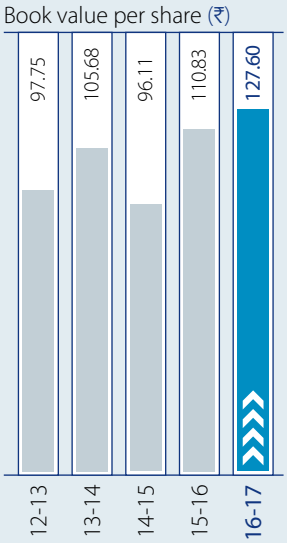
2.06%
Revenue growth – CAGR FY13-17

13.32%
EBITDA growth – CAGR FY13-17









19%
PAT growth over 2015-16

15%
Net Worth growth over 2015-16

19.28%
PAT growth – CAGR FY13-17

5.47%
Net Worth growth – CAGR FY13-17

Corporate strengths

Brand reputation: With over two-and-a-half-decades of industry experience, we have a robust reputation in the industry for our products and services reliability, as we work with some of the most prominent customers globally.

Rigorous compliance: Leading ink, paint and plastics companies across the globe have validated the quality of our products. Besides, we are also registered with the Department of Scientific and Industrial Research (Ministry of Science and Technology). Our plants are ISO 9001:2008 and ISO 14001:2004 certified.

Human capital: 35% of our total employee base comprises professionals and technologists having a minimum industry experience of 10 years.

Sustainability: Our proactive investments towards adopting environment-friendly plants, processes and practices reinforce stakeholders' confidence in our long-term commitment and sustainability.

Marketing strengths

Trusted: Customer's across the globe consider us as trusted vendor addressing their evolving needs. In 2016-17, exports accounted for 72% of our total revenues.

Diverse clientele: We do business with some of the world's largest and quality-conscious companies like DIC (Japan), Sun Chemicals (USA), Clariant Chemicals India Limited and BASF, who together accounted for 63% of the Company's 2016-17 revenues.

Enduring relationships: Our quality and reliability enable us to enjoy longstanding collaborative partnerships. 72% of the Company's 2016-17 revenues were derived from the clients with whom we have been associated for over five years.

Qualitative strengths

Product quality: Product quality excellence is sacrosanct to us and we have zero tolerance for errors. Our robust QMS (Quality Maintenance System), standard operating procedures, and dedicated quality management team has enabled us to achieve zero product rejection and the coveted ISO 9001:2008 certification.

Contemporary equipment: We have invested in acquiring state-of-the-art ink and plastic testing equipment such as vibroshakers,muller machines and injection moulding machines which enable us meet stringent quality standards.

Continuous improvement: With a culture of continuous improvement, we keenly emphasizes on process control, variability reduction and waste elimination.

Process expertise: Our efficient systems and processes facilitate us in maintaining higher operational stability and predictability. We even periodically get our process compliance audited by third parties.

Manufacturing strengths

Location advantage: Our presence in Gujarat, the largest chemical producer in India, provides us proximity to raw material supplier and access to experienced, technically qualified personnel.

Scale: Accounting for nearly 5% of the world's organic pigment production, we are amongst the largest manufacturers of phthalocyanine pigments and derivatives globally.

Diverse portfolio: Our product portfolio comprises phthalo pigment varieties like CPC blue crude and the gamut of beta blue pigments. In 2016-17, nearly 60% of the Company's turnover came from CPC blue crude.

Application diversity: Printing inks industry consumer nearly 40% of the pthalocyanine pigments, while the rest finds application across paints, plastics, textiles and paper industries. For beta blue pigments,80% finds application in pigment manufacture used by printing ink industries, while the balance is used by plastics and paints industries.

Added benefits: Our CPC blue division is registered as an EOU (export-oriented unit) and our windmill enjoys tax benefits under Section 80 - IA of the Income Tax Act.

COMPETITIVE

STRENGTHS

BEING PROACTIVE MEANS...

BUILDING A SUSTAINABLE ORGANISATION

CUSTOMERS ARE INCREASINGLY LOOKING FOR SUPPLIERS WHO CAN PROVIDE A COMBINATION OF RELIABILITY, QUALITY, AND COMPLIANCE TO ENVIRONMENT AT LOW COST.

At Asahi Songwon, customer-centricity forms the core of everything that we do. We have undertaken several initiatives to enhance our competencies and market competitiveness. These include:

Enhancing productivity

Our team constantly undertake several shop floor initiatives that facilitate in continuous improvement in productivity. We have focused on reducing wastes and energy consumption, improving process and reducing cycle time, and process reengineering with the objective of reducing costs.

Quality control

State-of-the-art production facility along with latest technology and skilled manpower enable us to deliver consistent quality material. We undertake initiatives to continuously study our customer's products and its application areas to work on specific areas such that the product meets optimum requirements for that particular application area.

Customer-centricity

In a bid to develop long-term relationships with customers, we have adopted a policy of zero tolerance in quality and delivery schedule. We have also ensured that our products and operations meet all regulatory compliance of given regional market. In addition to this, we have made significant investments in upgrading technology and acquiring ESP system that enables us to become an environment-friendly manufacturer, making us a supplier of choice. We have also developed an in-house integrated supply system for ensure supply reliability.

Capex investment

During the year, we have invested in setting-up a 600 TPA Alpha Blue and a 3,000 TPA Beta 15:4 facility. We have also installed 128 KVA solar plant that shall enhance our power reliability and enable us reduce carbon footprint.

BEING PROACTIVE MEANS...

BECOMING AGILE AND INNOVATIVE

INDUSTRY DYNAMICS ARE CHANGING RAPIDLY. NEW TECHNOLOGIES ARE BECOMING OBSOLETE. BUSINESS STRATEGIES ARE BECOMING INEFFECTIVE. IN SUCH A SCENARIO, ONLY THOSE THAT ARE PREPARED FOR TOMORROW AND THOSE AGILE ENOUGH TO RESPOND QUICKLY CAN MAKE A DIFFERENCE.

We being a proactive and future-focused organisation anticipated these developments and undertook initiatives to strengthen our organisational might. Our initiatives towards this include:

Widening product portfolio

In the past two years, we have ramped up our research and development activities that facilitated us in strengthening our product portfolio. While in 2015-16, we strengthened our portfolio with two new product launches– Alpha Blue and Beta 15:4, in 2016-17 we added another four products – Phthalocyanine Blue 15.0 and 15.1 for plastic application, Phthalocyanine Blue 15.0 for waster based applications (ink, paint and textiles), and Azo pigments Orange 64 and Yellow 12.

Geographical product strategy

Our ability to analyse markets and determine demand has enabled us to undertake segmented market strategy, whereby we manufacture different grades of pigment catering specific geographies. This has enabled us to match customer expectations.

Fostering a culture of innovation

Employees are encouraged to bring in fresh ideas, undertake group brainstorming, and work in teams to promote a culture of constant learning, improvement and innovation. The Company has implemented several of these ideas, while some have failed others have contributed to the long-term sustainability of the organisation.

Accountability and result orientation

In an effort to deliver business results and achieve set targets, we have promoted the concept of accountability and result orientation. Setting goals and making each individual accountable for it facilitates in motivating them to constantly push their limits while proliferating this orientation across the organisation.

An agile organization facilitating faster R&D

2

New products launched in ten years leading to 2014-15

3

New products launched in two years leading to 2016-17

MANAGING RISKS PROACTIVELY

Industry slowdown risk

Risk impact: A slowdown in demand from downstream industries may impact the demand for phthalocyanine pigments.

Risk mitigation: Our products cater to requirements of diverse downstream industries such as printing inks, paints, textiles, plastics and automobile coatings. With demand from these sectors steadily rising, the global pigments markets is expected to rise to USD 32 bn by 2023, growing at a CAGR of 3.8 %. Asia Pacific region is likely to continue being the largest market for these products. Besides, with robust quality standards and environment-friendly production processes we are amongst the most preferred player in the segment.

Competition risk

Risk impact: Inability to produce quality products as per set standards can hamper our goodwill and market share.

Risk mitigation: With nearly 72% of our customers continuing to do business with us while scaling up volumes for over five years, reinforces the reputation we enjoy in the market in terms of our quality and supply reliability. In addition to this, our offerings of value-added products along with our low cost advantage make us the supplier of choice.

Environmental risk

Risk impact: Failure to adhere to stringent environmental standards can lead to regulatory issues and impact business performance as leading global companies prefer do business with companies having environment-friendly operations.

Risk mitigation: The Company is amongst the pioneers in terms of adopting stringent international standard environment facilities. In the past five years alone, the Company has proactively invested a sum of ₹21 cr, towards improving its sustainability way beyond the prescribed norms. Not only has this led to reduction in the Company's carbon footprint, it has also rejuvenated customer confidence in regards to the Company's uninterrupted business operations.

Technology risk

Risk impact: Inability to upgrade technology would make the Company's operations unviable against competition along with impacting the quality of the products.

Risk mitigation: The Company besides having invested in contemporary technologies at its plant receives technical support from industry leaders like DIC and Clariant Pigments. It also periodically benchmarks these technologies with global standards.

Quality risk

Risk impact: Inability to maintain robust product quality would lead to loss of customers and business.

Risk mitigation: In addition to having high-end manufacturing facilities, the Company has set-up a robust quality management system comprising standard operating practices and stringent quality checks (from raw material to finished goods). It has also adopted a culture of zero tolerance for quality which has resulted in the Company achieving zero rejection rates. The robust quality standard has enabled the Company to achieve the accredited ISO 9001:2008 certification.

BOARD OF **DIRECTORS**

Mrs Paru M Jaykrishna
Chairperson and Mg. Director

She holds a Bachelor's degree in Law and Philosophy & Sanskrit, and a Masters' degree in English Literature. She is the Founder, Chairperson and Managing Director of the Company responsible for strategic decision making and devising policies for growth. A renowned Women Entrepreneur of India,she has the distinction of being the First Elected Lady as a President of Gujarat Chambers of Commerce and Industry in 66 years. She has been a Director in Tourism Corporation of Gujarat Ltd., Gujarat State Handloom House Corporation and Small Industries Development Bank of India (SIDBI).

Mr. H. K. Khan
Director

A retired IAS Officer, he has held senior position both in Government of India and Government of Gujarat. Besides being the Chairman and Director of several public and private sector companies, he has served important position in Gujarat Government as Chief Secretary, Adviser to Chief Minister, Additional Chief Secretary and Principal Secretary of Industry. In1988, he was appointed as Secretary to the Government of India in the Department of Chemicals and Petrochemicals.

Mr. R. K. Sukhdevsinhji
Director

A graduate from St. Stephens College, Delhi, he is the son of late Maharaja Rajendrasinhji. 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 the Chairman and Managing Director of Bharat Petroleum Corporation Ltd. He has held Board level position in various Central Government and public sectors companies.

Mr. Arvind Goenka
Director

A graduated from St. Xavier College, Kolkata, he is an industrialist hailing from the renowned Goenka family. He commands rich experience over 30 years in managing and overlooking operations 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
Director

An industrialist with over 37 years' experience in business, especially in field of chemicals, he is director of Devarsons Industries Private Limited.

Dr. Pradeep Jha
Director

A renowned mathematician having over 42 years of teaching experience. A research guide at several universities actively involved in exploring different research areas in mathematics, he has written over 20 research articles, which have been published by reputed international journals. Additionally, he has authored several books on Mathematics and Operations Research along with designing soft skills program for corporates.

Mr. Gokul M. Jaykrishna
Jt. Managing Director

A Specialist in Finance from Lehigh University, USA, he overlooks the Company's operations, finance, production, marketing and strategic development. Prior to his stint with the Company, he worked for Krieger Associates, New Jersey (USA), one of the most influential currency and option traders in USA. He is also on the board of AksharChem (India) Ltd. & Skyjet Aviation Pvt. Ltd.

Mr. Munjal M. Jaykrishna
Director

A Major in Finance and Marketing from Lehigh University, 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 27th Annual General Meeting of the Members of ASAHI SONGWON COLORS LIMITED will be held on Tuesday, 12th day of September, 2017 at the Registered Office of the Company at "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road, Thaltej, Ahmedabad - 380059, at 10.30 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 on March 31, 2017 including Audited Balance Sheet as at March 31, 2017 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 payment of interim dividend already paid to equity shareholders as final dividend for the Financial Year 2016-2017.

3. To appoint a director in place of Mrs. Paru M. Jaykrishna (DIN: 00671721), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself 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 other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad, the retiring Auditors, on completion of their term under Section 139(2) of the Companies Act, 2013 and to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the 32nd (Thirty Second) Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every subsequent Annual General Meeting or as may be prescribed), at such remuneration plus applicable Taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business:

5. Private Placement Of Non-Convertible Debentures And/ Or Other Debt Securities

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

"RESOLVED THAT pursuant to the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 framed there under and all other applicable rules, if any, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India, provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other approvals as may be required from regulatory authorities from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to make offer(s), invitation(s), to subscribe and issue Non-Convertible Debentures ("NCDs"), Bonds, Commercial Papers ("CP") or any other Debt Securities in one or more series/tranches aggregating upto ₹500 crores (Rupees Five Hundred Crores Only), whether rupee denominated or denominated in foreign currency, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting be held in calendar year 2018, whichever is earlier, on such terms and conditions and at such times and at par or at such premium, as the Board may, from time to time determine and consider proper and most beneficial to the Company including as to when the said Non Convertible Debentures and /or Bonds and/or Commercial Papers or other debt securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents, instruments and writings, and take all such steps as it may in its sole and absolute discretion deem necessary including for the purpose of determining terms of issue of Non-Convertible Debentures and/ or Bonds and/or Commercial Papers and/or other debt securities and to settle all questions, difficulties and doubts that may arise in relation thereto."

By the Order of the Board of Directors
Paru M. Jaykrishna
Chairperson & Mg. Director
DIN 00671721

Place: Ahmedabad
Date : July 25, 2017

Regd. Office :
"Asahi House" 13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing Thaltej – Shilaj Road
Thaltej, Ahmedabad – 380 059 (India)
(CIN:L24222GJ1990PLC014789)
Phone : +91 79 39825000
Fax: +91 79 39825100
Website : www.asahisongwon.com
Email id : cs@asahisongwon.com

NOTES

1. The relevant explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013, in respect of the special business as set out under Item No. 5 of the Notice, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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. Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from September 07, 2017 to September 12, 2017 (both days inclusive).

4. Corporate members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to the provisions of Section 13 of the Companies Act, 2013 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.

5. 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.

6. Members/Proxies/Authorised Representative(s) are requested to bring to the Annual General Meeting necessary details of their shareholding, attendance slip(s) along with their copy of Annual Report.

7. 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 at the Meeting.

8. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the Annual General Meeting and other statutory resisters shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., on all working days of the Company from the date hereof up to the date of ensuing Annual General Meeting.

9. At the ensuing Annual General Meeting, Mrs. Paru M. Jaykrishna (DIN: 00671721), retire by rotation and being eligible, offer herself for re-appointment. The Board of Directors of the Company recommends her re-appointment. The relevant details as required under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are under:

   Mrs. Paru M. Jaykrishna (DIN No. 00671721) is 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 and associated with the Company since incorporation. Her role in the Company is that of a strategic decision maker and policy maker to ensure growth of the Company. 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). She is on the Board of AksharChem (India) Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Skyjet Aviation Private Limited, Asahi Energy Private Limited, Akshar Pigments Private Limited. She is also designated partner of Chelsea Marketing LLP. As on March 31, 2017, she is not holding any Equity Shares of the Company in individual capacity but holds 5,286,811 (43.08%) shares as trustee of Mrugesh Jaykrishna Family Trust - I.

   Mrs. Paru M. Jaykrishna is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to her reappointment. Mr. Gokul M. Jaykrishna, Joint Managing Director and Mr. Munjal M. Jaykrishna, Director of the Company being related to Mrs. Paru M. Jaykrishna may be deemed to be interested in the resolution set out at Item No. 3 of the Notice. Save and except the above, none of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary resolution set out at Item No. 3.

10. Pursuant to provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad having held office as Auditors for a period of 8 years

prior to the Commencement of the Companies Act, 2013, were eligible to be appointed as Statutory Auditors for a period of three more years and were accordingly appointed by the members at the 24th Annual General Meeting of the Company held on 26th September, 2014 for a period of three more years, this is, until the conclusion of the 27th Annual General Meeting of the Company. Accordingly the Statutory Auditors of the Company M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad hold office till the conclusion of the ensuing Annual General Meeting of the Company.

The Audit Committee of the Board and Board of Directors of the Company have recommended the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad as Statutory Auditors for a terms of five years beginning from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the said auditors.

M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W) has expressed their willingness to be appointed as Statutory Auditors of the Company. They have also confirmed that their appointment, if made, would be within prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to be appointed as Auditors in terms of the provisions of the Section 139(1), Section 141(2) and Section 141(3) of the Companies Act, 2013 and the provision of the Companies (Audit and Auditors) Rules, 2014. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members.

11. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Notice and the Annual Report of the Company for the financial year 2016-17 are being send by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories unless any member has requested for a hard copy of the same.

    The Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company in case shares are held in physical form.

12. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.asahisongwon.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.

13. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) to the Company or Company's Registrar and Share Transfer Agent and Members holding shares in electronic mode are requested to submit their Permanent Account Number (PAN) to their respective Depository Participants (DPs) with whom they are maintaining their demat accounts as mandated by the Securities Exchange Board of India (SEBI) for every participant of securities market.

14. In terms of the provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund. Unclaimed dividends for the year 2009-2010 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. Pursuant to Section 124(6) of the Companies Act, 2013, which requires a Company to transfer in the name of Investors Education and Protection Fund (IEPF) Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the said provisions read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company is in the process to transfer all shares in respect of which dividends declared for the year 2009-2010 or earlier financial years has not been paid or claimed by members for 7 (seven) consecutive years or more. The members are advised to visit the website of the Company to ascertain details of shares liable for transfer in the name of Investors Education and Protection Fund Authority.

16. Route Map showing directions to reach to the venue of the Annual General Meeting is given at the end of this Notice.

17. Voting Options

I. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management

and Administration) Rules, 2014 as amended by the Company (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities Exchange Board of India (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 27th Annual General Meeting by electronic means (e-voting) and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be 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 remote e-voting will open. Click on e-voting - Active Voting Cycles.

(vi) Select "EVEN" of Asahi Songwon Colors Limited. Now, 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 11, 2017.

(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 members (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 by quoting the Client ID or Folio No.

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 Annual General Meeting. The Company will make arrangements of ballot papers in this regards at the meeting venue.

The members who have cast their by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

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 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.

   NOTE: Members who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

   In case Members are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

   In case Members are holding shares in physical mode, USER-ID is the combination of (Even No.+Folio No).

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 voting rights of members shall be in proportion to their share of the paid equity share capital of the Company as on the cut-off date September 7, 2017.

5. 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 7, 2017, may obtain the login ID and password by sending an email to the Company at cs@asahisongwon.com or at evoting@nsdl.co.in by mentioning their Folio No./ DP ID and Client ID No.

6. The remote e-voting period will commences on Saturday, September 9, 2017 (9:00 a.m. IST) and end on Monday, September 11, 2017 (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 Thursday, September 7, 2017, may 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.

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 Annual General Meeting through ballot paper.

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 Chairperson shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

10. The Scrutinizer shall, immediately after the conclusion of voting at the 27th 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 three days of the conclusion of the annual general meeting, submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, Chairperson and Managing Director of the Company or in her absence to the Joint Managing Director of the Company or any other person appointed by the Chairperson and Managing Director of the Company in writing, who shall countersign the same and declare the Results of the voting forthwith.

11. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.asahisongwon.com and on the website of National Securities Depository Limited immediately after the declaration of result by the Chairperson and Managing Director or in her absence to Joint Managing Director of the Company or any other person appointed by Chairperson and Managing Director of the Company in writing. The results shall also be immediately forwarded to the BSE Limited (BSE), Mumbai, National Stock Exchange of India Limited (NSE), Mumbai

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION102 OF THE COMPANIES ACT, 2013

As required under section 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 of the accompanying notice.

Item No. 5

In order to augment resources inter alia, for financing capital expenditure and / or for general corporate purposes, the Company may offer or invite

subscription for secured and / or unsecured, bonds, Commercial Paper ("CP") or any other Debt securities in one or more series / tranches on private placement basis.

Pursuant to the provision of Section 42 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each offer or invitation. Further, the sub rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company shall obtain previous approval of the members by means of special resolution only once in a year for all the offers or invitations for such debentures during the year.

Accordingly, consent of the members is sought for passing a Special Resolution as set out under this item no. 5 of the Notice. This resolution enables the Board of Directors of the Company / its duly authorised Committee to offer or invite subscription for debt securities, including but not limited to non-convertible debentures, commercial paper, bonds, etc., whether in rupee denominated or denominated in foreign currency, in one or more series or tranches aggregating up to ₹500 crores (Rupees Five Hundred Crores Only), as deemed fit, from time to time, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting to be held in calendar year 2018, whichever is earlier within a period of one year within the overall Borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Resolution except to the extent of their equity shareholding in the Company.

By the Order of the Board of Directors
Paru M. Jaykrishna
Chairperson & Mg. Director
DIN 00671721

Place: Ahmedabad
Date : July 25, 2017

Regd. Office :
"Asahi House" 13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing Thaltej – Shilaj Road
Thaltej, Ahmedabad – 380 059 (India)
(CIN:L24222GJ1990PLC014789)
Phone : +91 79 39825000
Fax: +91 79 39825100
Website : www.asahisongwon.com
Email id : cs@asahisongwon.com

Route Map to the Venue of Annual General Meeting of Asahi Songwon Colors Limited

DIRECTORS' REPORT

To the Members of
Asahi Songwon Colors Limited,

Your Directors have the pleasure of presenting their 27th Annual Report of the Company together with the audited financial statement for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2017 is summarized below:

(₹ In Lac)

Particulars	2016-2017	2015-2016
Revenue from Operations (Net of Excise Duty)	25,708.77	22,392.01
Other Income	108.80	363.26
Total Income	**25,817.57**	**22,755.27**
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item and Taxation	**4,741.51**	**4,259.16**
Less : Finance Costs	281.09	449.49
Profit for the year before Depreciation, Extra Ordinary Item and Taxation	**4,460.42**	**3,809.67**
Less : Depreciation and Amortisation Expenses	712.50	671.00
Profit for the year before Extra Ordinary Item and Taxation	**3,747.92**	**3,138.67**
Extra Ordinary Item	-	-
Profit for the year before Taxation	**3,747.92**	3,138.67
Less : Current Tax	1,215.64	919.73
Less : Deferred Tax	30.46	120.67
Net Profit for the year	**2,501.82**	**2,098.27**
Add: Balance brought forward from previous year	**8,379.37**	**6,726.52**
Surplus available for Appropriation	**10,881.19**	**8,824.79**
Appropriation:		
General Reserve	150.00	150.00
Interim Dividend at ₹ 3.00 (Previous Year ₹ 2.00) per Equity Shares	368.17	245.45
Dividend Distribution Tax	74.95	49.97
Balance Carried to Balance Sheet	10,288.07	8,379.37
Total	**10,881.19**	**8,824.79**

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

a. General

The global economy is recovering especially in the emerging markets is showing signs of revival. Indian economy is gradually improving with low inflation, favourable interest rates, low commodity prices, strengthening current account deficit and increasing forex reserves. With growth in users industry like paints, coating and plastic demand for pigments is intensifying. Your Company has registered yet another year of healthy financial performance with profit after tax higher than previous year.

b. Performance Review

During the year under review, the Company earned a total income of ₹25,818 lac compared to ₹22,755 lac in the previous year.

The total sales of the Company stood at ₹25,709 lac (Previous Year ₹22,392 lac). The profit after tax (PAT) increased by 19 percent from ₹2,098 lac to ₹2,502 lac in the previous year.

The financial year 2016-17 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 ₹17,864 lac compared to ₹17,636 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 incurred a capital expenditure of ₹784 lac in the year under review compared to ₹1,481 lac in the previous year.

DIVIDEND

After considering the profitability, cash flow and overall performance of the Company, your Board of Directors of the Company has declared and paid an interim dividend @30% (Rupee 3.00 per share of face value of ₹10/- each) on the fully paid up equity share capital of the Company. The interim dividend declared and paid on equity shares including dividend tax thereon would result in an outflow of ₹443 Lac.

Considering ongoing business expansions and capital requirements, 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, 2017.

During the previous financial year, the Company had paid interim dividend @20% (Rupee 2.00 per share of face value of ₹10/- each) on the fully paid up equity share capital of the Company.

Transfer To Reserve

Your Company proposes to transfer ₹150 lac (Previous Year ₹150 lac) to the General Reserves. An amount of ₹10,288 lac is proposed to be retained in the Statement of Profit and Loss.

Share Captial

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. As at March 31, 2017, it stood at ₹1227.23 Lacs divided into 12,272,262 equity shares of ₹10/- each. During the year under review, no equity shares with differential rights as to dividend, voting or otherwise where issued.

b. Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares.

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 Regulation 14 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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 PROMOTERS HOLDING

During the year under review, promoters family trust Mrugesh Jaykrishna Family Trust-1 and Gokul M. Jaykrishna Family Trust were in receipt of the SEBI order both dated March 08, 2016 bearing reference no. WTM/

PS/184/CFD-DCR/MAR/2016 and WTM/PS/183/CFD-DCR/MAR/2016 respectively granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the acquisition of shares of the Company. Accordingly, during the year 4,00,000 (3.26%) equity shares held by Mrs. Paru M. Jaykrishna and 4,11,766 (3.36%) equity shares held by Mr. Munjal M. Jaykrishna of the Company were transferred to Mrugesh Jaykrishna Family Trust -1 and 15,05,049 (12.26%) equity shares held by Mr. Gukul M. Jaykrishna and 10,93,283 (8.91%) equity shares held by Mr. Munjal M. Jaykrishna were transferred to Gokul M. Jaykrishna Family 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, pursuant to the direction of aforesaid SEBI order.

Further, Mrugesh Jaykrishna Family Trust -1 and Gokul M. Jaykrishna Family Trust has acquired 242,991 (1.98%) and 125,177 (1.02%) Equity Shares of the Company through the stock exchange respectively during the year. The total promoter shareholding of the Company hence stands increased to 65.28% from 62.28%.

During the year under review, the name/status of the promoter company was changed from Intercon Finance Private Limited to Chelsea Marketing LLP.

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

Bank Term Loans

During the year under review, CARE has upgraded the rating assigned to the long-term facilities of your Company to "CARE AA- Stable [Double A Minus; Outlook; Stable]" from "CARE A+ [Single A Plus]". This rating is applicable to facilities having 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+ [Single A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having tenure up to one year. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations.

Commercial Paper

During the year under review, CARE has reaffirmed "CARE A1+ (A One Plus) indicating very strong degree of safety regarding timely payment of financial obligations for Commercial Paper to be issued carved out of the sanctioned working capital limits of the Company. As at March 31, 2017, outstanding commercial paper was Nil.

LISTING

The Equity shares of the Company continue to remain listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the Annual Listing Fees to the said Stock Exchange(s) for the financial year 2017-18.

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

There has been no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year to which the financial statements relate and the date of the report.

RISK MANAGEMENT

The Company has well defined process to identify, assess, monitor and mitigate various business risks. The Company recognizes that these risks need to be managed to protect interest of the stakeholders, to achieve business objective and enable sustainable growth. Many risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors Report.

PUBLIC 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, 2017.

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, 2017.

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

Directors coming up for 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, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her reappointment.

Declaration of independence

The Company has received necessary declarations from the independent directors under Section 149(7) of the Companies Act, 2013, the he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Profile of Directors seeking appointment/re-appointment

As required under Regulation 36 (3) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are annexed to the notice convening 27th Annual General Meeting.

Key Managerial Personnel

There was no change in the Key Managerial Personnel during the year under review.

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

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the committees of the Board. The performance evaluation of all the directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors. 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 accordance with the provisions of Section 134 (3) (c) and sub section 5 of the Companies Act, 2013 your directors hereby state and confirm that;

(i) in the preparation of the annual financial statements for the year ended March 31, 2017, 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 at March 31, 2017 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 annual financial statements of the Company have been prepared for the year ended March 31, 2017 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 year under review, seven board meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meeting was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Independent Directors' Meeting

A separate Meeting of the Independent Directors of the Company was also held on January 31, 2017, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, were discussed.

AUDIT COMMITTEE

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. Mr. Gaurang N. Shah is the Chairman of the Audit Committee. The Composition of the Audit Committee meet the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

There are no recommendations of the Audit Committee which have not been accepted by the Board. Further details on the Audit Committee are provided in the Corporate Governance Section of the Annual Report.

CORPORATE GOVERNANCE

In terms of Regulation 34 read with Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Report on Corporate Governance forms part of the Annual Report. The requisite certificate from the Statutory 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

As per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad having held office as Auditors for a period of 8 years prior to the Commencement of the Companies Act, 2013, were eligible to be appointed as Auditors for a period of three more years and were accordingly appointed by the members at the 24th Annual General Meeting of the Company held on 26th September, 2014 for a period of three more years, this is, until the conclusion of the 27th Annual General Meeting of the Company. Accordingly the Statutory Auditors of the M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad hold office till the conclusion of the ensuing Annual General Meeting of the Company. As per the provisions of Section 139 of the Companies Act, 2013, M/s. Trushit Chokshi & Associates, Chartered Accountants are not eligible for re-appointment for a fresh term.

The Board of Directors places on record its appreciation for the services rendered by M/s. Trushit Chokshi & Associates, as the Statutory Auditors of the Company.

After due evaluation of various Auditing firms the Board of Directors on the recommendation of the Audit Committee of the Company recommend the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad as Statutory Auditors of the Company. M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad was set up in 1961 is a Chartered Accountant Firm providing professional services in the field of Accounts, Auditing, Taxation, Business Advisory and Management Consultancy Services.

M/s. Mahendra N. Shah & Co., Chartered Accountants has expressed their willingness to be appointed as Statutory Auditors of the Company. They further confirmed that it said appointment, if made, would be within prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for appointment.

The Board of Directors of the Company at their meeting held on 26th May, 2017 on the recommendation of the Audit Committee, has considered and recommended the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad as Statutory Auditors for a terms of five years beginning from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting subject to approval of the members at the ensuing Annual General Meeting. There appointment is subject to ratification for each year by members at the Annual General Meeting pursuant to Section 139 of the Companies Act, 2013. Accordingly, a resolution proposing to the aforesaid appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad as Statutory Auditors of the Company forms part of the Notice of the 27th Annual General Meeting of the Company.

As required under SEBI Listing Regulations, 2015, 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 Auditors' Report for the financial year ended March 31, 2017 on the financial statements of the Company is a part of this Annual Report.

The Statutory Auditors have not reported any incident of fraud to

the Audit Committee of the Company in the year under review.

b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Bipin L. Makawana, Company Secretary in Practice to undertake the Secretarial Audit of the Company.

Mr. Bipin L. Makawana, Company Secretary in Practice have carried out Secretarial Audit of the Company for the Financial Year 2016-17 and the Report of Secretarial Auditor in Form MR-3 is annexed with this Report as "Annexure – F" forming part of this Report.

The Board of Directors at its meeting held on May 26, 2017 has appointed Mr. Bipin L. Makawana, Company Secretary in Practice as Secretarial Auditor for conducting Secretarial Audit of the Company for the financial year 2017-18.

c. Cost Auditors

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

During the financial year ended March 31, 2017 there has been no delay in depositing amounts required to be transferred to the Investor Education and Protection Fund (IEPF), other than one instance of delay in transferring the unclaimed interim dividend for the financial year 2009-10 to the IEPF which has been explained in detail in No. 40 to the Standalone Financial Statements of 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

Over the years, the Company has participated and won many awards and recognition. The awards won during the financial year 2016-17:

- The Gujarat Dyestuff Manufacturing Association (GDMA) First award for self manufactured direct export of Dye Intermediates and special trophy for self manufactured domestic sale of Dye Intermediates of ₹25 crore and above during the year 2015-16.
- CHEMEXCIL "Trishul" award for outstanding performance in exporters during the 2015-16 in Dye & Dye intermediate category.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year ended March 31, 2017, 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 notes 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 transactions with related parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature.

In accordance with the provisions of Section 188 of the Companies Act, 2013 and rules made there under, as all the transactions entered into with the related parties during the year are in the ordinary course of business and on an arm's length basis, the details of which are included in the notes forming part of the financial statements. There are no material related party transactions entered during the year. Accordingly, information in form AOC-2 is not annexed.

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

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given as per "Annexure – A " hereto forming part of this Report.

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 are no significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and/or 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.

PARTICULAURS OF EMPLOYEES AND RELATED DISCLOUSRES

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" to this Report.

CERTIFICATIONS

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

MANAGEMENT'S DISCUSSSION 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, PRHIBITION & 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 Committee had not received any compliant.

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 ₹50,374/- remaining unclaimed was transferred to Investor Education and Protection Fund (IEPF) during the year.

Pursuant to Section 124(6) of the Companies Act, 2013, which requires a Company to transfer in the name of Investors Education and Protection Fund (IEPF) Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the said provisions read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company is in the process to transfer all shares in respect of which dividends declared for the year 2009-2010 or earlier financial years has not been paid or claimed by members for 7 (seven) consecutive years or more.

INDIAN ACCOUNTING STANDARDS (IND AS)

Pursuant to the notification issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company has to adopt "IND AS" with effect from April 1, 2017 with the comparatives for the period ended March 31, 2017. The implementation of IND AS is a major change process the Company has taken proper measures for its implementation.

GOODS AND SERVICES TAX (GST)

The introduction of Goods and Service Tax (GST) is a very significant step in the field o indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax basket, it would mitigate double taxation in a major way and pave the way for a common national market. The transaction to GST scenario is a major change process and the company has taken proper measures for its implementation.

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

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN No. 00671721

Place: Ahmedabad
Date: July 25, 2017

Regd. 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 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

The Company mainly focuses on the conservation of energy and its utilization. Continuous monitoring of high consumption areas/ equipment and taking appropriate corrective measures as and when required resulted in energy saving and maintained marginal increment in power consumption as against production growth.

(i) The steps taken or impact on conservation of energy:

- Replacement of eight old thermic fluid heaters with two new thermic fluid heaters, which will to conserve fuel. Due to switch over to two Nos. TFH, the company is expecting 30% saving in fuel consumption in TFH area.
- The Company has installed a Heat exchanger to recover the heat from alkaline hot wash water.
- Efforts have been taken to upgrade plant and machinery.
- The Company has also undertaken various initiatives towards green energy thereby contributing towards clean environment.
- Installation of capacitors to control the Power Factor.
- Street Light 70 watts converted to LED light of 36 watts.
- Periodical checking of electrical earthing.
- Flood Light 400 Watts converted to 40 W LED Flood Light.
- 125 Watts Flame proof lamps are changed to 15 watts LED lamps.
- Vessel lamps 60 watts converted to LED 18 watts with Timer.

(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 750 KW WTG and 128 KVA Solar Power Plant, 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 ₹106 Lac on energy conservation equipment during the year under review.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

(i) The efforts made towards technology absorption:

The Company has a Research and Development centre, which is recognized by the Ministry of Science and Technology, Government of India. The centre is engaged in

(a) Development of new products.

(b) Cost effective technology for existing and new product which are environment friendly.

(c) Improvement in quality, productivity and cost reduction to meet the customers changing requirements.

(d) Cost reduction by process improvement and cycle time reduction.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

The above efforts have improved the product quality, productivity and reduced wastages. The Research and Development department was able develop in house three new product Pigment Beta Blue 15.4, Pigment Alpha Blue 15.0 and 15.1.

(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 imported	:	Nil
b.	The year of Import	:	Not Applicable
c.	Whether the technology been fully absorbed	:	Not Applicable
d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	Not Applicable

(iv) The Expenditure incurred on Research and Development

(₹ in lac)

	2016-2017	2015-2016
Capital	-	-
Recurring	82.92	14.76
Total	82.92	14.76
Total Research and Development Expenditure as percentage of total turnover	0.32	0.07

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 72% of the total turnover comes from Exports. During the year under review, the Company exported pigments (Blue) valuing (FOB) ₹17,735.19 Lac (Previous Year ₹17,544 Lac) to various countries around the World. The Company is global phthalocyannie 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

(₹ in Lac)

	2016-2017	2015-2016
Foreign Exchange Earned (FOB)	17,735.19	17,544.00
Foreign Exchange Used	6,699.06	3,931.22

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

A. 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 as amended 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:

Sr. No.	Particulars	Remuneration for the year ended March 31, 2017 (₹ in Lac)	Ratio of Remuneration to median remuneration of employees
1.	Mrs. Paru M. Jaykrishna Chairperson & Mg. Director	165.20	55.07
2.	Mr. Gokul M. Jaykrishna Jt. Managing Director	130.90	43.63

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	127
Mr. Gokul M. Jaykrishna	167
Mr. Munjal M. Jaykrishna	Not Applicable
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 Raval – General Manager Accounts & CFO	4.58
Mr. Saji V. Joseph – Company Secretary	8.99

iii. The percentage increase in the median remuneration of employees in the financial year: During the year under review, there was an increase of 14% in the median remuneration of employees.

iv. The number of permanent employees on the rolls of Company: There were 147 permanent employees on the rolls of the Company as on March 31, 2017.

v. 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 14%, whereas, the average increase in the managerial remuneration was 123% for the financial year 2016-17. The higher increase in managerial remuneration was on the recommendation of the Nomination and Remuneration Committee considering the performance of the managerial person and the Company.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:** It is herby 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

List of Top 10 employees who were employed throughout the financial year 2016-17 and were in receipt of remuneration in aggregate of not less than ₹1,02,00,000/- per annum:

Name	Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna
Designation	Chairperson & Mg. Director	Jt. Managing Director
Remuneration Received (₹ In Lac)	165.20	130.90
Nature of Employment	Contractual	
Qualification	M.A., LLB	Master in Finance and Marketing
Experience (Years)	48	24
Date of Commencement of Employment	Since Inception	1996
Age (Years)	74	48
Last Employment	Skyjet Aviation Pvt Ltd	Krieger Associates, New Jersey, USA
Percentage of Equity Shares held in the Company as on March 31, 2017	5,286,811 Equity Shares held as a trustee of Mrugesh Jaykrishna Family Trust - I	2,723,509 Equity Shares held as a trustee of Gokul M. Jaykrishna Family Trust
Relationship with Directors of the Company	Mother of Mr. Gokul M. Jaykrishna, Jt. Managing Director and Mr. Munjal M. Jaykrishna, Director of the Company	Son of Mrs. Paru M. Jaykrishna, Chairperson & Mg. Managing Director and brother of Mr. Munjal M. Jaykrishna, Director of the Company

Notes:

1. The Gross remuneration includes Salary, Commission and taxable value of Perquisites.
2. 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
(Pursuant to Rule 8 of Companies (Corporate Social Responsibility policy) Rules, 2014

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, 2017, 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 (2013-14 to 2016-17):** The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2015-16, 2014-15, 2013-14) calculated in accordance with section 135 of the Companies Act, 2013 is ₹272.58 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. 2016-17 is ₹54.51 Lac.

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

   a) Total Amount to be spent for the financial year: ₹54.51 Lac

   b) Amount unspent, if any : Nil

   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 / programmme was undertaken)	Amount outlay (budget) project / programme wise (in ₹	Amount spent on the project / programme Sub-heads : 1. Direct expenditure on project / programme. 2. Overheads (in '₹) Direct:	Cumulative spend up to the reporting period (in '₹)	Amount spent : Direct / through implementing agency
1.	To promote facility of education to poor and under privileged children	Promotion of Education	Maninagar Ahmedabad	1,000,000	1,000,000	1,000,000	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	1,000,000	1,000,000	2,000,000	Implementing Agency : The Ashok Education Land Mark Trust

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 / programmme was undertaken)	Amount outlay (budget) project / programme wise (in ₹	Amount spent on the project / programme Sub-heads : 1. Direct expenditure on project / programme. 2. Overheads (in '₹) Direct:	Cumulative spend up to the reporting period (in '₹)	Amount spent : Direct / through implementing agency
3.	To promote healthcare, protection of life, health and human dignity	Preventive Health Care	Hosur, Banguluru	5,000,000	5,000,000	7,000,000	Implementing Agency : Vivekananda Yoga Anusandhana Samasthana, Banguluru
4.	To promote facility of education to poor and under privileged children	Promotion of Education	Dudhwada Village, Vadodara	347,910	347,910	7,347,910	Implementing Agency: Direct
5.	To Environmental sustainability, ecological balance and conservation of natural resources	Ensuring Environmental Sustainability, Ecological Balance and Conservation of Natural Resources	Padra, Vadodara	4,212,000	4,212,000	11,559,910	Implementing Agency: Direct
6.	To Promote Rural Development	Rural Development	Padra, Vadodara	60,001	60,001	11,619,911	Implementing Agency: Direct
7.	To promote facility of education to poor and under privileged children	Promotion of Education	Khanva, Jambusar, Vadodara	104,750	104,750	11,724,661	Implementing Agency: Direct
8.	To build toilets in nearby villages under Swachchh Bharat Mission	Promotion of Sanitation and Healthcare	Padra, Vadodara	150,000	150,000	11,874,661	Implementing Agency: Direct

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

Not Applicable. However, the Company has spent ₹64.24 Lacs in excess of the amount to be spent for the financial year, which is the part of the shortfall from the previous years.

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.

Gokul M. Jaykrishna
Jt. Managing Director
DIN No. 00671652

Paru M. Jaykrishna
Chairperson of CSR Committee
DIN No. 00671721

Place : Ahmedabad
Date : July 25, 2017

ANNEXURE – "E" TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[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	:	L24222GJ1990PLC014789
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	:	"Asahi House", 13, Aaryans Corporate Park Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road Thaltej, Ahmedabad – 380 059.
vi)	Whether Listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C-101, 247 Park, L.B. S Marg, Vikhroli (West) Mumbai – 400 083. Tel : 022- 49186270

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:-

Sl. 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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	3,410,098	0	3,410,098	27.79	0	0	0	0.00	(100.00)
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) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other- Family Trust	4,232,054	0	4,232,054	34.49	8,010,320	0	8,010,320	65.27	30.78
Sub-total (A) (1):-	**7,642,752**	**0**	**7,642,752**	**62.28**	**8,010,920**	**0**	**8,010,920**	**65.28**	**3.00**
(2) Foreign									
a) NRIs- 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 Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	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
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**7,642,752**	**0**	**7,642,752**	**62.28**	**8,010,920**	**0**	**8,010,920**	**65.28**	**3.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	8,467	0	8,467	0.07	100.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	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) Foreign Portfolio Investors	0	0	0	0.00	4,473	0	4,473	0.04	100.00
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
Sub-total (B)(1):-	**0**	**0**	**0**	**0.00**	**12,940**		**12,940**	**0.11**	**100.00**
2. Non- Institutions									
a) Bodies Corporate	1,064,240	0	1,064,240	8.67	365,745	0	365,745	2.98	(5.69)
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹1 lakh	1,750,476	2099	1,752,575	14.28	2,093,698	2,099	2,095,797	17.07	2.79
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	538,058	0	538,058	4.38	505,130	0	505,130	4.12	(0.26)

i) Category-wise Share Holding

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	
a) Others (specify)									
HUF	144,341	0	144,341	1.18	135,091	0	135,091	1.10	(0.08)
NRI/OBC	81,325	0	81,325	0.66	128,025	0	128,025	1.04	0.38
Clearing Member/ House	183,771	0	183,771	1.50	153,414	0	153,414	1.25	(0.25)
Foreign Company	0	865,200	865,200	7.05	0	865,200	865,200	7.05	0.00
Sub-total (B)(2):-	**3,762,211**	**867,299**	**4,629,510**	**37.72**	**3,381,103**	**867,299**	**4,248,402**	**34.61**	**(3.11)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**3,762,211**	**867,299**	**4,629,510**	**37.72**	**3,394,043**	**867,299**	**4,261,342**	**34.72**	**(3.00)**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**11,404,963**	**867,299**	**12,272,262**	**100.00**	**11,404,963**	**867,299**	**12,272,262**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year			Share holding at the end of the year			% Change 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	400,000	3.26	0.00	0	0.00	0.00	(100.00)
2.	Mr. Gokul M. Jaykrishna	1,505,049	12.27	0.00	0	0.00	0.00	(100.00)
3.	Mr. Munjal M. Jaykrishna	1,505,049	12.27	0.00	0	0.00	0.00	(100.00)
4.	Chelsea Marketing LLP – Formerly known as M/s. Intercon Finance Private Limited	600	0.001	0.00	600	0.001	0.00	0.00
5.	Mrugesh Jaykrishna Family Trust – I	4,232,054	34.48	0.00	5,286,811	43.08	0.00	8.60
6.	Gokul M. Jaykrishna Family Trust	0	0.00	0.00	2,723,509	22.19	0.00	100.00
	Total	**7,642,752**	**62.28**	**0.00**	**8,010,920**	**65.28**	**0.00**	**3.00**

iii) Change in Promoters' Shareholding*

Sl. No.	Shareholders Name	Date wise Increase / Decrease			Cumulative Shareholding	
		Date	Increase / Decrease	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mrs. Paru M. Jaykrishna					
	At the beginning of the year	01/04/2016	-	-	4,00,000	3.26
		04/04/2016	(400,000)	3.26	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
2.	Mr. Gokul M. Jaykrishna					
	At the beginning of the year	01/04/2016	-	-	1,505,049	12.27
		12/04/2016	(506,049)	4.12	999,000	8.14
		18/04/2016	(999,000)	8.14	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
3.	Mr. Munjal M. Jaykrishna					
	At the beginning of the year	01/04/2016	-	-	1,505,049	12.27
		04/04/2016	(411,766)	3.36	1,093,283	8.91
		18/04/2016	(393,283)	3.21	700,000	5.70
		20/04/2016	(700,000)	5.70	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
4.	Chelsea Marketing LLP – Formerly known as M/s. Intercon Finance Private Limited*					
	At the beginning of the year	01/04/2016	-	-	600	0.001
	At the End of the year	31/03/2017	-	-	600	0.001
*5.	Mrugesh Jaykrishna Family Trust – I					
	At the beginning of the year	01/04/2016	-	-	4,232,054	34.48
		04/04/2016	811,766	6.62	5,043,820	41.10
		22/09/2016	242,991	1.98	5,286,811	43.08
	At the End of the year	31/03/2017	-	-	5,286,811	43.08
*6.	Gokul M. Jaykrishna Family Trust					
	At the beginning of the year	01/04/2016	-	-	0	0.00
		12/04/2016	506,049	4.12	506,049	4.12
		18/04/2016	1,392,283	11.35	1,898,332	15.47
		20/04/2016	7,00,000	5.70	2,598,332	21.17
		22/09/2016	125,177	1.02	2,723,509	22.19
	At the End of the year	31/03/2017	-	-	2,723,509	22.19

*During the year under review promoters family trusts Mrugesh Jaykrishna Family Trust-1 and Gokul M. Jaykrishna Family Trust were in receipt of the SEBI order both dated March 08, 2016 bearing reference no. WTM/PS/184/CFD-DCR/MAR/2016 and WTM/PS/183/CFD-DCR/MAR/2016 respectively granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the acquisition of shares of the Company. Accordingly, during the year 4,00,000 (3.26%) equity shares held by Mrs. Paru M. Jaykrishna and 4,11,766 (3.36%) equity shares held by Mr. Munjal M. Jaykrishna of the Company were transferred to Mrugesh Jaykrishna Family Trust -1 and 15,05,049 (12.26%) equity shares held by Mr. Gukul M. Jaykrishna and 10,93,283 (8.91%) equity shares held by Mr. Munjal M. Jaykrishna were transferred to Gokul M. Jaykrishna Family 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, pursuant to the direction of aforesaid SEBI order.

Further, Mrugesh Jaykrishna Family Trust -1 and Gokul M. Jaykrishna Family Trust has acquired 242,991 (1.98%) and 125,177 (1.02%) through the stock exchange respectively of the Company. The total promoter shareholding of the Company hence stands increased to 65.28% from 62.28%. During the year under review, the name/status of the promoter company was changed from Intercon Finance Private Limited to Chelsea Marketing LLP.

v) 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 shareholding	Reason	Cumulative shareholding during the year	
		No of shares at the beginning (01/04/2016)/ end of the year (31/03/2017)	% of total shares of the Company				No of shares	% of total shares of the Company
1.	DIC Corporation	865,200	7.0500	01/04/2016	-	No Change	865,200	7.05
		865,200	7.0500	31/03/2017			865,200	7.05
2.	D. Srimathi	26,341	0.2146				26,341	0.2146
				17/06/2016	(2,081)	Transfer	24,260	0.1977
				19/08/2016	2,865	Transfer	27,125	0.2210
				09/09/2016	2,594	Transfer	29,719	0.2422
				16/09/2016	1,003	Transfer	30,722	0.2503
				28/10/2016	2,000	Transfer	32,722	0.2666
				11/11/2016	4,646	Transfer	37,368	0.3045
				23/12/2016	5,596	Transfer	42,964	0.3501
				06/01/2017	302	Transfer	43,266	0.3526
				13/01/2017	106	Transfer	43,372	0.3534
				10/02/2017	3,000	Transfer	46,372	0.3779
				17/02/2017	25,035	Transfer	71,407	0.5819
				24/02/2017	1,000	Transfer	72,407	0.5900
				03/03/2017	2,000	Transfer	74,407	0.6063
				10/03/2017	12,061	Transfer	86,468	0.7046
				17/03/2017	2,256	Transfer	88,724	0.7230
		88,724	0.7230	31/03/2017				
3.	Amit Jain	50,005	0.4075				50,005	0.4075
				01/04/2016	(5)	Transfer	50,000	0.4074
				15/04/2016	7,450	Transfer	57,450	0.4681
				22/04/2016	700	Transfer	58,150	0.4738
				27/05/2016	755	Transfer	58,905	0.4800
				03/06/2016	1,190	Transfer	60,095	0.4897
				24/06/2016	(385)	Transfer	59,710	0.4865
				30/06/2016	(15)	Transfer	59,695	0.4864
				01/07/2016	(300)	Transfer	59,395	0.4840
				08/07/2016	(158)	Transfer	59,237	0.4827
				15/07/2016	(5,375)	Transfer	53,862	0.4389
				22/07/2016	(905)	Transfer	52,957	0.4315
				29/07/2016	(2,398)	Transfer	50,559	0.4120
				05/08/2016	703	Transfer	51,262	0.4177
				16/09/2016	765	Transfer	52,027	0.4239
				11/11/2016	3,045	Transfer	55,072	0.4488
				18/11/2016	2,565	Transfer	57,637	0.4697
				25/11/2016	703	Transfer	58,340	0.4754
				16/12/2016	1,479	Transfer	59,819	0.4874
				06/01/2017	318	Transfer	60,137	0.4900
				10/02/2017	740	Transfer	60,877	0.4961
				24/02/2017	500	Transfer	61,377	0.5001

v) 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 shareholding	Reason	Cumulative shareholding during the year	
		No of shares at the beginning (01/04/2016)/ end of the year (31/03/2017)	% of total shares of the Company				No of shares	% of total shares of the Company
3.	Amit Jain			03/03/2017	100	Transfer	61,477	0.5009
				10/03/2017	200	Transfer	61,677	0.5026
				17/03/2017	707	Transfer	62,384	0.5083
				24/03/2017	1,919	Transfer	64,303	0.5240
				31/03/2017	2,223	Transfer	66,526	0.5421
		66,531	0.5421	31/03/2017				
4.	Achintya Securities Private Limited	65,933	0.5373	01/04/2016			65,933	0.5373
				15/04/2016	(11,198)	Transfer	54,735	0.4460
				22/04/2016	(53,052)	Transfer	1,683	0.0137
				29/04/2016	(1,125)	Transfer	558	0.0045
				06/05/2016	(154)	Transfer	404	0.0033
				27/05/2016	(50)	Transfer	354	0.0029
				03/06/2016	1,000	Transfer	1,354	0.0110
				10/06/2016	(656)	Transfer	698	0.0057
				17/06/2016	(119)	Transfer	579	0.0047
				05/08/2016	400	Transfer	979	0.0080
				19/08/2016	12,600	Transfer	13,579	0.1106
				16/09/2016	195	Transfer	13,774	0.1122
				23/09/2016	11,650	Transfer	25,424	0.2072
				30/09/2016	(1,229)	Transfer	24,195	0.1972
				07/10/2016	(3,045)	Transfer	21,150	0.1723
				21/10/2016	500	Transfer	21,650	0.1764
				28/10/2016	4,985	Transfer	26,635	0.2170
				04/11/2016	1,900	Transfer	28,535	0.2325
				11/11/2016	650	Transfer	29,185	0.2378
				18/11/2016	1,000	Transfer	30,185	0.2460
				25/11/2016	735	Transfer	30,920	0.2520
				02/12/2016	(200)	Transfer	30,720	0.2503
				09/12/2016	500	Transfer	31,220	0.2544
				16/12/2016	(5,648)	Transfer	25,572	0.2084
				30/12/2016	(4,035)	Transfer	21,537	0.1755
				27/01/2017	500	Transfer	22,037	0.1796
				03/03/2017	5	Transfer	22,042	0.1796
				17/03/2017	(500)	Transfer	21,542	0.1755
				31/03/2017	40,000	Transfer	61,542	0.5015
		61,542	0.5015	31/03/2017				
5.	Rural Engineering Co. Pvt Ltd	45,000	0.3667	01/04/2016	-	No Change	45,000	0.3667
		45,000	0.3667	31/03/2017				
6.	Kalyani P. Jain	37,587	0.3063	01/04/2016	-	No Change	37,587	0.3063
		37,587	0.3063	31/03/2017				

v) 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 shareholding	Reason	Cumulative shareholding during the year	
		No of shares at the beginning (01/04/2016)/ end of the year (31/03/2017)	% of total shares of the Company				No of shares	% of total shares of the Company
7.	Sabitha Chandran	0	0.0000	01/04/2016	-		0	0.0000
				17/03/2017	3,830	Transfer	3,830	0.0312
				24/03/2017	22,077	Transfer	25,907	0.2111
				31/03/2017	11,341	Transfer	37,248	0.3035
		37,248	0.3035	31/03/2017				
8.	Babu Lal Saraf	0	0.0000	01/04/2016			0	0.0000
				24/06/2016	2,000	Transfer	2,000	0.0163
				01/07/2016	(1,500)	Transfer	500	0.0041
				08/07/2016	2,100	Transfer	2,600	0.0212
				15/07/2016	5,433	Transfer	8,033	0.0655
				29/07/2016	1,104	Transfer	9,137	0.0745
				05/08/2016	11,952	Transfer	21,089	0.1718
				16/09/2016	200	Transfer	21,289	0.1735
				23/09/2016	17,695	Transfer	38,984	0.3177
				30/09/2016	8,860	Transfer	47,844	0.3899
				07/10/2016	(2,500)	Transfer	45,344	0.3695
				04/11/2016	1,713	Transfer	47,057	0.3834
				03/02/2017	(2,000)	Transfer	45,057	0.3671
				17/02/2017	(3,000)	Transfer	42,057	0.3427
				24/03/2017	(5,731)	Transfer	36,326	0.2960
		36,326	0.2960	31/03/2017				
9.	Hitesh Ramji Javeri	35,101	0.2860	01/04/2016	-	-	35,101	0.2860
		35,101	0.2860	31/03/2017				
10.	Pravin Natvarlal Bhagwati	21,981	0.1791	01/04/2016			21,981	0.1791
				08/04/2016	1,540	Transfer	23,521	0.1917
				12/08/2016	316	Transfer	23,837	0.1942
				23/09/2016	(4,206)	Transfer	19,631	0.1600
				30/09/2016	11,771	Transfer	31,402	0.2559
				04/11/2016	598	Transfer	32,000	0.2608
				18/11/2016	174	Transfer	32,174	0.2622
		32,174	0.2622	31/03/2017				
11.	Clariant Chemicals India Limited	7,18,600	5.86	01/04/2016			718,600	5.86
				16/09/2016	(122,723)	Transfer	595,877	4.86
				23/09/2016	(595,877)	Transfer	0	0.00
		0	0.00	31/03/2017				
12.	Saujyot Consultancy LLP	43,161	0.3517	01/04/2016			43,161	0.3517
				22/07/2016	(1,575)	Transfer	41,586	0.3389
				29/07/2016	(21,586)	Transfer	20,000	0.1630
				23/09/2016	(20,000)	Transfer	0	0.0000
		0	0.0000	31/03/2017				

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

vi) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	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.	**Mrs. Paru M. Jaykrishna**					
	At the beginning of the year	01/04/2016	-	-	4,00,000	3.26
		02/04/2016	(400,000)	3.26	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
2.	**Mr. Gokul M. Jaykrishna**					
	At the beginning of the year	01/04/2016	-	-	1,505,049	12.27
		12/04/2016	(506,049)	4.12	999,000	8.14
		18/04/2016	(999,000)	8.14	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
3.	**Mr. Munjal M. Jaykrishna**					
	At the beginning of the year	01/04/2016	-	-	1,505,049	12.27
		04/04/2016	(411,766)	3.36	1,093,283	8.91
		18/04/2016	(393,283)	3.21	700,000	5.70
		20/04/2016	(700,000)	5.70	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
4.	**Mr. H. K. Khan**					
	At the beginning of the year	01/04/2016	-	-	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
5.	**Mr. R. K. Sukhdevsinhji**					
	At the beginning of the year	01/04/2016	-	-	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
6.	**Mr. Arvind Goenka**					
	At the beginning of the year	01/04/2016	-	-	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
7.	**Mr. Gaurang N. Shah**					
	At the beginning of the year	01/04/2016	-	-	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
8.	**Dr. Pradeep Jha**					
	At the beginning of the year	01/04/2016	-	-	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
9.	**Mr. Chandravadan R. Raval**					
	At the beginning of the year	01/04/2016	-	-	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00
10.	**Mr. Saji V. Joseph**					
	At the beginning of the year	01/04/2016	-	-	0	0.00
	At the End of the year	31/03/2017	-	-	0	0.00

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	**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	-	-	-	-
Total (i+ii+iii)	**428,581,671**			**428,581,671**
Change in Indebtedness during the financial year	**-**	**-**	**-**	**-**
• Addition	1,662,294,020	-	-	1,662,294,020
• Reduction	1,769,215,075	-	-	1,769,215,075
Net Change	**(106,921,055)**	**-**	**-**	**(106,921,055)**
Indebtedness at the end of the financial year				
i. Principal Amount	321,660,616	-	-	321,660,616
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**321,660,616**	**-**	**-**	**321,660,616**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lac)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mrs. Paru M. Jaykrishna (CMD)	Mr. Gokul M. Jaykrishna (JMD)	
	Gross salary			
1.	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	115.20	76.80	192.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	4.10	4.10
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	**Stock Option**	0	0	0
3.	**Sweat Equity**	0	0	0
4.	**Commission**			
	- as % of profit	50.00	50.00	100.00
	- others, specify...			
5.	**Others, please specify**	0	0	0
	Total (A)	**165.20**	**130.90**	**296.10**
	Ceiling as per the Act	₹404 Lac (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).		

B. Remuneration to other directors:

(₹ In Lac)

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fees for attending the Board/Committee Meetings	Commission paid	Other, please specify	
I.	**Independent Directors**				
1.	Mr. H. K. Khan	0.020	0	0	0.020
2.	Mr. R. K. Sukhdevsinhji	0.040	0	0	0.040
3.	Mr. Arvind Goenka	0.015	0	0	0.015
4.	Dr. Pradeep Jha	0.190	0	0	0.190
	Total (I)	**0.265**	**0**	**0**	**0.265**
II.	**Other Non-Executive Director**	0.000	0	0	0.000
	Total (II)	**0.000**	**0**	**0**	**0.000**
	Total Managerial Remuneration (I+II)	**0.265**	**0**	**0**	**0.265**
	Overall Ceiling as per the Companies Act, 2013	₹25 Lac (being 1% 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

(₹ In Lac)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Saji V. Joseph Company Secretary	Mr. Chandravadan R. Raval CFO	
	Gross salary			
1.	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.85	12.29	22.14
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	**Stock Option**	0	0	0
3.	**Sweat Equity**	0	0	0
4.	**Commission**			
	- as % of profit	0	0	0
	- others, specify...			
5.	**Others, please specify**	0	0	0
	Total (A)	**9.85**	**12.29**	**22.14**

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)
A. COMPANY					
Penalty					
Punishment			Nil		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Nil		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**Nil**		
Compounding					

ANNEXURE – "F" TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2017

[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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asahi Songwon Colors Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2017 ("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, 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 March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period) ;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
   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, 2009 (Not Applicable to the Company during the Audit Period); and
   h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
6. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis other than fiscal and labour laws which are generally applicable to all manufacturing/trading companies, the following laws/ acts are also, inter alia, applicable to the Company:
   1. Indian Boilers Act, 1923
   2. Hazardous Wastes (Management and Handling) Rules, 1989.
   3. Hazardous Chemicals Rules, 1989
   4. The Explosives Act, 1884
   5. Environment Protection Act, 1986
   6. The Water (Prevention and Control of Pollution) Act, 1974

7. The Water (Prevention and Control of Pollution) Cess Act, 1977.

8. Air (Prevention and Control of Pollution) Act, 1981.

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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below:-

1. There has been one instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in respect of interim dividend 2009-2010.

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.

The Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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.

I further report that during the year under review:

(i) promoters family trusts Mrugesh Jaykrishna Family Trust-1 and Gokul M. Jaykrishna Family Trust were in receipt of the SEBI order both dated March 08, 2016 bearing reference no. WTM/ PS/ 184/ CFD-DCR/ MAR/ 2016 and WTM /PS /183 /CFD-DCR /MAR /2016 respectively granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the acquisition of shares of the Company. Accordingly, during the year 400,000 (3.26%) equity shares held by Mrs. Paru M. Jaykrishna and 411,766 (3.36%) equity shares held by Mr. Munjal M. Jaykrishna of the Company were transferred to Mrugesh Jaykrishna Family Trust -1 and 15,05,049 (12.26%) equity shares held by Mr. Gukul M. Jaykrishna and 1,093,283 (8.91%) equity shares held by Mr. Munjal M. Jaykrishna were transferred to Gokul M. Jaykrishna Family 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, pursuant to the direction of aforesaid SEBI order.

I further report that during the audit period there were no specific event/ action having a major bearing on the Company' s affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc referred to above more specifically related to:

(i) Public / Right / Preferential Issue of Shares/ debentures/ Sweat equity etc.

(ii) Redemption/ Buy back of securities.

(iii) Major decisions taken by the Members in pursuance to Section 180 of the Act.

(iv) Foreign technical collaboration.

Bipin L. Makwana
Company Secretary in Practice
Membership No. 15650
C. P. No. 5265

Place: Ahmedabad
Date: July 25, 2017

Note: This Report is to be read with Our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

ANNEXURE: "A" TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

To,
The Members,
Asahi Songwon Colors Limited
Ahmedbaad

Our Report of even date is to be read along with this Letter:

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibly of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company not of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bipin L. Makwana
Company Secretary in Practice
Membership No. 15650
C. P. No. 5265

Place: Ahmedabad
Date: July 25, 2017

ANNEXURE – "G" TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The world is becoming more and more colorful, people are using wide spectrum of colors. We add blue colors to ink, paints, plastics, textiles, rubber you use. Your Company one of the leading manufacturers of Phthalo pigments (one of the largest categories of pigments manufactured in India) comprising of CPC blue crude, Alpha Blue 15.0, Alpha Blue 15.1, Beta Blue 15.3 and Beta Blue 15.4. 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. Your Company has significant presence in paints, coating, inks and plastics application and positioned itself as preferred supplier to major players in Global Market.

Your Company's has an dedicated plant operating at Padra near Vadodara in the State of Gujarat, manufacturing Blue Pigments.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Chemical industry is one of the oldest industries in India It creates an immense variety of products which impinge on virtually every aspects of our lives. Chemicals are one of the key input materials in the world finding applications in all manufacturing sectors. India is the third largest producer of Chemicals in Asia and sixth largest in the world. With the increase in industrial activities, the demand for chemicals also is increasing. Your Company manufacture pigments which is an integral part of chemical industry.

Pigment industry is divided into organic and inorganic pigments based on their chemical composition, whereas organic pigments consists of high performance pigments, AZO pigments (red, yellow and orange) and Phthalocyanines (Phthlo) pigments (blue and green). China has emerged as the global leader in the AZO pigments while India has emerged as a global hub for Phthlo pigments on account of growing access of international technologies, quality and strong environmental compliances. Copper Phthalocyanine pigment by virtue of their exceptionally brilliant shade, high tinctorial strength, low cost, outstanding properties have been ruling the colorant world. Your Company is specialized in Phthlo pigment and one of leading manufacturers of the blue pigments in India. With India slowly becoming the preferred location for phtahlocyanine pigments apart from China, globally, the market is becoming more favourable for the Company.

OPPORTUNITIES, THREATS, RISK & CONCERNS

The global pigments industry produces hundreds of colourants for a wide spectrum of industries and consumers. 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 3.8 percent from 2015 to 2023 and the market is anticipates to reach $32bn by 2023. (Source: Transparency Market Research). Rapid industrialization and developmental activities, rising infrastructural activities and economic progress in developing countries are some of the main features which are 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. There exist opportunities for significant growth in the pigment industry with steady growth in housing, automobiles, construction and FMCG 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 are continuous environmental head winds in many parts of the world, especially in Asia. 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.

Economic slowdown or factors that affecting the economic health of the customer countries may increase risk to revenue growth of the Company. Our product cater to requirements of diverse downstream industries like paints, printing inks, plastics with robust quality standards, good relationship and environment friendly production process we remains preferred customer.

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

One of the key raw materials used in the manufacturing of the pigments is Phthalic Anhydride, which is a petroleum derivative 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

Indian economy is gradually improving by favourable policy as well as execution of reforms by the Government. The countries overall macro-economic forecast remains strong with international agencies predicting India to be the fastest growing major economy in the coming years. Major factors contributing the growth of the economy are lower inflation, favoruable interest rates, policies are moving quickly, low commodity prices, strengthening current account deficit and increasing forex reserves. With implementation of GST there will be efficiency in movement of goods between the states. Tax compliance and governance will improve which will ultimately boost investment and growth.

The global economy is also recovering especially the emerging markets have shown signs of revival. With robust growth in end user industry like paints and coating industry demand of pigment is intensifying.

The Company will continue its efforts to increase the utilisation of its installed capacities, which will be crucial to achieve an improvement in the operational results. Priority will be on the quality of the products. The disciplined focus will be cost reductions, operating efficiencies and diligent cash deployment in value creating opportunities.

The Company is also taking efforts to increase the product line, during the year the Company has introduced three new products and more products are in pipe line.

Looking ahead in 2017-18, the Company will continue to focus more on research and development, new product launches, process reengineering and reduction in carbon foot print.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal financial Control Systems of the Company are commensurate with the size and the nature of the operations. They have been designed to provide reasonable assurance with recording and providing reliable financial and operational information, complying with the applicable Accounting Standards and relevant statutes, safeguarding assets from unauthorized use and executing transaction with proper authorization.

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

Internal Control Systems are reviewed by Audit Committee headed by a Non-Executive Independent Director on a regular basis for its effectiveness and the necessary changes suggested are interpreted into the system. Internal Audit Report are reviewed by the Audit Committee of the Board.

FINANCIAL PERFORMANCE

Your Company registered another year of healthy financial performance with profit after tax higher than previous year, in a mixed business environment. An increased focus was on cost and operation efficiency. Operational cost both fixed and variable cost were kept under strict control, higher manufacturing volume and lower cost helped to overcome price pressure in the market and led to an overall improvement in the profitability level.

(₹ In Lac)

Particulars	2016-2017	2015-2016
Revenue from Operations	25,7 08.77	22,392.01
Other Income	108.80	363.26
Total Income	25,817.57	22,755.27
Operating Profit	4,741.51	4,259.16
Finance Costs	281.09	449.49
Depreciation and Amortization Expenses	712.50	671.00
Profit for the year before extra ordinary item and tax expenses	3,747.92	3,138.67
Extra Ordinary Item	-	-
Profit for the year before tax expenses	3,747.92	3,138.67
Tax Expenses	1,246.10	1,040.40
Profit after Tax	2,501.82	2,098.27

Results of Operations

During the year under review, the Company earned a total income of ₹25,818 lac compared to ₹22,755 lac in the previous year.

The total sales of the Company stood at ₹25,709 lac (Previous Year ₹22,392 lac). The profit after tax (PAT) increased by 19 percent from ₹2,098 lac to ₹2,502 lac in the previous year.

The financial year 2016-17 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 ₹17,864 lac compared to ₹17,636 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

Overall industrial relations climate 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 Corporate Governance Report relating to the year ended March 31, 2017 has been issued in compliance with the requirements of Regulation 34(3) read with Clause C of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of the Report of the Directors to the Members of the Company.

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.

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, 2017, 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 five 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 2016-17, 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 Securities Exchange Board of India (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, 2017, 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 eminent persons from their respective fields/profession. 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.

All independent Directors meet with the criteria of independence as prescribed both under sub section 149 of the Companies Act, 2013 and under Regulation 1(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No Independent Director is related to any other director on the Board in terms of the definition of "relative" as defined under Section 2(77) of the Companies Act, 2013. None of Directors on the Board are independent directors of more than seven listed companies and none of the whole time directors are independent directors of any listed company.

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

Nomination and Remuneration Committee for appointment of Independent Directors on the Board inter alia, consider qualification, area of expertise and number of directorship and membership held in various committees of the other Companies by such person in accordance with Company's policy for selection of Directors and determining Directors' independence.

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

As at March 31, 2017, the composition of the Board of Directors of the Company was as follows:

Sr. 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

2.2 Details of Attendance of each director at the meeting of Board of Directors

Sr. No.	Date of Board Meeting	Place	Number of Directors Present
1.	24.05.2016	Ahmedabad	6
2.	22.07.2016	Ahmedabad	5
3.	29.07.2016	Ahmedabad	5
4.	22.08.2016	Ahmedabad	5
5.	07.11.2016	Ahmedabad	5
6.	31.01.2017	Ahmedabad	8
7.	18.03.2017	Ahmedabad	5

2.3 Details of Number of other Board of Directors or Committees in which a Director is a Member or Chairperson and their attendance in the last Annual General Meeting

Name of the Director	No. of Outside Directorship Held		No. of Outside Committee Positions Held		Attendance in AGM 26.09.2016
	Public	Private	Public	Private	
Mrs. Paru M. Jaykrishna	1	5	2	-	Yes
Mr. H.K. Khan	1	1	2	-	No
Mr. R. K. Sukhdevsinhji	5	1	-	-	No
Mr. Arvind Goenka	3	1	3	-	No
Mr. Gaurang N. Shah	2	3	-	-	Yes
Dr. Pradeep Jha	1	-	4	-	Yes
Mr. Gokul M. Jaykrishna	2	5	-	-	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 2016-17, Seven (7) 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. 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Recording minutes of proceeding of Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting or in the next Board Meeting.

2.6 Post Meeting Follow-up

The Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments. Action taken report on decisions of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for noting.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s) ensure to adhere to all applicable laws and regulations including the Companies Act, 2013 read with rules there under and Secretarial Standard issued by the Institute of Company Secretaries of India.

2.7 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.

2.8 Familiarisation Programme

Your Company has put in place a well structured familaristion 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 Reappointment of Director liable to retire by rotation

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

2.10 Directors Profile

A brief resume of Directors, nature of their expertise in specific functional areas are available on the website of the Company.

2.11 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2016-17.

2.12 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 2016-17. Annual Declaration by the Chairperson and Managing Director to this effect is annexed at the end of this report.

2.13 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 September 26, 2014. During the reporting financial year, a separate Meeting of the Independent Directors of the Company was held on January 31, 2017, 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

All transactions with related parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature.

In accordance with the provisions of Section 188 of the Companies Act, 2013 and rules made there under, as all the transactions entered into with the related parties during the year are in the ordinary course of business and on an arm's length basis, the details of which are included in the notes forming part of the financial statements. There are no material related party transactions entered during the year.

In terms of the Companies Act, 2013 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 read with Part C of Schedule II of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Regulation 18 of the Securities Exchange Board of India (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. Gaurang N. Shah	Chairman
2.	Mr. R. K. Sukhdevsinhji	Member
3.	Dr. Pradeep Jha	Member

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

C. Secretary

The Company Secretary act as secretary to the committee.

D. Meeting and Attendance during the year

Sr. No.	Name of the Committee Member	Attendance in Audit Committee Meetings held on					
		24.05.2016	29.07.2016	22.08.2016	07.11.2016	31.01.2017	18.03.2017
1.	Mr. Gaurang N. Shah	√	√	√	√	√	√
2.	Mr. R. K. Sukhdevsinhji	√	X	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 Regulation 19 and Part D of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 Wholetime 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 Securities Exchange Board of India (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. 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;
2. 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;
3. Formulation of criteria for evaluation of Independent Director and the Board of Directors;
4. Devising a policy on Board Diversity;
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. Gaurang N. Shah	Chairman
2.	Mr. H. K. Khan	Member
3.	Dr. Pradeep Jha	Member

Mr. Gaurang 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. Gaurang N. Shah	4	4
Mr. H. K. Khan	4	1
Dr. Pradeep Jha	4	4

E. Performance Evaluation of Directors

A performance evaluation of each independent director of the Company was done by the Board of Directors. The attendance, participation and contribution of each independent directors during the proceedings of meeting was considered. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth.

F. 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 2016-17 (inclusive of Perquisites and Commission) (₹ in Lac)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	165.20
Mr. Gokul M. Jaykrishna	Joint Managing Director	130.90
Total		**296.10**

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. Gaurang N. Shah who has voluntarily consented not to avail any benefits including sitting fees from the Company.

Shareholding of Non-Executive Directors

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

7.3. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

The constitution and terms of reference of Stakeholder Relationship Committee of the Company pursuant to Section 178(5) of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 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. To review the reports submitted by the Registrar and Share Transfer Agents of the Company;
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. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading; and

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

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is 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	3	3
Mrs. Paru M. Jaykrishna	3	3
Dr. Pradeep Jha	3	3

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 pending at the beginning of the year	:	01
Number of complaints received	:	44
Number of complaints resolved during the year	:	45
Number of pending complaints at the end of the year	:	Nil

There were no share transfers pending for registration for more than 15 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 Members	No. of Meetings	
	Held	Attended
Mrs. Paru M. Jaykrishna	5	5
Mr. Gaurang N. Shah	5	5
Dr. Pradeep Jha	5	5

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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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
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
2015-16	At the Registered Office at "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road, Thaltej, Ahmedabad – 380059	September 26, 2016	11.00 a.m.

11.2 Extra Ordinary General Meeting

An Extra Ordinary General Meeting of the Company was held during the Financial Year 2016-17 on August 22, 2016 to appoint Statutory Auditors to fill casual vacancy.

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 the following Special Resolutions were passed:

a. Resolution in respect of revision in terms of appointment of Mrs. Paru M. Jaykrishna (DIN No. 00671721), the Chairperson and Managing Director.

b. Resolution in respect of revision in terms of appointment of Mr. Gokul M. Jaykrishna (DIN No. 00671652), the Joint Managing Director.

c. Resolution in respect of revision in terms of appointment of Mr. Munjal M. Jaykrishna (DIN No. 0067693), the Joint Managing Director.

d. 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 ₹500 crores .

e. Resolution in respect of authority to charge/mortgage assets of the Company both present and future.

f. Resolution in respect to adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

g. Resolution in respect of Maintenance of Register of Members and other statutory registers at a place other than the registered office of the Company.

At the 26th Annual General Meeting held on September 26, 2016 the following Special Resolutions were passed:

h. Resolution in respect of reappointment of Mrs. Paru M. Jaykrishna (DIN No. 00671721), the Chairperson and Managing Director.

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

No postal ballot was conducted during the financial year 2016-17.

11.5 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.

11.6 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. Disclosures

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

During the financial year 2016-17, 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 36 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, 2017.

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

The Company has fully complied with the mandatory requirements of Securities Exchange Board of India (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.

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.

g. **Commodity Price Risks and Foreign Exchange Risk and Hedging Activities**

The Company is subject to commodity price risks due to fluctuation in prices of crude oil. The Company's payables and receivables are in U.S. Dollars and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a well structured risk management system for identification and monitoring and mitigation of commodity price and foreign exchange risks under the guidance of experienced Board of Directors.

13. 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 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.

vii. **Filing with BSE " Listing Centre"**

Pursuant to Regulation 10 (1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with Stock Exchanges by Listed Entities. Accordingly, the Company have been electronically filling Shareholding Pattern, Financial Results, Corporate Governance Report, Reconciliation of Share Capital Audit in XBRL mode with Exchange Listing Centre.

viii. **NSE Electronic Application Processing System (NEAPS)**

The Shareholding Pattern, Financial Results, Corporate Governance Report and various submissions/disclosure documents are filed by the Company electronically on NEAPS.

ix. **SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

14. GENERAL SHAREHOLDER'S INFORMATION

1. 27th Annual General Meeting

Day, Date, Time & Venue

Tuesday, September 12, 2017 at 10.30 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 (2017–18)

Financial Year	April 1, 2017 to March 31, 2018
First Quarter Results	On or before August/ September 14, 2017
Second Quarter Results	On or before November/December 14, 2017
Third Quarter Results	On or before February 14, 2018
Audited Results for the year 2017-18	On or before May 29, 2018
Annual General Meeting	August/ September, 2018

3. Date of Book Closure

Closure of Register of Members and Share Transfer Books.

September 7, 2017 to September 12, 2017 (both days inclusive)

4. Electronic Voting

Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended by the companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015 members have been provided the facility to exercise their right to vote at the 27th Annual General Meeting by electronic voting through services provided by NSDL. The electronic voting period will be from 9.00 a.m. IST on September 9, 2017 to 5.00 p.m. IST September 11, 2017, both days inclusive.

5. Scrutiniser for electronic voting

Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. ACS15650) has been appointed as the Scrutinizer to scrutinizer the electronic voting process in a fair and transparent manner and to give his report to the Chairperson.

6. a. Dividend payment date

Interim dividend paid on March 18, 2017 is proposed as final dividend and no additional dividend is recommended.

b. Dividend Policy

Dividends, other than interim dividends are to be declared at the Annual General Meeting of the shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plan and capital requirements, profit earned during the fiscal year, cost of raising the funds from alternate sources, liquidity position, applicable laws including tax on dividend. The Board of Directors may also from time pay interim dividends to shareholders.

7.	**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). **Name and Address of Stock Exchange** **BSE Limited** Floor 25, P. J. Towers Dalal Street, Fort Mumbai - 400 001 **National Stock Exchange of India Ltd** 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.
8.	**Stock Code/Symbol BSE** **NSE**	532853 ASAHISONG
9.	**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.
10.	**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.** The name address of depositories are: **National Securities Depository Limited** Trade World, 4th Floor, "A" Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai – 400 013. **Central Depository Services (India) Limited** 16-17th Floor, Phiroze Jeejeebhoy Tower Dalal Street Mumbai – 400 001. The Annual Custodial fees for the financial year 2017-18 have been paid to National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL).

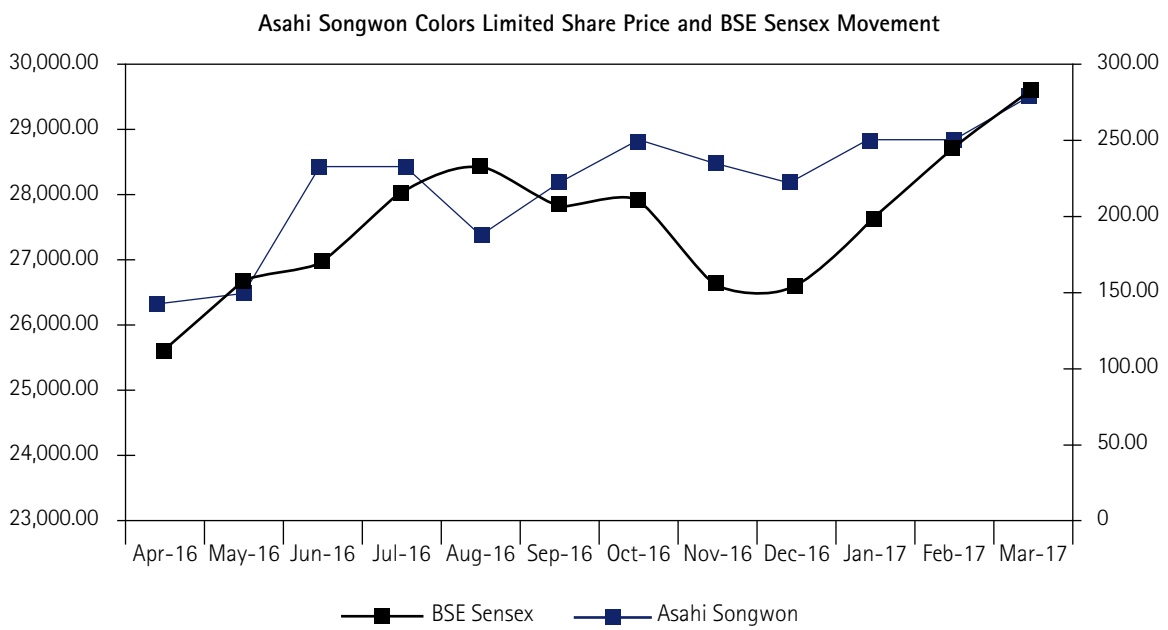
11. Market Price Data –high, low during each month in last financial year

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2016-17 on BSE Limited and National Stock Exchange of India Limited are given below:

Month	BSE Sensex	BSE Limited			National Stock Exchange of India Limited		
		High (₹)	Low (₹)	Volume (No of Shares)	High (₹)	Low (₹)	Volume (No of Shares)
April, 2016	25,606.02	170.80	129.00	3,770,218	171.00	129.10	678,411
May, 2016	26,667.96	156.00	134.10	106,706	156.60	133.00	286,379
June, 2016	26,999.72	245.90	148.00	1,001,039	247.00	147.10	3,003,506
July, 2016	28,051.86	243.00	213.00	406,461	242.40	211.00	1,149,521
August, 2016	28,452.17	210.50	171.05	411,175	210.50	171.80	1,048,432
September, 2016	27,865.96	243.00	177.05	1,627,204	242.50	176.70	2,619,058
October, 2016	27,930.21	260.10	222.55	592,903	260.80	223.00	1,609,103
November, 2016	26,652.81	275.90	191.50	531,624	281.30	191.10	1,409,919
December, 2016	26,626.46	240.15	211.50	119,186	241.85	210.25	354,350
January, 2017	27,655.46	269.90	220.00	207,214	279.00	218.05	859,215
February, 2017	28,743.32	264.50	236.00	173,685	265.00	235.00	565,052
March, 2017	29,620.52	286.90	248.50	127,877	287.00	248.00	495,276

12. Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2016-17

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, 2016 to March 31, 2017. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



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

14. **Registrar and Transfer Agent**

Link Intime India Private Limited
UNIT : ASAHI SONGWON COLORS LIMITED

Mumbai Office
C-101, 247 Park, L.B. S Marg,
Vikhroli (West)
Mumbai – 400 083.
Tel : 022- 49186270
Fax : 022-49186060
Email : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Ahmedabad Branch Office
506-508, Amarnath Business Centre -1,
(ABC-1), Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ellisbridge,
Ahmedabad-380 006
Tel: 079-26465179/86/87
E-mail id : ahmedabad@linkintime.co.in
Website : www.linkintime.co.in

15. **Share Transfer System**

1) **Share Transfer**

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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Share transfer requests received in physical form are registered and certificate delivered within 15 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.

SEBI vide its circular dated January 7, 2010 made it mandatory to furnish copy of PAN card in Transmission of shares, Transposition of Shares and Deletion of name. The Company obtains from a Company Secretary Practice a half yearly certificate of compliance with the share transfer formalities as required under the Regulation 40 (9) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

ii) **Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for shareholders in respect of shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer agent.

iii) **National Electronic Clearing Service (NECS):**

As per the directive from Securities and Exchange Board of India, companies whose securities are listed on the stock exchange shall use any Reserve Bank of India (RBI) approved electronic mode of payment such as ECS (LECS (Local ECS) /RECS (Regional ECS) / NECS (National ECS)) / NEF for making the dividend payment to the shareholders. The Company will remit the dividend payment through National Electronic Clearing Service (NECS) to the Shareholders having account with Branches of Banks covered under CBS (Core Banking Solution). Equity Shareholders holding shares in electronic mode may update their bank details with their Depository Participant (DP) and shareholder holding shares in physical form can update the details with Registrar and Share Transfer Agent.

iv) **Correspondence regarding change of address:**

Shareholders are requested to ensure that any correspondence of Change of Address, change of Bank Mandates should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they opened Demat Account.

v) **Green Initiative for Paperless Communication:**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its members through electronic mode. The move of the ministry allows public at large to contribute to the green movement. Keeping in view the underlying theme, the Company will continue to

send various communication and documents in electronic form in the email address provided by the members to the Depositories or to the Company.

vi) Pending Investors' Grievances:

Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered office of the Company with a copy of earlier correspondence.

16. CORPORATE BENEFITS TO SHAREHOLDERS

a) Dividend declared for the last five years:

Financial Year	Dividend %	Total Dividend (₹)
2016-17	30	36,816,786
2015-16	20	24,544,524
2014-15	35	42,952,917
2013-14	35	42,952,917
2012-13	35	42,952,917

b) Unclaimed Dividend

Pursuant to Section 124 (5) of the Companies Act, 2013 dividend that are unclaimed/unpaid for a period of seven years are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The Company shall be transferring the unclaimed/unpaid dividend for the financial year 2009-10 on due date to the Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend may approach the Company or Registrar and Share Transfer Agent.

c) Transfer of Shares to Investor Shares to Investor Education and Protection Fund

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016 the Company will be arranging to transfer all shares in respect of dividend has not been en-cashed or claimed by the shareholders for seven consecutive years or more to the Investor Education and Protection Fund (IEPF) Suspense Account.

d) Disclosures with respect to demat suspense account/unclaimed suspense account

The disclosure as required under schedule V of the Listing Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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

17. DISTRIBUTION OF SHAREHOLDING

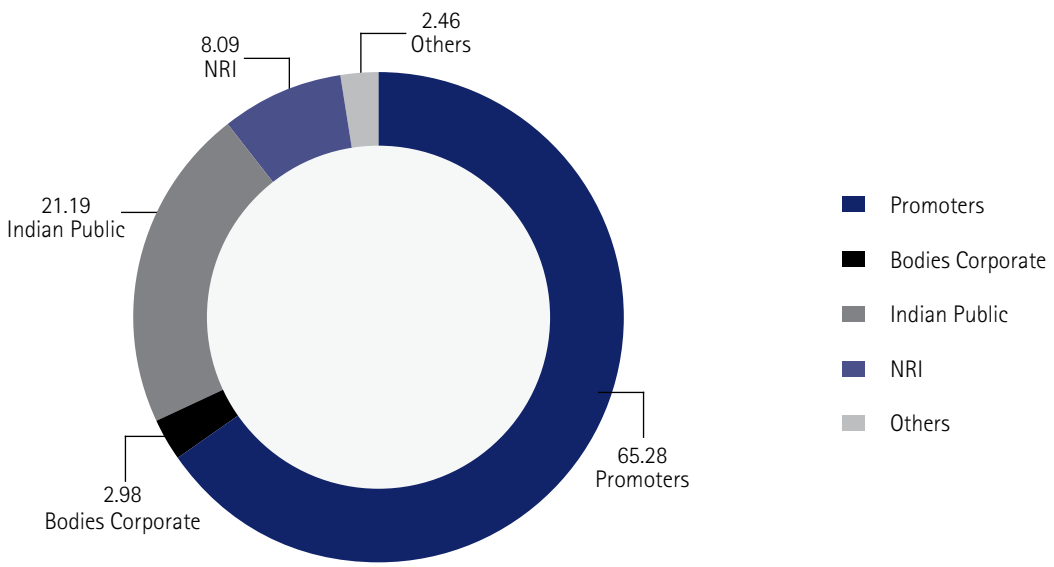
The distribution of shareholding as on March 31, 2017 is as under:

a. Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	5,496	85.38	718,116	5.85
501-1000	454	7.05	371,416	3.03
1001-2000	246	3.82	375,460	3.06
2001-3000	75	1.17	188,122	1.53
3001-4000	30	0.47	108,870	0.89
4001-5000	24	0.37	114,147	0.93
5001-10000	64	0.99	464,012	3.78
10001 and above	48	0.75	9,932,119	80.93
Total	**6,437**	**100.00**	**12,272,262**	**100.00**

b. Shareholding Pattern as on March 31, 2017 (Categorywise)

Sr. No.	Category	No of Holders	No of Shares	% of Shareholding
A.	Promoters			
1.	*Indian Promoters*			
	Individuals			
	Bodies Corporate	1	600	0.001
	Family Trust	2	8,010,320	65.279
2.	*Foreign Promoters*			
	Total Promoters Holding	**3**	**8,010,920**	**65.28**
B.	Non Promoters			
1.	*Institutional Investors*			
a.	Mutual Funds		-	-
b.	Banks, Financial Institutions, Insurance Companies	2	8,467	0.07
c.	Foreign Portfolio Investors	1	4,473	0.04
	Sub Total	**3**	**12,940**	**0.11**
2.	*Others*			
a.	Bodies Corporate	162	365,745	2.98
b.	Indian Public	5,719	2,600,927	21.19
c.	NRIs/OCBs/Foreign Company	170	993,225	8.09
d.	HUF	242	135,091	1.10
e.	Clearing Members	138	153,414	1.25
	Sub Total	**6,431**	**4,248,402**	**34.61**
	Grand Total	**6,437**	**12,272,262**	**100.00**



List of Top Ten Shareholders other than Promoters as on March 31, 2017

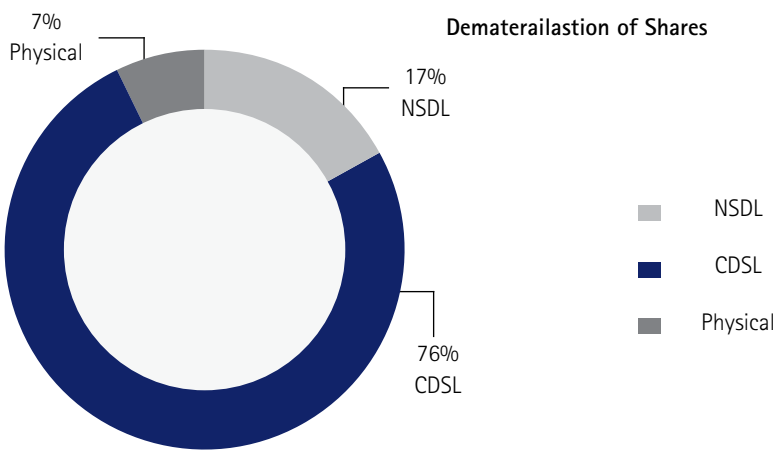
Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	865,200	7.05
2.	D. Srimathi	88,724	0.72
3.	Amit Jain	66,531	0.54
4.	Achintya Securities Private Limited	61,542	0.50
5.	Rural Engineering Co. Pvt Ltd	45,000	0.37
6.	Kalyani P. Jain	37,587	0.30
7.	Sabitha Chandran	37,248	0.30
8.	Babu Lal Saraf	36,326	0.30
9.	Hitesh Ramji Javeri	35,101	0.29
10.	Pravin Natvarlal Bhagwati	32,174	0.26

18. Dematerialization of Shares and Liquidity

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, 2017. 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 on March 31, 2017

Particulars	As on March 31, 2017		As on March 31, 2016	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	2,109,740	17.19	5,295,026	43.14
CDSL	9,295,223	75.74	6,109,937	49.79
Shares in Physical Form	8,67,299	7.07	867,299	7.07
Total	**12,272,262**	**100.00**	**12,272,262**	**100.00**



19. 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, 2017.

20. Credit Rating:

During the year, CARE has upgraded the rating assigned to the long-term facilities of your Company from "CARE A+ [A Plus]" to "CARE AA-; Stable [Double A Minus; Outlook; Stable]". 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+ [Single A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having a tenure up to one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

21. Plant Locations:

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

22. 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
Email: cs@asahisongwon.com

Address for correspondence with the Registrar and Transfer Agent
Link Intime India Private Limited
506-508, Amarnath Business Centre -1,
(ABC-1), Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ellisbridge,
Ahmedabad-380 006
Tel: 079-26465179/86/87
E-mail id : ahmedabad@linkintime.co.in
Website : www.linkintime.co.in

23. Designated exclusive email-id for Investor servicing:

cs@asahisongwon.com

24. Non-Compliance of any Requirements of Corporate Governance

There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub paras (2) to (10) of Para (C) of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

25. Adoption of Discretionary Requirements:

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

1. The Board

The Board-A non executive Chairman may be entitle to maintain a Chairman's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties: The Company has an Executive Chairperson.

2. Shareholders' Rights

A half-yearly declaration of financial performance including summary of the significant events in last six months may be sent to each household of shareholders: The quarterly financial results are announced within 45 days from the close of the respective quarter. However, in case of the last quarter, the quarterly results and the annual results are announced within the 60 days from the close of the quarter. The financial results are published in leading newspaper. The financial results, press releases and other major events/developments concerning the Company are also posted on the Company's website www.asahisongwon.com.

3. **Audit qualifications**

The Company's financial statements for the financial year 2016-17 do not contain any audit qualification.

4. **Separate posts of Chairman and CEO**

Separate posts for Chairman and Managing Director or CEO: The Chairperson's office is not separate from that of the Managing Director.

5. **Report of Internal Auditor**

Reporting of Internal Auditor: The internal auditors reports to the Audit Committee.

26. 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, 2017.

27. Reconciliation of Share Capital Audit Report

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/.FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and also submitted to the Stock Exchanges where the shares of the Company are listed.

28. 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.

29. Declaration Affirming Compliance of Code of Conduct

As provided under Regulation 26(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Level Employees have confirmed compliance with the Code of Conduct for the year ended March 31, 2017.

For and on behalf of the Board of Directors

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN No. 00671721

Place : Ahmedabad
Date: July 25, 2017

CERTIFICATE

To The Members
Asahi Songwon Colors Limited

We, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director and Mr. 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 of Asahi Songwon Colors Limited for the year ended March 31, 2017 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.

For Asahi Songwon Colors Limited

Place: Ahmedabad
Date: July 25, 2017

Chandravadan R. Raval
General Manager (Accounts) & CFO

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN No. 00671721

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Asahi Songwon Colors Limited

We have examined the compliance of conditions of Corporate Governance by Asahi Songwon Colors Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2017.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We 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.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Trushit Chokshi
Partner
Membership No. 040847

Place: Ahmedabad
Date: July 25, 2017

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Asahi Songwon Colors Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Asahi Songwon Colors Limited ("the Company"), which comprise the balance sheet as at March 31, 2017, 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 Standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone 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, 2017, 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 standalone 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 standalone financial statements - Refer Note 28 to the standalone 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 other than one instance of delay in respect of unpaid dividend as explained in Note 40 to the standalone financial statements;

      (d) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 15 to the standalone financial statements.

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

Trushit Chokshi
Partner
Membership No.: 040847

Place: Ahmedabad
Date: July 25, 2017

ANNEXURE "A" to the Independent Auditors' Report of even date on the standalone 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, 2017, 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, 2017 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 Law	Income Tax	554,841	2001-2002	The said Demand is outstanding because of non disposal of our application filed u/s 154 dated 17/11/2009(CIT)
Income Tax Law	Income Tax	1,344,550	2002-2003	Income Tax Appellate Tribunal Ahmedabad
Income Tax Law	Income Tax	2,755,672	2004-2005	Commissioner of Income Tax (Appeal)
Income Tax Law	Income Tax	16,470	2010-2011	Income Tax Appellate Tribunal Ahmedabad

(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 standalone 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
Membership No.: 040847

Place: Ahmedabad
Date: July 25, 2017

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, 2017 in conjunction with our audit of the standalone 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.

Auditors' 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone 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, 2017, 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
Membership No.: 040847

Place: Ahmedabad
Date: July 25, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(Amount in ₹)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	122,722,620	122,722,620
(b) Reserves and surplus	3	1,443,223,811	1,237,353,737
		1,565,946,431	**1,360,076,357**
2 Non-current liabilities			
(a) Long-term borrowings	4	35,000,000	48,282,789
(b) Deferred tax liabilities (Net)	5	176,868,981	173,823,657
(c) Long-term Provisions	6	9,630,478	7,757,291
		221,499,459	**229,863,737**
3 Current liabilities			
(a) Short-term borrowings	7	304,126,521	378,300,855
(b) Trade payables	8		
Outstanding dues of Micro Enterprises and Small Enterprises		14,942,505	9,863,333
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		281,792,214	178,390,091
(c) Other current liabilities	9	43,193,955	33,439,330
(d) Short-term provisions	6	10,647,975	10,151,998
		654,703,170	**610,145,607**
TOTAL		**2,442,149,060**	**2,200,085,701**
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		938,670,640	931,565,637
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		101,682,539	57,521,790
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	256,541,981	257,226,509
(c) Long-term loans and advances	12	12,519,573	13,058,246
		1,309,414,733	**1,259,372,182**
2 Current assets			
(a) Inventories	13	281,086,011	193,497,315
(b) Trade receivables	14	634,965,843	510,061,578
(c) Cash and cash equivalents	15	26,303,576	26,315,971
(d) Short-term loans and advances	16	188,555,768	207,947,231
(e) Other current assets	17	1,823,129	2,891,424
		1,132,734,327	**940,713,519**
TOTAL		**2,442,149,060**	**2,200,085,701**
Significant Accounting Policies	1		
The accompanying notes are an integral part of financial statements	2 to 41		

As per our Report of even date attached.

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

Trushit Chokshi
Partner
Membership No. 040847

Place : Ahmedabad
Date: July 25, 2017

For and on behalf of the Board of Directors

Chandravadan R. Raval
General Manager (Accounts) & CFO

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN No.00671721)

Saji V. Joseph
Company Secretary

Gokul M. Jaykrishna
Jt. Managing Director
(DIN No.00671652)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars		Notes	Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue from operations	18	2,570,876,642	2,239,200,985
II.	Other income	19	10,879,962	36,326,258
III.	**Total Revenue**		**2,581,756,604**	**2,275,527,243**
IV.	**Expenses:**			
	Cost of Materials consumed	20	1,416,069,505	1,148,186,225
	Purchases of Stock-in-Trade	21	-	850,000
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(27,602,437)	65,678,678
	Employee benefits expense	23	98,509,241	81,516,050
	Finance costs	24	28,109,128	44,948,745
	Depreciation and amortization expense	25	71,250,194	67,100,181
	Other Expenses	26	620,629,589	553,380,830
	Total expenses		**2,206,965,220**	**1,961,660,709**
V.	**Profit before extraordinary items and tax expenses**		**374,791,384**	**313,866,534**
	Extraordinary items		-	-
VI.	**Profit before tax expenses**		**374,791,384**	**313,866,534**
VII.	**Tax expense:**			
	Current tax		121,564,000	91,972,400
	Deferred tax		3,045,324	12,067,200
VIII.	**Profit for the Year**		**250,182,060**	**209,826,934**
IX.	**Earnings per equity share: (face value of ₹10/- per share)**	27		
	Basic		20.39	17.10
	Diluted		20.39	17.10
Significant Accounting Policies		1		
The accompanying notes are an integral part of financial statements		2 to 41		

As per our Report of even date attached.

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

Trushit Chokshi
Partner
Membership No. 040847

Place : Ahmedabad
Date: July 25, 2017

For and on behalf of the Board of Directors

Chandravadan R. Raval
General Manager (Accounts) & CFO

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN No.00671721)

Saji V. Joseph
Company Secretary

Gokul M. Jaykrishna
Jt. Managing Director
(DIN No.00671652)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
A. Cash Flow from Operating Activities				
Profit Before Tax		374,791,384		313,866,534
Adjustments for:				
Depreciation and Amortisation Expenses	71,250,194		67,100,181	
Finance Cost	28,109,128		44,948,745	
Loss on sales of Tangible Assets	-		239,471	
Amount spent and utilized on CSR Activities	7,662,661		1,000,000	
Miscellaneous Expenditure written off	-		310,079	
Interest Received	(2,929,251)		(3,706,415)	
Profit / loss from sale of Current Investment	(1,941,841)		(25,723,102)	
Dividend Income	(1,397,382)	100,753,509	(2,383,612)	81,785,347
Operating Profit Before Working Capital Changes		**475,544,893**		**395,651,881**
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade & Other receivables	(124,904,265)		(83,120,534)	
(Increase)/Decrease Inventories	(87,588,696)		94,924,318	
Increase/ (Decrease) Trade & other payables	126,045,339		(22,094,418)	
Amount spent and utilized on CSR Activities (Refer note - 3 below)	(7,662,661)		(1,000,000)	
Changes in Loans and Advances	3,498,967	(90,611,316)	462,829	(10,827,805)
Cash Generated from Operating Activities		**384,933,577**		**384,824,076**
Direct taxes paid	(104,064,536)		(67,459,070)	
		(104,064,536)		**(67,459,070)**
Net Cash from Operating Activities		**280,869,041**		**317,365,006**
B. Cash Flow from Investing Activities				
Purchase of Tangible Assets	(122,515,947)		(103,741,007)	
Proceeds from sale of Tangible Assets	-		100,000	
Purchase of Current Investments	(272,943,655)		(336,357,493)	
Sale of Current Investments	275,570,025		283,386,698	
Interest and Other Income	4,326,633		6,090,027	
		(115,562,944)		(150,521,775)
Net Cash (used in) Investing Activities		**(115,562,944)**		**(150,521,775)**
C. Cash Flow from Financing Activities				
Proceeds from Long term borrowings	-		31,587,086	
(Repayment) of Long term borrowings	(18,672,670)		(58,689,186)	
Availment/(Repayment) Short term borrowings	(74,174,334)		(14,360,777)	
Payment of Dividend (including Dividend Distribution Tax)	(44,311,986)		(81,082,298)	
Unclaimed dividend paid	(50,374)		(74,173)	
Interest Paid	(28,109,128)	(165,318,492)	(44,948,745)	(167,568,093)
Net Cash from / (used in) Financing Activities		**(165,318,492)**		**(167,568,093)**
Net increase / (decrease) in cash and cash equivalents		(12,395)		(724,862)
Cash and cash equivalent at the beginning of the year		8,115,971		8,840,833
		8,115,971		**8,840,833**
Cash and cash equivalent at the end of the year		**8,103,576**		**8,115,971**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Notes to Cash Flow Statement:		
1. Reconciliation of cash and cash equivalent with the Balance Sheet		
Cash and cash equivalent as per balance Sheet: (refer Note - 15)	26,303,576	26,315,971
Less: Margin money not considered as cash and cash equivalents as defined in AS 3 " Cash Flow Statement"	18,200,000	18,200,000
	8,103,576	**8,115,971**
2. Components of cash and cash equivalents:		
Cash on hand	764,725	892,690
In current accounts	2,372,865	2,169,403
In unpaid dividend accounts	665,986	677,917
In deposit accounts	4,300,000	4,375,961
	8,103,576	**8,115,971**
3. Amount spent and utilized on CSR Activities:		
Contribution to various Trust, NGOs, Societies and Agencies	7,662,661	1,000,000
Expenditure on Administrative Overheads for CSR	-	-
	7,662,661	**1,000,000**

4. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.

5. 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 (Acccounts) Rules, 2014.

As per our Report of even date attached.

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

Trushit Chokshi
Partner
Membership No. 040847

Place : Ahmedabad
Date: July 25, 2017

For and on behalf of the Board of Directors

Chandravadan R. Raval
General Manager (Accounts) & CFO

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN No.00671721)

Saji V. Joseph
Company Secretary

Gokul M. Jaykrishna
Jt. Managing Director
(DIN No.00671652)

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. Base on the nature of the activities, the Company has determined it's 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.

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 seperately.

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 ₹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 form 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 proportaion 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.

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 then 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 accordence 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 businees 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.

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 leaser 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 exits, 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.

2. SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Authorised Shares		
16,500,000 (Previous Year 16,500,000) Equity Shares of ₹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 ₹10 each	122,722,620	122,722,620
Total	**122,722,620**	**122,722,620**

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

	As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the period	12,272,262	122,722,620	12,272,262	122,722,620
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the period	12,272,262	122,722,620	12,272,262	122,722,620

d. Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of ₹10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares 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.

	As at March 31, 2017	As at March 31, 2016
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, 2017		As at March 31, 2016	
	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
Mr. Gokul M. Jaykrishna	-	-	1,505,049	12.27
Mr. Munjal M. Jaykrishna	-	-	1,505,049	12.27
Mrugesh Jaykrishna Family Trust - 1	5,286,811	43.08	4,232,054	34.48
Gokul M. Jaykrishna Family Trust	2,723,509	22.19	-	-
DIC Corporation	865,200	7.05	865,200	7.05
Clariant Chemical (India) Ltd	-	-	718,600	5.86
Total	**8,875,520**	**72.32**	**9,225,952**	**75.19**

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**

3. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Securities Premium Account		
Balance as per last financial statement	150,716,700	150,716,700
Closing Balance	**150,716,700**	**150,716,700**
b. General Reserve		
Balance as per last financial statement	248,699,588	233,699,588
Add: Transfer from the Statement of Profit & Loss	15,000,000	15,000,000
Closing Balance	**263,699,588**	**248,699,588**
c. Surplus in Statement of Profit and Loss		
Balance as per last financial statement	837,937,449	672,651,839
Add: Profit for the year	250,182,060	209,826,934
Less : Appropriations		
Transfer to General Reserves	15,000,000	15,000,000
Interim Dividend ₹3.00 (Previous year ₹2.00) per Equity Share	36,816,786	24,544,524
Tax on Dividend (Including Tax on Interim Dividend paid)	7,495,200	4,996,800
Net surplus in the Statement of Profit and Loss	**1,028,807,523**	**837,937,449**
Total Reserves and surplus	**1,443,223,811**	**1,237,353,737**

4. LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Secured Loans				
a. Term Loans				
Indian Rupees Loan				
From State Bank of India	35,000,000	48,077,315	12,500,000	17,506,029
b. Other Loans and Advances				
Vehicle Loan	-	205,474	205,474	589,326
Amount disclosed under the head Other Current Liabilities (see Note: 9b)	**-**	**-**	**(12,705,474)**	**(18,095,355)**
Total	**35,000,000**	**48,282,789**	**-**	**-**

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 9,751 Sq Mtrs each except Block No. 432 admeasuring 9,632 Sq Mtrs aggregating to 38,885 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.

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 ₹.Nil (Previous Year ₹75,06,029/- was paid during the current year).

ii. Corporate Term loan from State Bank of India amounting to ₹47,500,000/- (Previous Year ₹58,077,315/-) Repayable in 3 quarterly Installments of ₹2,500,000/- and 8 quarterly installments of ₹5,000,000/-.

iii. Vehicle loans are repayable in equal monthly installment over the terms of 4 installments.

iv. There was no default in repayment of loan or interest.

5. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Deferred Tax Liabilities	183,889,370	180,021,703
b. Deferred Tax Assets	7,020,389	6,198,046
Liabilities (Net)	**176,868,981**	**173,823,657**

6. PROVISIONS

(Amount in ₹)

Particulars	Long term		Short term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provisions for employees benefits				
Provision for Gratuity	9,630,478	7,757,291	10,647,975	10,151,998
	9,630,478	**7,757,291**	**10,647,975**	**10,151,998**

7. SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured Loans *		
Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	304,126,521	378,300,855
Buyers credit arrangement	-	-
Total	**304,126,521**	**378,300,855**

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 ₹0.25 Crore.

8. TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding dues of Micro Enterprises and Small Enterprises	14,942,505	9,863,333
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	281,792,214	178,390,091
Total	**296,734,719**	**188,253,424**

9. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Unpaid Dividends #	665,986	677,917
b. Current maturities of long term borrowings (See note: 4)	12,705,474	18,095,355
c. Other payables		
Advances from customers	32,440	8,133
Statutory liabilities	1,928,897	2,527,287
Payable for fixed assets	15,080,016	6,610,211
Other Current liabilities and payables	12,781,142	5,520,427
Total	**43,193,955**	**33,439,330**

The Company has transferred ₹50,374/- to the Investors Education and Protection Fund (IEPF) during the year.

10. FIXED ASSETS

(Amount in ₹)

Sr. No	Particulars / Nature of Assets	Gross Block				Depreciation and amortization expenses				Net Block	
		As at 01.04.2016	Additions	Disposals / Capitalized	As at 31.03.2017	As at 01.04.2016	Depreciation for the year	On disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
A	**Tangible Assets**										
1	Freehold Land	40,950,551	75,000	-	41,025,551	-	-	-	-	41,025,551	40,950,551
2	Buildings	118,139,399	7,808,183	-	125,947,582	30,451,441	5,522,093	-	35,973,534	89,974,048	87,687,958
3	Plant & Machinery	1,116,604,298	65,606,265	-	1,182,210,563	333,880,950	61,541,828	-	395,422,778	786,787,785	782,723,348
4	Furniture and Fixtures	8,126,238	163,660	-	8,289,898	2,318,360	818,975	-	3,137,335	5,152,563	5,807,878
5	Office equipments	4,039,450	1,010,964	-	5,050,414	2,113,345	1,220,834	-	3,334,179	1,716,235	1,926,105
6	Vehicles	15,503,118	3,691,125	-	19,194,243	3,033,321	2,146,464	-	5,179,785	14,014,458	12,469,797
	Total (A)	**1,303,363,054**	**78,355,197**	**-**	**1,381,718,251**	**371,797,417**	**71,250,194**	**-**	**443,047,611**	**938,670,640**	**931,565,637**
	Previous Year	1,253,003,574	58,996,698	8,637,219	1,303,363,053	308,346,277	67,100,181	3,649,041	371,797,417	931,565,637	944,657,297
B	**Intangible Assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Previous Year	-	-	-	-	-	-	-	-	-	-
C	**Capital Work in Progress**	**53,571,528**	**100,879,055**	**54,173,044**	**100,277,539**	**-**	**-**	**-**	**-**	**100,277,539**	**53,571,528**
	Pre Operative Expenses	2,545,262	3,150,800	5,696,062	-	-	-	-	-	-	2,545,262
	Obsolate Assets	1,405,000	-	-	1,405,000	-	-	-	-	1,405,000	1,405,000
	Total (C)	**57,521,790**	**104,029,855**	**59,869,106**	**101,682,539**	**-**	**-**	**-**	**-**	**101,682,539**	**57,521,790**
	Previous Year	8,128,175	89,151,408	39,758,393	57,521,790	-	-	-	-	57,521,790	8,128,775
D	**Intangible Assets Under Development**										
	Software under development	-	-	-	-	-	-	-	-	-	-
	Total (D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Previous Year	-	-	-	-	-	-	-	-	-	-
	Grand -Total	**1,360,884,844**	**182,385,052**	**59,869,106**	**1,483,400,790**	**371,797,417**	**71,250,194**	**-**	**443,047,611**	**1,040,353,179**	**989,087,427**

11. NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Non Current Investment in Equity Instruments		
Non Trade Quoted (Valued At Cost)		
20,000 (Previous Year 20,000) Equity Shares of ₹2/- each of HDFC Bank Ltd.	20,090,587	20,090,587
1,40,000 (Previous Year 1,10,000) Equity Shares of ₹10/- each of Sun Pharma Advance Research Company Ltd.	46,794,183	29,360,313
13,000 (Previous Year 10,000) Equity Shares of ₹10/- each of Eclerx Services Ltd.	17,531,477	5,013,721
20,000 (Previous Year 20,000) Equity Shares of ₹2/- each of Housing Development Finance Ltd.	21,118,442	21,118,442
30,000 (Previous Year 30,000) Equity Shares of ₹10/- each of IRB Infrastructure Developers Ltd	6,564,048	6,564,048
20,000 (Previous Year 20,000) Equity Shares of ₹2/- each of Gruh Finance Ltd.	4,703,759	4,703,759
40,000 (Previous Year 1,30,000) Equity Shares of ₹10/- each of Dewan Housing Finance Corporation Ltd.	6,196,768	24,228,750
100,000(Previous Year 100,000) Equity Shares of ₹2/- each of Suzlon Energy Ltd	2,599,924	2,599,924
Nil (Previous Year 15,000) Equity Shares of ₹2/- each of Crompton Greaves Ltd	-	1,134,081
Nil (Previous Year 15,000) Equity Shares of ₹2/- each of Crompton Greaves Consumer Electricals Ltd	-	1,134,080
Nil (Previous Year 10,000) Equity Shares of ₹10/- each of Bharat Financial Inclusion Ltd	-	3,884,545
Nil (Previous Year 1,60,000) Equity Shares of ₹10/- each of Develpoment Credit Bank Ltd	-	12,866,235
10,000 (Previous Year 10,000) Equity Shares of ₹1/- each of Colgate Palmolive (India) Ltd	8,067,590	8,067,590
10,000(Previous Year 30,000) Equity Shares of ₹1/- each of Cadila Healthcare Limited	3,719,859	9,339,870
Nil (Previous Year 20,000) Equity Shares of ₹10/- each of Arvind Mills Ltd	-	5,580,518
33,000 (Previous Year 7,000) Equity Shares of ₹1/- each of Sun Pharmaceuticals Ltd	22,528,627	5,322,743
1,60,000 (Previous Year Nil) Equity Shares of ₹2/- each of Federal Bank Ltd	13,480,632	-
50,000 (Previous Year Nil) Equity Shares of ₹5/- each of Ashoka Buildcon Ltd	6,640,484	-
2,000 (Previous Year Nil) Equity Shares of ₹5/- each of Bajaj Finserv Ltd	3,797,350	-
10,000 (Previous Year Nil) Equity Shares of ₹10/- each of RBL Bank Ltd	3,119,383	-
10,000 (Previous Year Nil) Equity Shares of ₹10/- each of Persistent System Ltd	6,280,148	-
70,000 (Previous Year Nil) Equity Shares of ₹5/- each of Godrej Properties Ltd	24,797,905	-
50,000(Previous Year Nil) Equity Shares of ₹5/- each of Gokaldas Exports Ltd	4,669,433	-
4,000 (Previous Year Nil) Equity Shares of ₹2/- each of Bajaj Finance Ltd	4,516,384	-
40,000 (Previous Year Nil) Equity Shares of ₹10/- each of Ujjivan Finacial Services Ltd	17,805,426	-
40,000 (Previous Year Nil) Equity Shares of ₹10/- each of Max Ventures and Industries Ltd	3,163,659	-
	248,186,068	**161,009,206**
Non Current Investment in Mutual Funds & PMS		
ASK Wealth Management	3,355,913	-
Nil (Previous year 4,390.684)Units of DSP Black Rock Mutual Funds Collection	-	8,716,303
	3,355,913	**8,716,303**
Total of Quoted Investments	**251,541,981**	**169,725,509**
Non Trade Unquoted Equity instruments (Valued At Cost)		
NIL (Previous Year 100) Equity Shares of ₹10/- each of Akshar Silica Pvt Ltd	-	1,000
3,425 (Previous Year 3,425) Shares of ₹10/- each of Swadesh Essfil Pvt. Ltd. @ premium of ₹573.94 per share	2,000,000	2,000,000
Total of Unquoted Equity Instruments	**2,000,000**	**2,001,000**
Non Trade Unquoted Debentures and Preference Shares (Valued at Cost)		
30,000 (Previous Year 30,000) CCD of ₹100/- each of Smart Institute Pvt Ltd	3,000,000	3,000,000
NIL (Previous Year 8,25,000) Redeemable Preference Shares of Akshar Silica Pvt Ltd of ₹100/- each	-	82,500,000
Total of Unquoted Instruments	**5,000,000**	**87,501,000**
Total Non Trade Investments	**256,541,981**	**257,226,509**
Aggregate amount of quoted investments	251,541,981	169,725,509
Market Value of quoted investments	293,405,732	183,632,032
Aggregate amount of unquoted investments	5,000,000	87,501,000

12. LONG TERM LOANS AND ADVANCES (unsecured, considered good unless otherwise stated)

(Amount in ₹)

Particulars		As at March 31, 2017	As at March 31, 2016
a.	Security Deposits	12,519,573	12,558,246
b.	Advance Against Expenses	-	500,000
	Total	**12,519,573**	**13,058,246**

13. INVENTORIES (Valued at lower of cost or net realized value)

(Amount in ₹)

Particulars		As at March 31, 2017	As at March 31, 2016
a.	Raw materials	95,784,272	70,704,262
b.	Raw materials - in Transit	17,524,172	3,723,266
c.	Work in progress	12,736,126	12,110,437
d.	Finished goods	122,203,639	95,226,891
e.	Stores and spares	29,380,263	10,872,372
f.	Fuel & Oil	3,457,539	860,087
	Total	**281,086,011**	**193,497,315**

14. TRADE RECEIVABLES

(Amount in ₹)

Particulars		As at March 31, 2017	As at March 31, 2016
a.	Trade receivable outstanding for a period less than six months from the date they are due for paymnet unsecured, considered good.	621,860,287	494,972,953
b.	Trade receivable outstanding for a period more than six months from the date they are due for paymnet unsecured, considered good.	13,105,556	15,088,625
	Total	**634,965,843**	**510,061,578**

15. CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars		As at March 31, 2017	As at March 31, 2016
a.	**Cash and Cash Equivalents:**		
	Balance with Banks in Current accounts	2,372,865	2,169,403
	Deposits	4,300,000	4,375,961
	Cash on hand	764,725	892,690
b.	**Other Bank Balances**		
	Unpaid Dividend accounts	665,986	677,917
	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	-	-
	Total	**26,303,576**	**26,315,971**

15.1 The details of specified bank notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as provided in the table below:

(Amount in ₹)

Particulars	Specified bank notes	Other Denomination Notes	Total
Closing cash in hand as on 08-11-2016	784,500	60,652	845,152
(+) Permitted receipts	-	692,000	692,000
(-) Permitted payments	-	409,857	409,857
(-) Amount deposited in banks	784,500	-	784,500
Closing cash in hand as on 30-12-2016	-	342,795	342,795

16. SHORT TERM LOANS AND ADVANCES (Unsecured,considered good unless otherwise stated)

(Amount in ₹)

	Particulars	As at March 31, 2017	As at March 31, 2016
a.	Loans and advances to Employees	348,834	430,552
b.	Advances to Capital Goods Suppliers	7,067,093	1,399,788
c.	Prepaid expenses	2,811,032	3,601,740
d.	Balance with government authorities		
	i) CENVAT credit receivables	18,514,319	41,197,647
	ii) VAT - CST credit receivables	36,399,025	43,228,599
	iii) Export Incentive Receivable	71,974,870	48,440,174
	iv) Advance payment of tax (Net of Provisions)	36,305,409	53,804,873
e.	Others - Advance to suppliers	15,135,186	15,843,858
	Total	**188,555,768**	**207,947,231**

17. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued on deposits	1,823,129	2,891,424
Total	**1,823,129**	**2,891,424**

18. REVENUE FROM OPERATIONS

(Amount in ₹)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	Sale of Products		
a.	Export Sales	1,786,383,445	1,763,643,868
b.	Domestic Sales	789,396,304	457,623,056
	Less : Excise Duty	73,334,576	46,501,670
	Net Domestic Sales	**716,061,728**	**411,121,386**
	Total Sale of Products	**2,502,445,173**	**2,174,765,254**
c.	Other operating revenues (Refer 1 below)	68,431,469	64,435,731
	Total	**2,570,876,642**	**2,239,200,985**
1	Other Operating revenues		
	Export incentives	35,123,461	34,076,304
	Exchange Rate difference related to export sales	33,308,008	30,359,427
	Total – Other Operating revenues	**68,431,469**	**64,435,731**

19. OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a. Interest from Deposits	2,929,251	3,706,415
b. Dividend Income on long term investments	1,397,382	2,383,612
c. Gain on Investment in Shares Long Term	-	24,596,423
d. Gain on Investment in Shares Short term	1,941,841	1,126,679
e. Others	4,611,488	4,513,129
Total	**10,879,962**	**36,326,258**

20. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a. Raw Materials		
Opening Stock	70,676,992	61,306,486
Add : Purchases	1,397,360,174	1,133,944,901
	1,468,037,166	**1,195,251,387**
Less : Closing Stock	80,181,271	70,676,992
Cost of Raw Material Consumed	**1,387,855,895**	**1,124,574,395**
b. Packing Material		
Opening Stock	2,607,965	3,199,444
Add : Purchases	32,795,989	23,020,351
	35,403,954	**26,219,795**
Less : Closing Stock	7,190,344	2,607,965
Cost of Packing Material Consumed	**28,213,610**	**23,611,830**
Cost of Total material consumed	**1,416,069,505**	**1,148,186,225**

21. PURCHASE OF STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Pigments	-	850,000
Total	**-**	**850,000**

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a. Inventories at the end of the year		
Finished goods	122,203,639	95,226,891
Work-in-progress	12,736,126	12,110,437
Total	**134,939,765**	**107,337,328**
b. Inventories at the beginning of the year		
Finished goods	95,226,891	163,119,492
Work-in-progress	12,110,437	9,896,514
Total	**107,337,328**	**173,016,006**
Net (Increase) / decrease	**(27,602,437)**	**65,678,678**

23. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a. Salaries, Wages & Bonus	62,810,818	63,029,216
b. Contribution to Provident and other funds	3,685,158	3,643,638
c. Staff welfare expenses	2,403,328	2,643,847
d. Directors Remuneration including perquisites and commission	29,609,937	12,199,349
Total	**98,509,241**	**81,516,050**

24. FINANCE COSTS

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a. Interest		
On long term borrowings *	2,947,168	8,089,536
On short term borrowings	15,001,808	24,619,556
b. Bank & Other Charges		
Bank Charges	10,160,152	12,239,653
Total	**28,109,128**	**44,948,745**

* Interest on long-term borrowings, ₹3,150,800/- (Previous year ₹2,545,262/-) is capitalised being the interest pertaining to the construction period.

25. DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation and amortization for the year on tangible assets	71,250,194	67,100,181
Depreciation and amortization for the year on intangible assets	-	-
Depreciation and amortization relating to continuing operations	**71,250,194**	**67,100,181**

26. OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a. Manufacturing Expenses		
Power and Fuel	322,119,029	261,568,303
Consumption of Stores and Spare parts	27,258,647	27,940,197
Pollution Treatment Expenses	45,903,420	53,015,015
Repairs to Machinery	31,368,973	41,334,572
Repairs to Building	8,130,887	4,857,848
Manufacturing & Labour Charges	77,470,106	61,159,490
	512,251,062	**449,875,425**
b. Selling and Distribution Expenses	**67,012,748**	**58,408,832**
c. Establishment Expenses		
Rent	2,392,754	2,599,565
Rates & Taxes (excluding taxes on income)	467,182	322,165
Insurance	1,682,626	4,801,655
Travelling, Conveyance & Vehicle Expenses	5,956,786	5,382,920
Directors Travelling Expenses	7,719,372	8,329,403
Stationery and Printing Expenses	839,353	847,821
Communication Expenses	2,387,940	2,450,825
Auditors Remuneration (Refer Note 31)	160,750	229,726
Internal Audit Fees	300,000	225,000
Directors Sitting Fees	26,500	26,000
Legal & Professional Expenses	5,361,583	7,490,571
General Charges	2,982,688	8,035,478
Other Repairs	835,702	283,170
Donation	50,001	100,000
Miscellaneous expenses written off	-	310,079
Expenditure towards Corporate Social Responsibility activities	7,662,661	1,000,000
Loss on sales of Investments	2,539,881	-
Loss on sales of Assets	-	2,662,195
Total	**620,629,589**	**553,380,830**

27. EARNING PER EQUITY SHARE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Profit after tax attributable to Shareholders before Extra Ordinary Item	250,182,060	209,826,934
Net Profit after tax attributable to Shareholders after Extra Ordinary Item	250,182,060	209,826,934
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 ₹	20.39	17.10
Basic and diluted (after Extraordinary Item) Earning per Share ₹	20.39	17.10

28. CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

	Particulars	March 31, 2017	March 31, 2016
1	Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	189,945,045	106,640,747
2	Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	14,527,208	4,196,600
3	In respect of Income Tax	4,671,533	5,157,908
	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		

29. 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	March 31, 2017	March 31, 2016
a.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each period:		
	Principal	14,942,505	9,863,333
	Interest	-	-
b.	The amount of interest paid by the buyer in terms of Section - 16 of the MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each period	-	-
c.	The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006	-	-
d.	The amount of interest accrued and remaining unpaid at the end of the period.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	Total	**14,942,505**	**9,863,333**

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, 2017. 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.

30. 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.

31. PAYMENT TO AUDITORS

(Amount in ₹)

Particulars	March 31, 2017	March 31, 2016
For audit fees (Including tax audit fees)	115,750	115,725
For others (Certification work)	45,000	114,001
Total	**160,750**	**229,726**

32. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS, SPARE PARTS CONSUMED

		March 31, 2017		March 31, 2016	
		Amount ₹	%	Amount ₹	%
A	**Raw Materials**				
	Imported	761,931,174	54.90	491,162,430	43.68
	Indigenous	625,924,721	45.10	633,411,965	56.32
	Total	**1,387,855,895**	**100.00**	**1,124,574,395**	**100.00**
B	**Packing Materials**				
	Imported	-	-	-	-
	Indigenous	28,213,610	100.00	23,611,830	100.00
	Total	**28,213,610**	**100.00**	**23,611,830**	**100.00**

33. FOREIGN CURRENCY TRANSACTIONS

(Amount in ₹)

Particulars		March 31, 2017	March 31, 2016
a)	**Value of Imports on CIF Basis**		
	Raw Materials	656,084,784	379,878,789
	Capital Goods	2,745,011	318,133
b)	**Expenditure in Foreign Currency**		
	Purchase of Raw Materials	656,084,784	379,878,789
	Capital Goods	2,745,011	318,133
	Commission	1,228,580	1,752,969
	Others	9,847,976	11,172,233
c)	**Dividends remitted in Foreign Currency**		
	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
	Period to which dividend relates	-	2014-15
	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	2,595,600	1,730,400
	Period to which dividend relates	2016-17	2015-16
d)	**Earnings in Foreign Currency**		
	Export of Goods (FOB)	1,773,519,328	1,754,400,183
e)	**Effect of Exchange Fluctuations including Forward Contracts:**		
	Statement of Profit and Loss	33,308,008	30,359,427

34. 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 ₹)

		March 31, 2017	March 31, 2016
i)	Contribution to Provident and Other Funds	3,639,792	3,608,177
ii)	Contribution to Employee's State Insurance Corporation	45,366	35,461

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.

		April 2016 – March 2017
I	**Assumption**	
	Discount Rate Previous Period	8.08%
	Discount Rate Current Period	7.34%
	Rate of Return on Plan Assets Previous Period	8.08%
	Rate of Return on Plan Assets Current Period	7.34%
	Salary Escalation Previous Period	6.00%
	Salary Escalation Current Period	6.00%
II	**Table showing change in Benefit obligation**	
	Liability at the beginning of the Period	17,909,289
	Interest Cost	1,447,051
	Current Service Cost	766,205
	Benefit Paid	(36,923)
	Libility Transferred Out	(34,615)
	Actuarial (gain)/loss on obligations due to change in financial assumptions	759,997
	Actuarial (gain)/loss on obligations due to experience	(532,571)
	Liability at the end of the period	20,278,433

35. SEGMENT REPORTING

The Company has only one identified reportable business segment namely "Pigments".

36. 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
Hunter Wealth Management LLP

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, 2017	March 31, 2016
A.	**Enterprises own or significantly influenced by key management personnel or their relatives**		
1.	Aksharchem (India) Ltd		
	Purchase of Goods	-	850,211
	Sales of Goods	10,928,294	8,153,656
2.	Skyways		
	Rent Paid	186,000	170,500
3.	Skyjet Aviation Pvt Ltd.		
	Air Tickets booking services	3,226,620	1,588,446
B.	**Key Management Personnel and their relatives**		
1.	Mrs. Paru M. Jaykrishna		
	Remuneration	11,520,000	7,200,000
	Perquisites	-	91,768
	Provident Fund Contribution	864,000	864,000
	Commission	5,000,000	-
2.	Mr. Gokul M. Jaykrishna		
	Remuneration	7,680,000	4,800,000
	Perquisites	409,937	107,581
	Provident Fund Contribution	576,000	576,000
	Commission	5,000,000	-
3.	Mr. Mrugesh Jaykrishna		
	Consultancy	180,000	180,000
4.	Mr. Chandravadan R. Raval		
	Salary and allowances	1,228,773	1,174,982
5.	Mr. Saji V Joseph		
	Salary and allowances	985,042	903,972

37. 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.

38. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013 IS AS UNDER:

a. Gross amount required to be spent by the Company during the year: ₹146.43 Lacs (Previous year ₹91.92 Lacs)

b. Amount spent and utilized during the year on:

(Amount in Lac)

Sr No	Particulars	Current Year			Previous Year		
		In Cash (Charged to P & L)	Yet to be paid in Cash	Total	In Cash (Charged to P & L)	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	42.12	0.00	42.12	0.00	0.00	0.00
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	76.63	0.00	76.63	10.00	0.00	10.00
	b) Expenditure on Administrative Overheads for CSR	0.00	0.00	0.00	0.00	0.00	0.00
		118.75	0.00	118.75	10.00	0.00	10.00

39. 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.

40. There has been an instance of delay in transferring amount of ₹46,697/- Interim Dividend 2009-10 to Investor Education and Protection Fund (IEPF) due to technical error and non availability of data, the same has been transferred in subsequent year.

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

Trushit Chokshi
Partner
Membership No. 040847

Place : Ahmedabad
Date: July 25, 2017

For and on behalf of the Board of Directors

Chandravadan R. Raval
General Manager (Accounts) & CFO

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN No.00671721)

Saji V. Joseph
Company Secretary

Gokul M. Jaykrishna
Jt. Managing Director
(DIN No.00671652)

NOTES

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Paru M. Jaykrishna *Chairperson & Mg. Director*
Mr. H. K. Khan
Mr. R. K. Sukhdevsinhji
Mr. Arvind Goenka
Mr. Gaurang N. Shah
Dr. Pradeep Jha
Mr. Gokul M. Jaykrishna *Jt. Managing Director*
Mr. Munjal M. Jaykrishna

CHIEF FINANCIAL OFFICER

Mr. Chandravadan R. Raval

COMPANY SECRETARY & COMPLIANCE OFFICER

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 (India)
CIN : L24222GJ1990PLC014789

REGISTRAR AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L.B. S Marg,
Vikhroli (West)
Mumbai – 400 083.
Tel : 022- 49186270

WORKS: PIGMENT BLUE DIVISION

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

ASAHI SONGWON COLORS LIMITED
"Asahi House"
13, Aaryans Corporate park
Thaltej - Shilaj Road
Ahmedabad - 380059
T: +91 079 39825000
W: www.asahisongwon.com
CIN: L24222GJ1990PLC014789