AsahiSongwon

Ref: ASCL/18-19/1810/25

October 10, 2018

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

2. To,
The 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 2017-2018

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, 2018 duly approved by members at the 28th Annual General Meeting of the Company held on Friday, September 28, 2018 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 ISO14001:2004 Registered QMS/C0485/0413
NABCB QMS 004 A MEMBER OF IAF KLA

AsahiSongwon®

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ANNUAL REPORT
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ASAHI SONGWON COLORS LIMITED

SUSTAINABLE GROWTH

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.

PROACTIVENESS. PAS

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SION. PERSEVERANCE.

Three different words. But when you combine them together they become a powerful force. They form the foundation of our enduring and sustainable business model. They make us who we are.

And we are Asahi Songwon.

A Company that continuously strives to be the best. That is innovative and evolving, confident and committed. Unperturbed by external disturbances and trusted by world's top-notch chemical companies. That consistently outlives expectations.

It is a result of this, that despite a challenging FY2017-18, where input prices rose, raw material availability was impacted and rupee appreciated, we grew. Reporting a 13% growth in topline and adding more customers. Launching new products and building a steady pipeline for future.

OUR PERFORMANCE REINFORCES OUR BELIEF THAT WE ARE ON THE PATH OF SUSTAINABLE GROWTH.

A QUALITY-DRIVEN COMPANY **TRUSTED BY QUALITY CONSCIOUS CLIENTS**

ASAHI SONGWON COLORS IS ONE OF WORLD'S LEADING PHTHALOCYANINE PIGMENT MANUFACTURERS, WELL-POSITIONED IN THE DEMANDING CHEMICAL MARKET WITH ITS SCALE, PRODUCTS, TECHNOLOGIES, AND KNOW-HOW.

WE SHARE CLOSE RELATIONS WITH SOME OF THE WORLD'S LARGEST CHEMICAL COMPANIES, WHO HAVE BEEN DOING BUSINESS WITH US FOR YEARS.

WITH OUR PROACTIVE APPROACH AND PERSEVERANCE, WE ARE ALL SET TO DELIVER STRONG AND SUSTAINABLE GROWTH.

Legacy

Asahi Songwon, headquartered in Ahmedabad, was established in 1990 by Mrs. Paru M. Jaykrishna.The Company engages in manufacturing and suppling phthalocyanine pigments and derivatives products, which is used in manufacture of inks and finds application across paint, plastics, textiles and paper industries. Its principal manufacturing facilities are at Padra (Vadodara). The Company's shares are listed in the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Product portfolio

- CPC Blue Crude
- Beta Blue
- Alpha Blue

Awards and accolades

- Award for outstanding export performance for five consecutive 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 and '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 TV18 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

- Selected in Forbes Asia July 2012 edition as the Asia's 200 Best Under A Billion Companies
- 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

403*

Market capitalisation (₹ crore)

20*

Clients

28*

Countries of presence

0.42*

Debt: Equity

75%*

Proportion of export revenues

*as on March 31, 2018

STATEMENT OF **PURPOSE**

WE ARE DRIVEN BY THE VISION OF LONG-TERM SUSTAINABILITY.

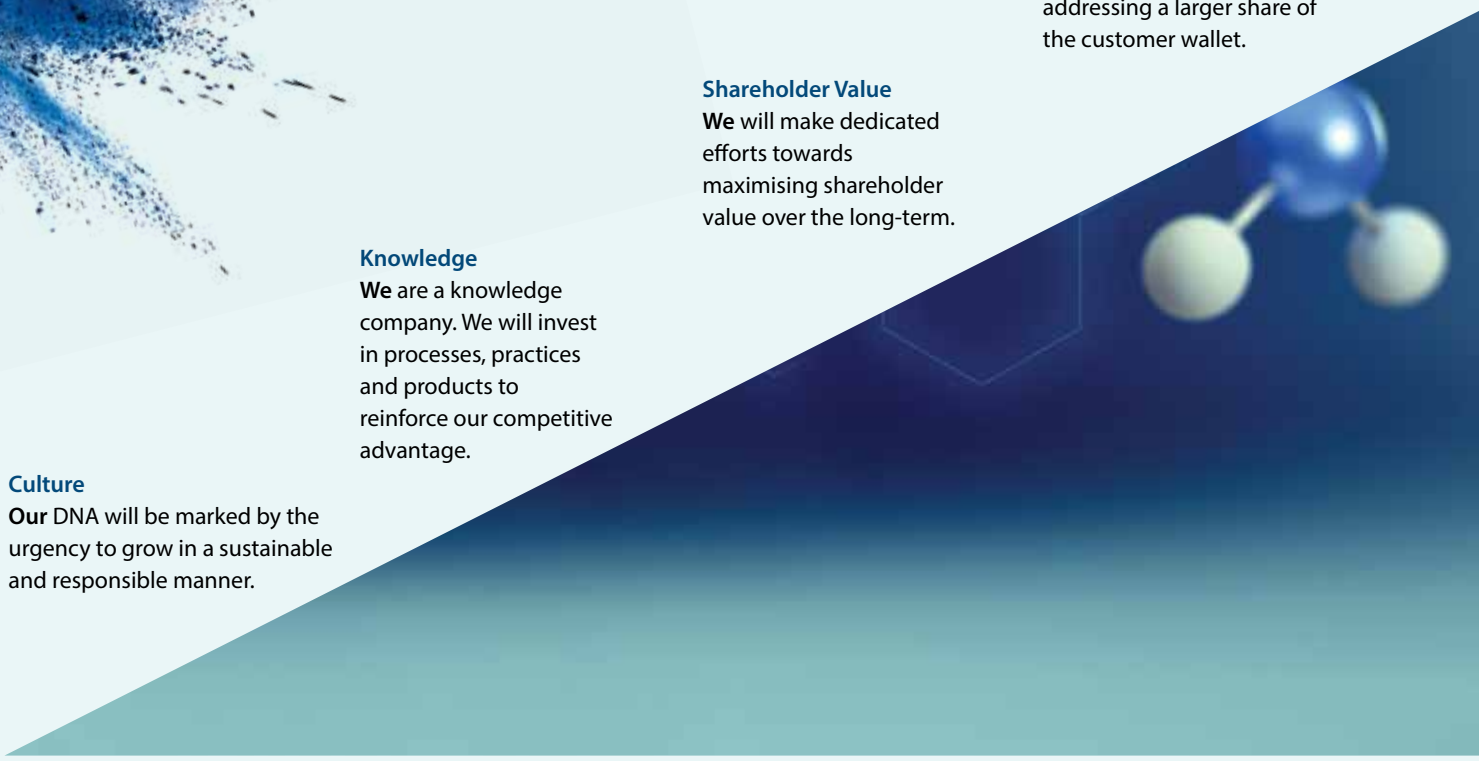
IT IS THIS APPROACH, THAT ENABLES THE COMPANY TO DELIVER SUSTAINABLE GROWTH YEAR AFTER YEAR AND CREATE VALUE FOR ALL OUR STAKEHOLDERS.

Value-creation
We will continue to create value by scaling prudently, enhancing asset utilisation, managing cost, and addressing a larger share of the customer wallet.

Shareholder Value
We will make dedicated efforts towards maximising shareholder value over the long-term.

Knowledge
We are a knowledge company. We will invest in processes, practices and products to reinforce our competitive advantage.

Culture
Our DNA will be marked by the urgency to grow in a sustainable and responsible manner.



Governance

We will ensure highest standards of governance by constituting Board of Directors, recruiting specialised professionals, institutionalising systemic checks and balances, undertaking extensive compliance with all stringent norms, and a running business ethically.

Responsibility

We will ensure business sustainability by making sustained investments in effluent-treatment equipments, infrastructure and mindset.

Customisation

We will develop products customised around specific customer needs to build enduring relationships, create business sustainability and garner superior realisations.

Employees

We will become an employer of choice by providing employees a platform to grow, build skills and contribute.

STRATEGIES DRIVING OUR **PERFORMANCE**

Build relationships	Create shareholder value	Become environmentally sustainable	Think long-term	Leverage market opportunities
Enhance scope for sustained business	**Position Asahi as a trusted brand**	**Ensure fulfilment of regulatory norms**	**Sustainable growth over the foreseeable future**	**Grow faster than the industry**
■ Understand client's requirements and deliver them with strengthened R&D and capabilities	■ Scale-up operations and add new products	■ Invest in technologies to ensure effective treatment of discharged effluents	■ Add more clients and geographies	■ Leverage advantage of high-quality and competitive pricing
■ Enhance share in client's overall requirement	■ Enhance proportion of value-added products	■ Reduce carbon footprint and water usage	■ Think future, act today	■ Have geography specific strategies
■ Ensure competitive pricing	■ Undertake cost optimisation and operational efficiency initiatives	■ Sensitise employees	■ Build strong intellectual capital	

DELIVERING UNDAUNTED PERFORMANCE **IN A TOUGH MARKET**

OUR PERFORMANCE IN A CHALLENGING FY2017-18 REINFORCES THE STRENGTH OF OUR BUSINESS MODEL AND GIVES US THE CONFIDENCE OF SUSTAINABLE FUTURE GROWTH.

OUR RESPONSE TO A CHALLENGING FY2017-18

13%
increase in turnover despite pricing pressure

6.52%
growth in sales volume, indicating strong resonance with customers

3
Valuable customers added

₹35 crores
Invested in procuring land for setting-up specialty pigments plants

₹1.75 crores
Invested in product research and development

FROM THE CHAIRPERSON'S DESK

"FY2017-18 WAS A YEAR THAT EXHIBITS THE INHERENT QUALITIES AND STRENGTHS THAT MAKES THIS ORGANISATION SUCCESSFUL. GOOD TIMES OR BAD, **WHEN YOUR CUSTOMERS STAY WITH YOU AND WHEN NEW CUSTOMERS COME TO YOU, IT ONLY GOES ON PROVE THAT YOU ARE ON THE RIGHT PATH."**

DEAR SHAREHOLDERS,

IT IS OFTEN SAID 'GET YOUR BASICS RIGHT, THE REST WILL FOLLOW'. THIS IS VERY APT IN OUR CASE.

Since our inception, we have maintained unwavering focus on quality and service reliability. These basic, yet most important element helped us in building the Asahi brand and create binding relations. They enabled us to consolidate our strengths and grow our business. The impact of this has been so profound that even amidst a challenging FY2017-18, the demand for our products remained strong and our customers stayed with us.

Performance review

Our operational revenue increased by 13% to ₹293.83 Crores in FY2017-18. However, pricing pressure driven by significant surge in raw material prices along with continuous appreciation of Indian rupees impacted our realisations and gross margins adversely. It is because of this, that despite a strong operating performance, our operating profit remained subdued. Our EBITDA and PAT declined by 19% and 16% respectively to ₹38.25 Crores and ₹23.08 Crores respectively.

Having said that, it is important to understand that this decline was temporary and purely led by external conditions. Internally, the organization is in a stronger position than before and the demand for our products are rising, which can be seen in volume growth. So, when the prices stabilize, which is already happening steadily, our profitability will rebound strongly.

Now, when I say that the organization has strengthened, it is because there have been quite a few positive developments that panned out during the year. Our continuous efforts to undertake operational streamlining initiatives contributed to 5% improvement in CPC Blue capacity utilization enabling us to enhance production and sales volume. We continued with sustained marketing and promotional activities resulting in successful acceptance of our new product launched in FY2016-17 fiscal, among the customers. We expect it to start making contribution from the next fiscal onwards. We added three new customers during the year, which shall provide us the opportunity to scale business with them and grow topline.

Focused on scaling-up

During the year, we invested ₹35 Crores to acquire two land parcels in Bharuch, Gujarat – a 60,000 sq mts land at Dahej and another 115,158 sq mts land at Saykha. We intend to set-up specialty pigments chemical plants here. This will strengthen our product offering and enable us to enhance value-added offerings, which will ultimately improve margins.

Strengthening product pipeline

R&D will be our important agenda. During the year, we spent a total of ₹1.75 Crores towards enhancing quality of existing products and developing new ones. We developed few new products, while some are in pipeline. Our continuous efforts to reinforce portfolio with better products to meet customers requirement have been instrumental in gaining their trust and commanding their top of mind. We have Government approved R&D Center.

Environmentally responsible

It is our belief that nobody has the right to damage natural resources and that it is everyone's responsibility to protect them. We are already seeing the negative impact of climate change in unpredictable and extreme weather conditions. At Asahi, we have always considered environment sustainability as an equally important area as our business. While we have installed sustainable technologies to ensure effective discharge of effluents, every year we continue to

ensure our operations get more sustainable. We continue to reduce our carbon footprint and water consumption. We ensure discharge well within the prescribed norms. We have trained and sensitized our employees to minimize wastages wherever possible. In FY2017-18, we spent a sum of ₹72 Lakhs to install a solar plant, which will further reduce our energy consumption from traditional sources. I am proud that we, today, have the highest standards of environmental practices, enhancing our reputation and making us an acceptable company globally.

Sustainable future growth

At Asahi, we have proved our might with a resilient performance in a challenging year when most other companies bled. Our consistent efforts to strengthen operational efficiency, enhance capacity and keep reinforcing portfolio with better products are paving our way towards a more sustainable growth. We are confident that the sum of efforts over the past couple of years will translate into a healthy performance and we will reward our shareholders adequately.

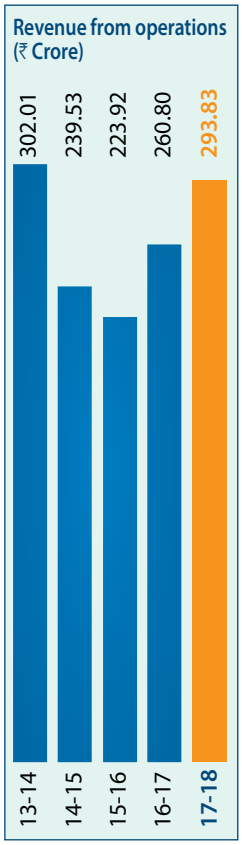
I appreciate the efforts put in by our people. They are rightly the key driver of growth. We will continue to provide them an open culture to foster and grow their skills, facilitate them to think like entrepreneurs and bring in innovative ideas. We will provide them an engaging organization and help them build better career.

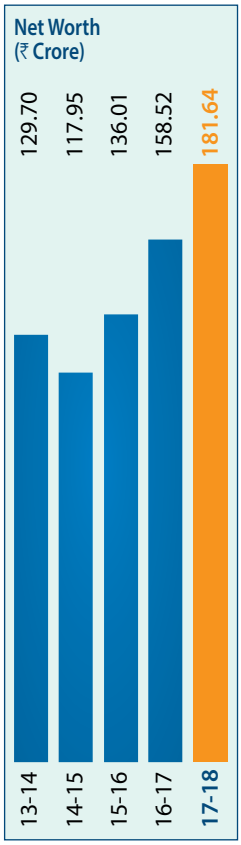
I thank all our stakeholders for their support. Your belief in us and our growth story has been encouraging. With our consistent efforts we will ensure that we keep delivering better performance.

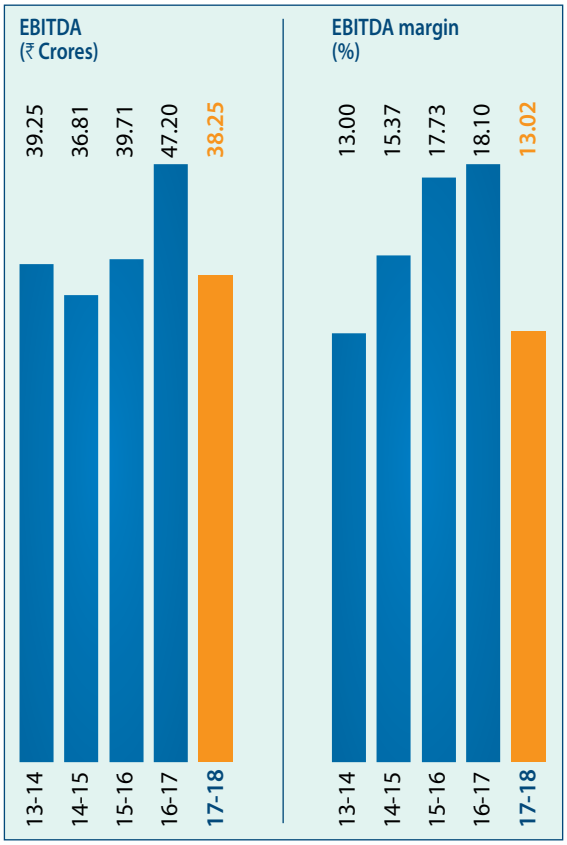
Warm wishes

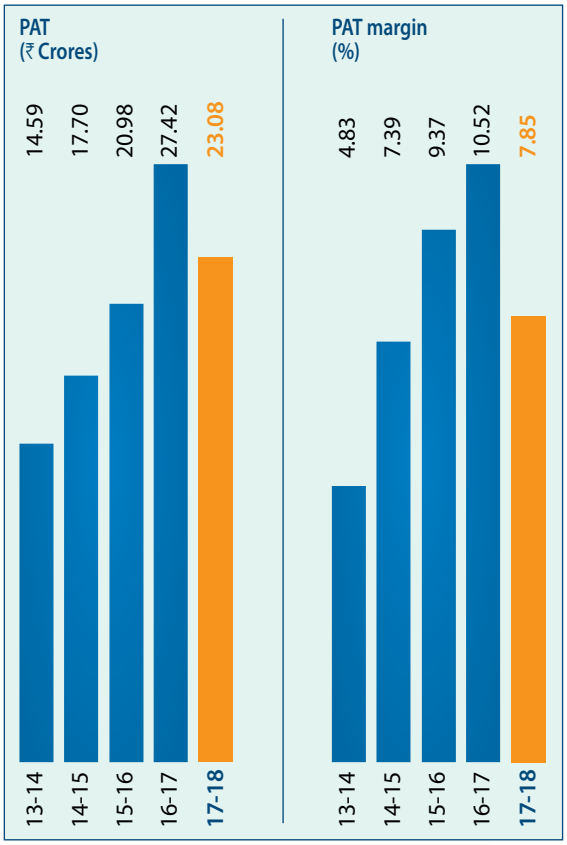
Paru M. Jaykrishna
Chairperson.

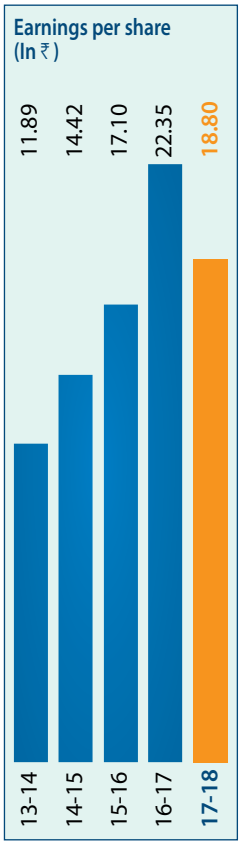
PERFORMING **SUSTAINABLY** OVER THE YEARS











Sustainable business is all about long-term

9.61%
PAT CAGR FY14-18

7.20%
Sales volume CAGR FY14-18

6.97%
Net worth CAGR FY14-18

SUSTAINABLE GROWTH IS...

BUILDING THE **FOUNDATION FOR TOMORROW**

BUILDING A SUSTAINABLE BUSINESS MODEL IS NOT ABOUT THINKING FOR TODAY, IT IS ABOUT THINKING BEYOND TOMORROW AND BUILDING A PLATFORM FOR FUTURE GROWTH.

Being a proactive organisation, we have always been driven by this thinking. We have gone beyond the realms of conventional to deliver. And it is a result of this, that in a challenging business scenario instead of playing it safe, we rather decided to go more aggressive and did the following:

Proactive investments in capacity scaling

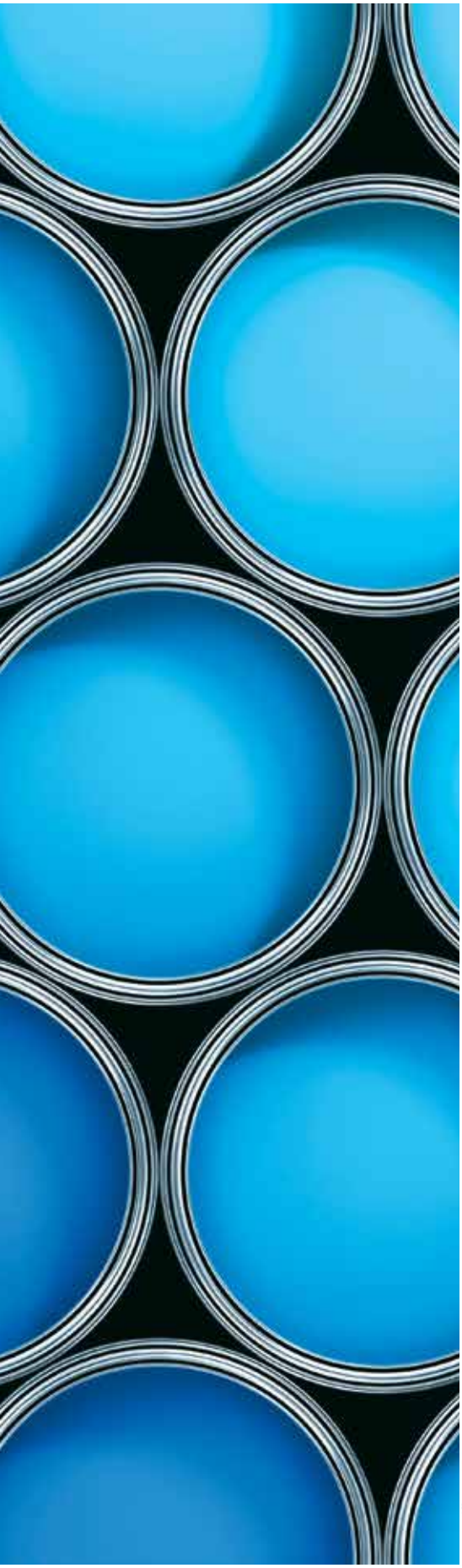
With the rising competition, our focus will be on commanding a greater share of client's overall requirement and become an important vendor for them. And so, as we work closely with our customers, we identified their needs for tomorrow and have planned on investing in them today. We acquired land parcels, where we plan to set-up a greenfield specialty pigments plants. These plants will enhance our scale, widen our offerings and generate better margins.

Driving innovation with R&D

We ramped up our R&D activities and developed three new products during the year which will enable us grow business with existing customers and tap new ones. These products include Blue 15.0 for textiles, Blue 15.1 plastic grade and Blue 15.4 for Publication Gravure Ink. Blue 15.0 will cater to the requirements of both domestic and international customers. These products have been approved by several customers. Commercial production of these products has commenced, and we expect them to start making contribution to sales from next fiscal onwards.

Spreading base

We have strategically diversified to newer regions and have added newer clients, which has enabled us to reduce dependency on a single region and client.



SUSTAINABLE GROWTH IS...

MOVING FORWARD **STRATEGICALLY**

CUSTOMERS ARE INCREASINGLY LOOKING TO MAKE ITS SUPPLY CHAIN MORE EFFICIENT BY RATIONALISING ITS VENDORS PARTNERS AND BUILD LONG-TERM RELATIONSHIPS WITH SELECT FEW THAT OFFER AN UNMATCHED VALUE PROPOSITION. IT WILL BE IMPORTANT TO ENHANCE COMPETITIVENESS IN A MANNER TO BECOME AN IMPORTANT PART OF CUSTOMER'S VALUE CHAIN.

At Asahi, we are continuously enhancing our competitiveness to offer customers the unmatched proposition of better quality, competitive prices, service reliability and compliance to all regulatory and environmental norms. With this, we have been able to consistently enhance business with our customers. Our average business with long-term customers has consistently increased over the years.

Investing in environment-friendly technologies

We have been at the forefront of adopting sustainable technologies. Our continued investments to ensure highest standards of environment management is evident in our coveted ISO 14001 certification. In FY2017-18, we took forward this effort by investing in a 128 KVA solar plant, which will facilitate in reducing dependence on fossil fuel energy sources. Besides, it will also enhance reliability of power requirement and reduce energy costs.

Ramping up operations

We have revitalised our plants with the installation of several high-end machines which will contribute to cost reduction, improve operational efficiency and ensure higher plant reliability. These include a 40 Kl ball mill, injection molding (for heat stability testing), master batch preparation and filter value test machine. The investments will also boost customer confidence in our business.

Reducing costs

We are constantly undertaking efforts to reduce costs by optimising operations, reducing power and fuel costs by way on investing in sustainable technologies, and labour costs by modernising and automation.

COMPETITIVE **STRENGTHS**

Corporate strengths

• **Brand equity:** Asahi, with 12 years of product quality and service reliability track record is globally a trusted chemical brand.

• **Stringent quality adherence:** Department of Scientific and Industrial Research (Ministry of Science and Technology) registered and ISO 9001:2015, ISO 14001:2015 certified, our products are validated by leading ink, plastics and paint companies.

• **Intellectual capital:** 35% of our total employee base are professionals and technologists having strong industry experience, resulting in product and processcompetence.

• **Environmentally sustainable:** We have made proactive investments in sustainable technologies. This has reinforced stakeholders' confidence in our long-term commitment and sustainability.

Marketing strengths

• **Trusted vendor:** Our ability to serve evolving needs of customers with our quality products makes us a trusted global vendor. 75% of our total revenues in FY 2017-18 came from exports.

• **Catering to top-notch clientele:** Large, quality-conscious companies like DIC (Japan), Sun Chemicals (USA), Clariant Chemicals India and BASF are our repeat customers. Together, these companies contributed to 63% of our FY 2017-18 revenues.

• **Strong relationships:** Majority of our business comes from repeat customers (over five years association), who together accounted for 85% of our FY 2017-18 revenues.

Qualitative strengths

• **Zero tolerance culture:** We have a culture of zero tolerance for errors, which is achieved with our robust QMS (Quality Maintenance System), standard operating procedures, and dedicated quality team. We also follow a culture of continuous improvement to emphasize on process control, variability reduction and waste elimination.

• **Strong equipment infrastructure:** We have advanced quality testing equipment like vibroshakers, muller machines and injection moulding machines to ensure stringent adherence to quality standards.

• **Operational expertise:** Our efficient systems and processes facilitate us in maintaining higher operational stability and predictability.

Manufacturing strengths

• **Strategically located:** Our large chemical producers 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.

• **Application diversity:** Our products find application in the following end products i) Ink ii) Plastics iii) Paint iv) Rubbers. This gives excellent end user industry diversity.

SUSTAINABLY
MANAGING RISKS

01 Industry slowdown risk
Slowdown in macro-economic scenario and business activity may impact our clients' business and in turn impact our demand.

Mitigation: By virtue of our operations spread across multiple geographies and us having multiple products catering to diverse industries like printing inks, paints, textiles, plastics and automobile coatings, our operations are relatively de-risked. Besides, the outlook for global as well as the Indian economy remains strong which will ultimately improve business scenario.

02 Quality risk
Poor quality of products will lead to loss of customers and business.

Mitigation: We have a track record of zero rejection rates since our inception. This we have achieved by investing in high-end manufacturing and quality testing equipment, having a quality control team to undertake stringent monitoring, and adopting global best manufacturing practices. Our ISO 9001:2015 certification exemplifies our strong focus on quality.

03 Raw material risk
Significant fluctuation in the prices and availability of the raw materials may impact our business.

Mitigation: To some extent our operations are impacted by significant fluctuations in prices of raw materials and their availability. Though we are continuously undertaking measures like better forecasting and production planning to ensure its availability and adopting various cost control measures to minimise its impact.

04 Environmental risk
International companies adhere to strict environmental compliances and do business with only those companies following such compliances. Inability to become environment-compliant may lead to loss of such clients.

Mitigation: Asahi has always been at the forefront of using environment-friendly technologies – be it by installing effluent treatment plant and renewable energy sources, reducing water consumption and reusing water, or maintaining lower sound pollution from plants. This reinforces investor confidence in our, given the increasing regulatory compliances.

05 Competition risk
Inability to provide more value to clients may result in loss of business.

Mitigation: Our ability to provide customers the proposition of high quality at competitive pricing along with compliances to all regulatory and environmental norms makes us a preferred vendor. This is evident in over 70% of our business coming in from repeat customers, who continue to enhance scale of business with us.

06 Technology risk
Inability to upgrade technology and processes may reduce efficiency and impact quality.

Mitigation: We consistently invest in moderising our plants with latest technologies. Additionally, technical support from industry leaders like DIC and Clariant Pigments, along with periodic benchmarking with global standards enables us to ensure that we are updated.

BOARD OF **DIRECTORS**

Mrs. Paru M. Jaykrishna
Chairperson and Managing 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 67 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. In 1988, 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 graduate from St. Xavier College, Kolkata, he is an industrialist hailing from the renowned Goenka family. He commands rich experience of over 31 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 Duncan Engineering Ltd.

Mr. Gaurang N. Shah
Director
An industrialist with over 38 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 43 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
Joint Managing Director & CEO
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 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 28th Annual General Meeting of the Members of **ASAHI SONGWON COLORS LIMITED** will be held on Friday, 28th day of September, 2018 at AMA Seminar Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur Ahmedabad - 380015, at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend on Equity Shares for the financial year 2017-18.
3. To appoint a director in place of Mr. Gokul M. Jaykrishna (DIN: 00671652), liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. APPROVAL FOR CONTINUATION OF CURRENT TERM OF MR. H. K. KHAN (DIN: 00029713) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. H. K. Khan (DIN: 00029713) who was appointed as Independent Director of the Company for period of 5 years at the 24th Annual General Meeting of the Company held on September 26, 2014 to continue to hold office of Independent Director under the current tenure of appointment which ends on date of 29th Annual General Meeting to be held in the calendar year 2019 notwithstanding that he has attained the age of 75 years.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

5. APPROVAL FOR CONTINUATION OF CURRENT TERM OF MR. R. K. SUKHDEVSINHJI (DIN: 00372612) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. R. K. Sukhdevsinhji (DIN: 00372612) who was appointed as Independent Director of the Company for period of 5 years at the 24th Annual General Meeting of the Company held on September 26, 2014 to continue to hold office of Independent Director under the current tenure of appointment which ends on date of 29th Annual General Meeting to be held in the calendar year 2019 notwithstanding that he has attained the age of 75 years.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

6. CHANGE IN DESIGNATION OF MR. GOKUL M. JAYKRISHNA (DIN : 00671652) FROM JOINT MANAGING DIRECTOR TO JOINT MANAGING DIRECTOR & CEO

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

"RESOLVED THAT in partial modification of the resolution passed by the Members at the 26th Annual General Meeting held on September 26, 2016, Mr. Gokul M. Jaykrishna, who was earlier designated as Joint Managing Director of the Company be and is hereby re-designated as Joint Managing Director & CEO with effect from February 13, 2018 till the end of the tenure of his appointment viz. July 31, 2021 on the same terms and conditions including remuneration as approved earlier by the Members.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

7. 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 SEBI, 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 2019, 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

Place : Ahmedabad
Date: August 08, 2018

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

Registered 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. **Proxy**

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.

2. **Explanatory Statement**

The relevant explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") as set out under Item No. 5 to 7 of the Notice, is annexed hereto.

3. **Book Closure**

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 Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive).

4. **Director proposed to be re-appointed**

At the ensuing Annual General Meeting, Mr. Gokul M. Jaykrishna (DIN: 00671652), retire by rotation and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in annexure to notice of Annual General Meeting.

5. **Auditors**

The members of the Company, at the Twenty Seventh Annual General Meeting held on September 12, 2017, had appointed M/s. Mahendra N. Shah & Co, Chartered Accountants (Firm Registration No. 105775W) as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of Twenty Seventh Annual General Meeting till the conclusion of Thirty Second Annual General Meeting of the Company (subject to ratification of such appointment at every Annual General Meeting, if so required under the Companies Act, 2013). In pursuance of the relevant provisions of the Companies (Amendment) Act, 2017 made effective vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, Government of India, the

provision under Section 139 of the Companies Act, 2013 related to ratification of appointment of auditors at every Annual General Meeting has been omitted. Accordingly, the ratification of appointment of Auditors of the Company at this Annual General Meeting is not required.

6. Payment of Dividend

The dividend on equity shares for the financial year ended March 31, 2018, if declared by the members, will be paid within thirty days of declaration by members:

(i) in respect of shares held in physical form, to those members whose names appear in the Register of Members of the Company on **Friday, September 21, 2018**, after giving effect to all valid share transfer documents lodged with the Company on or before **Friday, September 21, 2018**.

(ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by NSDL and CDSL as at the end of business hours on Friday, September 21, 2018.

The members are hereby informed that the Company is required to transfer the dividends, which remain unclaimed for a period of seven years, to the Investor Education and Protection Fund ("IEPF") constituted by the Central Government. During the financial year 2017-18, the Company has transferred unclaimed dividend for the financial year 2009-10 to IEPF.

The Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on the date of last Annual General Meeting i.e. September 12, 2017, on the website of the Company as well as on the website of the Ministry of Corporate Affairs. The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2010-11 – Final	25/08/2011	30/09/2018
2011-12 – Interim	17/11/2011	22/12/2018
2011-12 – Final	27/09/2012	01/11/2019
2012-13 – Final	27/09/2013	01/11/2020
2013-14 - Final	26/09/2014	31/10/2021
2014-15 – Final	30/09/2015	04/11/2022
2015-16 – Interim	23/03/2016	28/04/2023
2016-17 – Interim	18/03/2017	23/04/2024

The members are advised to send their requests for payment of unpaid dividend pertaining to the financial years 2010-11 to 2016-17 to our Registrar and Share Transfer Agent for payment before the same becoming due for transfer to IEPF.

7. Transfer of Shares to Investor Education and Protection Fund

The members may kindly note that pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has remained unclaimed/ unpaid for seven consecutive years or more shall be transferred by the Company to the demat account of Investor Education and Protection Fund Authority ("IEPF Authority"). During the financial year ended March 31, 2018, the Company has transferred 1016 equity shares to the demat account of IEPF Authority in respect of which dividend has remained unpaid/ unclaimed for the last seven years.

The members, whose unclaimed dividend and / or shares have been transferred to IEPF/ IEPF Authority, may claim the refund of dividend and / or shares, as the case may be, from IEPF/IEPF Authority by submitting an application in Form No. IEPF-5 available on www.iepf.gov.in and following the procedure mentioned at the said website and in IEPF Rules.

8. Updation of Permanent Account Number (PAN) and Bank details and discontinuation of transfer of shares in physical form

8.1 As per circular dated April 20, 2018 issued by the Securities and Exchange Board of India ("SEBI"), the listed companies are required to obtain copy of PAN card and bank account details (original cancelled cheque leaf / attested bank passbook showing the name of account holder) of all securities holders holding shares in physical form. Accordingly, the Share Transfer Agent of the Company has communicated individually to the shareholders of the Company who are holding shares in physical form to submit the aforesaid documents alongwith the duly filled-in format sent with the said communication, for updation of records. The members holding shares in physical form, who have not yet submitted these documents to the Company / Share Transfer Agent, are requested to submit the same to the Share Transfer Agent of the Company.

8.2 In pursuance of SEBI notification dated June 8, 2018, with effect from December 5, 2018, requests for transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository. However, transmission or transposition of shares in physical form shall continue to be allowed. Therefore, the members holding equity shares of the Company in physical form are advised to dematerialise their shareholding.

9. Dispatch of documents through electronic mode / Registration of E-mail addresses

In pursuance of the provisions of the Companies Act, 2013 and the Rules made there under, the Company proposes to send documents like notice of general meeting, Annual Report, etc. to the shareholders through electronic mode. The members who have not registered their e-mail address so far, are requested to register their email address (or change therein, if any) with their Depository Participant (where the shares are held in dematerialized form) or our Registrar and

Share Transfer Agent (where the shares are held in physical form) by submitting the E-communication Registration Form.

10. 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 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to members to exercise their right to vote at 28th Annual General Meeting by electronic means (e-voting) and the business may be transacted through e-Voting Services.

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

Voting Options

10.1 The Company has engaged National Securities Depository Limited ("NSDL") to provide the facility of casting the votes by the members using an electronic voting system from a place other than the venue of Annual General Meeting ("Remote E-voting").

10.2 The facility for voting through ballot paper shall also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not cast their vote by Remote E-voting shall be able to exercise their right at Annual General Meeting.

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

10.4 The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

10.4.1.1 Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/

10.4.1.2 Once the home page of Remote E-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

10.4.1.3 A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically.

10.4.1.4 Your User ID details are given below:

Manner of holding shares	User ID
(i) For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
(ii) For members who hold shares in demat account with Central Depository Services (India) Limited ("CDSL")	16 Digit Beneficiary ID For example if your Beneficiary ID is 12**********then your user ID is 12**********
(iii) For members holding shares in Physical Form	EVEN (E-Voting Event Number) of the Company followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

10.4.1.5 Password details are given below:

(a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a Asahisongwon.pdf file. Open the Asahisongwon.pdf file. The password to open the Asahisongwon.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The

Asahisongwon.pdf file contains your 'User ID' and your 'initial password'..

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

10.4.1.6 If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

10.4.1.7 After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

10.4.1.8 Now, you will have to click on "Login" button.

10.4.1.9 After you click on the "Login" button, Home page of e-Voting will open.

10.4.2 Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

10.4.2.1 After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

10.4.2.2 After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

10.4.2.3 Select "EVEN" of Asahi Songwon Colors Limited.

10.4.2.4 Now you are ready for e-Voting as the Voting page opens.

10.4.2.5 Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

10.4.2.6 Upon confirmation, the message "Vote cast successfully" will be displayed.

10.4.2.7 You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

10.4.2.8 Once you confirm your vote on the resolution, you will not be allowed to modify your vote

10.5 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to makwanabipin577@gmail.com with a copy marked to evoting@nsdl.co.in.

10.6 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

10.7 The Remote E-voting period shall commence at 9.00 a.m on **Tuesday, September 25, 2018** and ends at 5.00 p.m. on **Thursday, September 27, 2018**. At the end of the Remote E-voting period, the Remote E-voting facility shall be blocked by NSDL forthwith. The Remote E-voting shall not be allowed after 5.00 p.m. on **September 27, 2018**.

10.8 A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories (in case of shares held in dematerialised form) as on the cut-off date i.e. **Friday, September 21, 2018** only shall be entitled to avail the facility of Remote E-voting as well as voting in the Annual General meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

10.9 The voting rights of the shareholders shall be reckoned in proportion to their shares in the total paid-up equity share capital of the Company as on cut-off date i.e. **Friday, September 21, 2018**.

10.10 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the download section of www.evoting.nsdl.com or call on toll free no. 1800-222-990. In case of any queries/ grievances connected with Remote E-voting, the members may contact Ms. Pallavi Mhatre, Assistant Manager, NSDL at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in (Telephone No. 022-24994545) or Mr. Saji V. Joseph, Company Secretary & Compliance Officer at the Registered Office of the Company at ""Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road, Thaltej, Ahmedabad - 380059 Phone: 079-39825000. E-mail: cs@asahisongwon.com.

10.11 A person who becomes a member of the Company after dispatch of notice of Annual General Meeting and holding shares as on the cut-off date i.e. **September 21, 2018**, may obtain the User ID and password by sending a request at evoting@nsdl.co.in

or cs@asahisongwon.com or call on toll free no. 1800-222-990.

10.12 The Board of Directors of the Company has appointed Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650), to scrutinise the voting at Annual General Meeting and Remote E-voting process in a fair and transparent manner.

10.13 The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through Remote E-voting in the presence of atleast two witnesses not in the employment of the Company.

10.14 The Scrutiniser shall make, not later than 48 Hours of conclusion of the Annual General Meeting, a consolidated scrutiniser's report and submit the same to the Chairperson of Annual General Meeting or any other person authorized by Chairperson in writing who shall countersign the same and declare the results of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office (as per details mentioned above). The results declared along with scrutiniser's report shall be placed on the Company's website www.asahisongwon.com and on the website of NSDL immediately after the results are declared. The results shall also be immediately forwarded to the BSE Limited (BSE), Mumbai, National Stock Exchange of India Limited (NSE), Mumbai.

11. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and and vote on their behalf at the Meeting.

12. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.

13. Members can send their queries, if any, to reach the Company's Registered Office atleast 10 days before the date of Annual General Meeting so that information can be made available at Annual General Meeting. The members are requested to bring attendance slip at the meeting.

14. 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.

15. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2017-18 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.

STATEMENT PURUSANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required under section 102 (1) of the Companies Act, 2013, the following Statement set out all the material facts relating to the Special Business mentioned in Item No. 4 to 7 of the accompanying Notice.

ITEM NO. 4 & 5

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Nomination and Remuneration Committee discussed the matter and recommended the continuation of Directorship Mr. H. K. Khan and Mr. R. K. Sukhdevsinhji, who were appointed as Independent Directors of the Company for period of 5 years at the 24th Annual General Meeting of the Company held on September 26, 2014 under the current tenure of appointment which ends on date of 29th Annual General Meeting to be held in the calendar year 2019 notwithstanding that they have attained the age of 75 years. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as annexure to notice of Annual General Meeting.

The above mentioned Independent Directors are experts in their respective fields and their experience and valuable guidance is beneficial to the Company. The Board based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid independent Directors, has recommended the resolution for approval of shareholders by way of special resolution.

None of the Directors, Key Managerial Personnel or their relatives except Mr. H. K. Khan and Mr. R. K. Sukdevsinhji to whom the resolution relates, are interested financially or otherwise in this resolution.

The Board of Directors recommends the resolution set out at item no 4 & 5 for approval of the members.

ITEM NO. 6

Mr. Gokul M. Jaykrishna was reappointed as Joint Managing Director of the Company for a further period of 5 years with effect from August 1, 2016 at the 26th Annual General Meeting held on September 26, 2016. Considering his involvement in the business operations as well as corporate affairs of the Company and to focus on implementing growth strategies and based on the recommendations of the Nomination and Remuneration Committee, the Board of directors at their meeting held on February 13, 2018 has changed the designation of Mr. Gokul M. Jaykrishna from Joint Managing Director to Joint Managing Director & CEO with effect from February 13, 2018 for the remaining period of his tenure. The terms and conditions of his appointment including remuneration as approved by the members at the 26th Annual General Meeting remains the same.

Though members consent is not required for the above re-designation, however as a good corporate governance practice, the Board recommends the resolution set out in Item No. 6 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel or their relatives except Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company and Mr. Munjal M. Jaykrishna, Director of the Company being relatives of Mr. Gokul M. Jaykrishna may be deemed to be interested or concerned in the resolution set out at Item No. 6 financially or otherwise, to the extent of their equity shareholding in the Company.

ITEM NO. 7

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. 7 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 2019, 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 set out at Item No. 7 except to the extent of their equity shareholding in the Company.

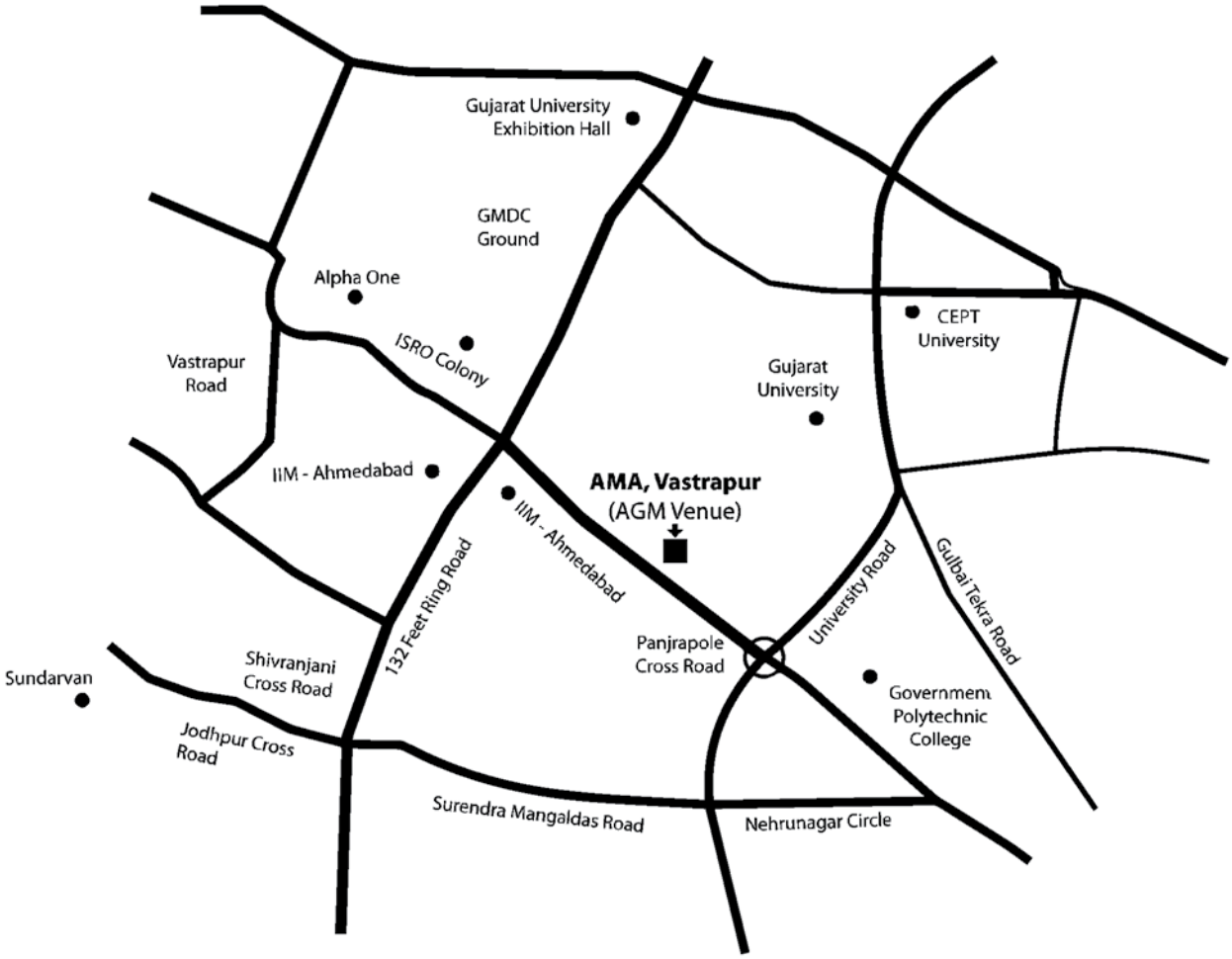
By the Order of the Board of Directors

Place : Ahmedabad
Date: August 08, 2018

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

Registered 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 CIN:L24222GJ1990PLC014789



DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

	Re-Appointment	Appointment	Appointment
Name of the Director	Mr. Gokul M. Jaykrishna	Mr. H. K. Khan	Mr. R. K. Sukhdevsinhji
DIN	00671652	00029713	00372612
Date of Birth	28.10.1968	15.08.1933	06.08.1936
Date of Appointment/ Reappointment	08.03.1996	28.11.2006	28.05.1996
Qualification	Major in Finance and Marketing from Lehigh University, Bethlehem (USA)	IAS (Retd), B.A. (History)	B. A. (Economics)
Expertise in specific functional Area	He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders.	He is Retired Senior Govt. Bureaucrat with Government of India and held a very senior positions in various ministries.	He has severed as Chairman and Managing Director of Bharat Petroleum Corporation Limited. In 1981 he was deputed to the Ministry of Petroleum and Natural Gas as Director (Operations) in the Oil Coordination Committee (OCC). He has held Board level position in various Central Government, Public Sector companies/ corporations.
Terms and Conditions of appointment / re-appointment	To be re-appointed as director liable to retire by rotation	To continue current term as Independent Director	To continue current term as Independent Director
Public Ltd. Companies (in India) in which outside Directorships held	AksharChem (India) Limited Echke Limited	Calcom Vision Ltd	1. Swan Energy Ltd 2. EPC Offshore Subsea Projects Ltd 3. Essar Oil and Gas Exploration and Production Ltd 4. Essar Gujarat Pertochemcial Ltd 5. Essar Steel Metal Trading Ltd 6. EPC Constructions India Ltd
Membership/Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Calcom Vision Ltd.	Swan Energy Limited
Shareholding in the Company	Nil*	Nil	Nil
Relationship with other Directors/ KMPs	Son of Mrs. Paru M. Jaykrishna, Chairperson & Managing Director and brother of Mr. Munjal M. Jaykrishna, Director of the Company	None	None

*Mr. Gokul M. Jaykrishna is not holding any Equity Shares of the Company in individual capacity but holds 2,729,009 [22.24%] Equity Shares of the Company as a trustee of M/s. Gokul M. Jaykrishna Family Trust.

Statutory Section

Boards' report

To the Members of
Asahi Songwon Colors Limited

Your Directors have the pleasure of presenting their Twenty Eight Annual Report of the Company together with the audited financial statement for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2018 is summarized below:

(₹ In Lakhs)

Particulars	2017-2018	2016-2017
Revenue from Operations	29,383.17	26,080.41
Other Income	447.21	311.38
Total Income	**29,830.38**	**26,391.79**
Profit for the year before Finance Costs, Depreciation and Tax Expenses	**4,271.77**	**5,030.90**
Less : Finance Costs	353.28	281.09
Profit for the year before Depreciation and Tax Expenses	**3,918.49**	**4,749.81**
Less : Depreciation	721.93	712.50
Profit for the year before Tax Expenses	**3,196.56**	**4,037.31**
Less : Current Tax	835.00	1,215.64
Less : Deferred Tax	54.00	79.30
Net Profit for the year	**2,307.56**	**2,742.37**
Other Comprehensive Income (Net of Taxes)	4.76	20.46
Total Comprehensive Income for the period	**2,312.32**	**2,762.83**
Surplus available for Appropriation	12,792.76	11,073.56
Appropriation:		
General Reserve	150.00	150.00
Interim Dividend at ₹ Nil (Previous Year ₹3.00) per Equity Shares	-	368.17
Dividend Distribution Tax	-	74.95
Balance Carried to Balance Sheet	12,642.76	10,480.44
Total	**12,792.76**	**11,073.56**

INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company has adopted Ind AS with effect from April 1, 2017. The Company's financial results for the previous year ended March 31, 2017 had also been recast in accordance with Ind AS.

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

a. General

The Financial Year 2017-18 has been a year of continuous appreciation of Indian Rupee, increasing crude price and other commodities. In spite of such uncertain economic condition your Company has performed well on account of capacity utilization and increase in sales. However, due to economic turbulence operating margins got impacted adversely. The Company is PROACTIVELY taking all the measures of effective management of resources to reduce cost and improve the margin, especially by making big efforts on energy saving.

b. Performance Review

During the year under review, the Company earned a total income of ₹29,830 lakhs compared to ₹26,392 lakhs in the previous year.

The total sales of the Company was ₹29,383 lakhs 13% higher as compared to ₹26,080 lakhs in the previous year. The profit after tax (PAT) stood at ₹2,308 lakhs (Previous year ₹2,742 lakhs).

c. Exports

During the year under review, the total exports value to ₹21,241 lakhs compared to ₹17,427 lakhs during the previous year. Your Company continues to view focus on export markets for its products and see good potential for growth to the export business.

d. Capital Expenditure

The Company has incurred for the existing plant a capital expenditure of ₹1,973 lakhs in the year under review compared to ₹784 lakhs in the previous year. The Company has capex plans to add other pigments and specialty products as a green field Project at Sayakha and, Dahej, Dist: Bharuch, Gujarat. The Company already spend ₹3,500 lakhs for acquisition of land for this projects.

DIVIDEND

After considering the profitability, cash flow and overall performance of the Company, your Board of Directors of the Company have pleasure in recommending final dividend @30% (₹3.00 per share of face value of ₹10/- each) for the year ended March 31, 2018 subject to approval of members at the forthcoming Annual General Meeting of the Company.

The final dividend if approved at the forthcoming Annual General Meeting will result in an outflow of ₹368 lakhs to the Members of the Company, in addition to ₹76 lakhs as dividend distribution tax During the previous financial year, the Company had paid interim dividend @30% (₹3.00 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 lakhs (Previous Year ₹150 lakhs) to the General Reserves. An amount of ₹12,643 lakhs 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, 2018, it stood at ₹1227.23 lakhs 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 SEBI (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.

INTELLECTUAL PROPERTY RIGHTS

During the year under review, the Company has received the certificate for registration of trademark from the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. Asahi Songwon and its products i.e. Asafast, Asaglow, AsaInk and Asaperm.

CHANGE IN PROMOTERS HOLDING

During the year under review, promoters family trust Mrugesh Jaykrishna Family Trust -1 and Gokul M. Jaykrishna Family Trust has acquired 11,000 (0.09%) and 5,500 (0.04%) Equity Shares of the Company through the stock exchange respectively. The total promoter shareholding of the Company hence stands increased from 65.28% to 65.41%.

During the year under review, promoter company Chelsea Marketing LLP holding 600 equity shares of the Company has sold its holding.

FINANCE AND INSURANCE

The Company has been financed by State Bank of India and Federal Bank Limited 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.

BANK TERM LOANS

During the year under review, CARE has reaffirmed "CARE AA-Stable [Double A Minus; Outlook; Stable]" rating assigned to the long-term facilities of your Company. 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, 2018, 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 2018-19.

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 this 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, 2018.

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, 2018.

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

Directors liable to retirement by rotation

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

Change in Directorate

None of the Directors of the Company have resigned from the office of Director of the Company during the year.

Independent Directors

The Independent Directors hold office for a fixed period of five years from the date of their appointments at the 24th Annual General Meeting of the members held on September 26, 2014 and are not liable to retire by rotation.

Mr. H. K. Khan and Mr. R. K. Sukhdevsinhji, who were appointed as Independent Directors of the Company for period of 5 years at the 24th Annual General Meeting of the Company held on September 26, 2014.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special

resolution is passed to that effect.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, on recommendation of Nomination and Remuneration Committee, the Board of Directors subject to approval of members at the ensuing Annual General Meeting decided to continuation of Directorship Mr. H. K. Khan and Mr. R. K. Sukhdevsinhji under the current tenure of appointment which ends on date of 29th Annual General Meeting to be held in the calendar year 2019 notwithstanding that they have attained the age of 75 years.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013 as well as SEBI Regulations.

Profile of Directors seeking appointment/re-appointment

As required under Regulation 36 (3) of the SEBI (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 28th Annual General Meeting.

Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director

Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO

Mr. Chandravadan R. Raval, General Manager (Accounts) & CFO

Mr. Saji Varghese Joseph, Company Secretary

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

During the year under review, the Board of Directors in their meeting held on February 13, 2018 has changed the designation of Mr. Gokul M. Jaykrishna from Joint Managing Director to Joint Managing Director and CEO.

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.

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.

Board Effectiveness

a. Familiarization Programme for the Independent Directors

Your Company has put in place a well structured familaristion programme for all its directors including independent directors of the Company with respect to the roles and responsibilities outlined under the Companies Act, 2013 and other related Regulations. The Directors 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. Details of the Familiarization Programme are explained in the Corporate Governance Report.

b. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Regulations, the Board has internally carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees. The guidance note dated January 5, 2017 as suggested by SEBI was referred to while carrying out the annual performance evaluation.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairperson of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement and safeguarding the interest of the Company. The performance evaluation of the Board as a whole, Chairperson and Non-Independent Directors was also carried out by the Independent Directors in their meeting held on November 14, 2017. The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual directors.

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, 2018, 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, 2018 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, 2018 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.

MEETINGS

Number of Meeting of the Board of Directors

During the Financial Year 2017-18, Seven (7) numbers of Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Independent Directors' Meeting

A separate Meeting of the Independent Directors of the Company was also held on November 14, 2017, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (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 SEBI (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 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.

CORPORATE GOVERNANCE

In terms of Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Report on Corporate Governance forms part of the Annual Report. The requisite certificate from Mr. Bipin L. Makwana, Company Secretary in Practice, regarding compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as per "Annexure – H".

AUDITORS

a. Statutory Auditors

The Statutory Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the Company for a term of five years up to the conclusion of the 32nd Annual General Meeting of the Company, if so required under the Law.

The Ministry of Corporate Affairs have, vide its Commencement Notification dated May 7, 2018, inter alia, notified the commencement of section 40 of the Companies (Amendment) Act, 2017, which omitted the proviso to sub-section (1) of section 139 of the Companies Act, 2013, mandating the requirement of annual ratification for Auditors appointment by the Members at every Annual General Meeting. Accordingly, the Board has decided, to discontinue the practice of obtaining annual ratification of the shareholders for appointment of Statutory Auditors, in view of the exemption provision in the resolution passed by the members in the 27th Annual General Meeting and the removal of the provision of the law which mandated the requirement.

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.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate dated May 10, 2018 from the Auditors to the effect, inter-alia, that their appointment would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

M/s. Mahendra N. Shah & Co., Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2017-18, which forms part of the Annual Report 2017-18. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

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 2017-18 and the Report of Secretarial Auditor in Form MR-3 is annexed with this Report as "Annexure – F" forming part of this Report.

c. Cost Auditors

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

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under.

CASH FLOW STATEMENT

As required under Regulation 34(2) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Cash Flow Statement prepared in accordance with the Indian Accounting Standard 7 (IND AS-7) is attached to the Financial Statement.

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".

EXPORT HOUSE STATUS

The Company has been awarded status of "Two Star Export House" by Office of Development Commissioner, Kandla Special Economic Zone, Gandhidham, Kutch in accordance with provisions of Foreign Trade Policy 2015-2020. This status is valid till December 15, 2020.

AWARDS AND RECOGNITION

Over the years, the Company has participated and won many awards and recognition. The awards won during the financial year 2017-18:

- 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 award for outstanding export performance in exporters during the 2016-17 in Dye & Dye intermediate category.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions. Accordingly, there are no transactions that are required to be reported in form AOC-2.

However, you may refer to Related Party transactions in Note No. 41 of the Standalone Financial Statements.

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. The Audit Committee of the Board overseas the functioning of the policy.

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

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and Company`s operations in future.

INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

PARTICULARS 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 14001:2015 for Environmental Management System certification and ISO 9001-2015 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

Your Company strongly believes in providing a safe and harassment-free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment, including sexual harassment.

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

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to the transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 1.25 lakhs to Investor Education and Protection Fund (IEPF) during the year. Further, 1016 Equity shares were transferred as per the requirements of IEPF rules.

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 2010-2011 or earlier financial years has not been paid or claimed by members for 7 (seven) consecutive years or more.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application during the year under review.

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.

CAUTIONARY STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statement. Some important factors that could influence the Company's operations comprise of economic developments, pricing, and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: August 08, 2018

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

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

ANNEXURE – "A" TO THE DIRECTORS' REPORT

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014 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 installed an automatic coal feed controller, which controls the feeding of coal to boiler by sensing 02 content in the gases.
- 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.
- CT motors replaced from 75 HP to 15HP.
- Installed Electrostatic Precipitator (ESP) for Boiler and TFH flue gases, thereby, reduction in air pollution. Around 95% of particulate matter is being arrested by ESP.

(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: Studies to reduce energy consumption of existing unit are on and suitable investment will continue to be made in these areas.

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:

(a) High quality products and process rationalisation.

(b) Improved product quality, production and cost reduction to meet the changing requirements of customer.

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

(d) Reduction in waste generation and energy inputs.

(e) Successful in developing value added pigments.

(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 lakhs)

	2017-2018	2016-2017
Capital	89.70	-
Recurring	85.61	82.92
Total	175.31	82.92
Total Research and Development Expenditure as percentage of total turnover	0.60	0.32

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 75% of the total turnover comes from Exports. During the year under review, the Company exported pigments (Blue) valuing (FOB) ₹21,019.42 lakhs (Previous Year ₹17,735.19 lakhs) 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 lakhs)

	2017-2018	2016-2017
Foreign Exchange Earned (FOB)	21,019.42	17,735.19
Foreign Exchange Used	7,631.97	6,699.06

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

he 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, 2018 (₹ in lakhs)	Ratio of Remuneration to median remuneration of employees
1.	Mrs. Paru M. Jaykrishna Chairperson and Managing Director	98.80	30.67
2.	Mr. Gokul M. Jaykrishna Joint Managing Director & CEO	159.81	49.62

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	(40.19)
Mr. Gokul M. Jaykrishna	22.09
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 R. Raval – General Manager (Accounts) & CFO	(3.55)
Mr. Saji V. Joseph – Company Secretary	9.52

iii. **The percentage increase in the median remuneration of employees in the financial year:** During the year under review, there was a increase of 7.37% in the median remuneration of employees.

iv. **The number of permanent employees on the rolls of Company:** There were 140 permanent employees on the rolls of the Company as on March 31, 2018.

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 7%, whereas there was average decrease in the managerial remuneration of 12% for the financial year 2017-18.

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

Information showing names and other particulars of employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than ₹102 lakhs for financial year.

Name	Mr. Gokul M. Jaykrishna
Designation	Joint Managing Director & CEO
Remuneration Received (₹ in Lakhs)	159.81
Nature of Employment	Contractual
Qualification	Master in Finance and Marketing
Experience (Years)	25
Date of Commencement of Employment	08.03.1996
Age (Years)	49
Last Employment	Krieger Associates, New Jersey, USA
Percentage of Equity Shares held in the Company as on March 31, 2018	2,729,009 Equity Shares of the Company held as a trustee of Gokul M. Jaykrishna Family Trust.
Relationship with Directors of the Company	Son of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director and brother of Mr. Munjal M. Jaykrishna, Director of the Company.

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 (2014-15 to 2017-18):** The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2016-17, 2015-16, 2014-15) calculated in accordance with section 135 of the Companies Act, 2013 is ₹3,173.78 lakhs.

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. 2017-18 is ₹63.48 lakhs.

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

   a) Total Amount to be spent for the financial year: ₹63.48 lakhs.

   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 lakhs)	Amount spent on the project / programme	Cumulative spend up to the reporting period (₹ in lakhs)	Amount spent : Direct / through implementing agency
1.	To promote facility of education to poor and under privileged children	Promotion of Education	Maninagar Ahmedabad	48.50	48.50	48.50	Implementing Agency : All India Social Education Charitable Trust
2.	To environment sustainability, ecological balance and conservation of natural resources	Ensuring Environmental sustaintability, ecological balance and conservation of natural resources	Padra, Vadodara	31.80	31.80	80.30	Implementing Agency : Direct

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 lakhs)	Amount spent on the project / programme	Cumulative spend up to the reporting period (₹ in lakhs)	Amount spent : Direct / through implementing agency
3.	To promote facility of education to poor and under privileged children	Promotion of Education	Bhat, Ahmedabad	1.00	1.00	81.30	Implementing Agency : Yuva Unstoppable

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

Not Applicable.

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 & CEO
DIN : 00671652

Paru M. Jaykrishna
Chairperson of CSR Committee
DIN : 00671721

Place : Ahmedabad
Date : August 08, 2018

ANNEXURE – "E" TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L24222GJ1990PLCO14789
ii)	Registration Date	:	December 10, 1990
iii)	Name of the Company	:	Asahi Songwon Colors Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
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	20114	100
2.	Trading Activity and Power Generation	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	cin/gln	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

IV. 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. Shareholding of Promoters and Promoter Group									
(1) Indian									
a) Individual/Hindu Undivided Family	0	0	0	0.0000	0	0	0	0.0000	0.0000

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	
b) Central Government/ State Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	600	0	600	0.0049	0	0	0	0.0000	(100.000)
d) Financial Institutions Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other- Private Trust	8,010,320	0	8,010,320	65.2717	8,026,820	0	8,026,820	65.4062	0.1345
Sub-total (A) (1)	8,010,920	0	8,010,920	65.2766	8,026,820	0	8,026,820	65.4062	0.1296
(2) Foreign									
a) Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Qualified Foreign Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total (A) (2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8,010,920	0	8,010,920	65.2766	8,026,820	0	8,026,820	65.4062	0.1296
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Financial Institutions / Banks	8,467	0	8,467	0.0690	4,170	0	4,170	0.0340	(0.0350)
c) Central Government / State Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Foreign Portfolio Investors	4,473	0	4,473	0.0364	40,273	0	40,273	0.3282	0.2918
g) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total (B)(1)	12,940	0	12,940	0.1054	44,443	0	44,443	0.3622	0.2568
2. Non- Institutions									
a) Individuals									
i. Individual shareholders holding nominal share capital upto ₹1 lakh	1,898,373	2,099	1,900,472	15.4859	1,807,054	2,099	1,809,153	14.7418	(0.7441)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	700,455	0	700,455	5.7076	769,100	0	769,100	6.2700	0.5624
b) Others (specify)									
Bodies Corporate	365,745	0	365,745	2.9803	454,186	0	454,186	3.7009	0.7206
Hindu Undivided Family	135,091	0	135,091	1.1008	141,497	0	141,497	1.1530	0.0522
NRI/OBC	128,025	0	128,025	1.0432	119,207	0	119,207	0.9713	(0.0719)

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	
IEPF	0	0	0	0.0000	1016	0	1016	0.0083	100.0000
Clearing Member	153,414	0	153,414	1.2501	41,640	0	41,640	0.3393	(0.9108)
Foreign Company	0	865,200	865,200	7.0500	0	865,200	865,200	7.0500	0.0000
Sub-total (B)(2)	3,381,103	867,299	4,248,402	34.6179	3,333,700	867,299	4,200,999	34.2234	(0.3945)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,394,043	867,299	4,261,342	34.7233	3,378,143	867,299	4,245,442	34.5938	(0.1296)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
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	0.0000

ii) Share Holding of Promoters

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on April 1, 2017			Share holding at the end of the year as on March 31, 2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mrugesh Jaykrishna Family Trust – I*	5,286,811	43.0794	0.0000	5,297,811	43.1690	0.0000	0.0896
2.	Gokul M. Jaykrishna Family Trust*	2,723,509	22.1924	0.0000	2,729,009	22.2372	0.0000	0.0448
3.	Chelsea Marketing LLP – Formerly known as M/s. Intercon Finance Private Limited	600	0.0049	0.0000	0	0.0000	0.0000	(100.0000)
	Total	**8,010,920**	**62.2767**	**0.0000**	**8,026,820**	**65.4062**	**0.0000**	**3.1292**

iii) Change in Promoter's Shareholding*

Sr. No.	Shareholders Name	Date wise Increase / Decrease			Cumulative Shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of shares	% of total shares of the company
*1.	Mrugesh Jaykrishna Family Trust – I					
	At the beginning of the year	01/04/2017	-	-	5,286,811	43.0794
		13/10/2017	3,000	0.0244	5,289,811	43.1038
		20/10/2017	903	0.0074	5,290,714	43.1112
		27/10/2017	6,697	0.0546	5,297,411	43.1657
		22/12/2017	400	0.0032	5,297,811	43.1690
	At the End of the year	31/03/2018	-	-	5,297,811	43.1690

iii) Change in Promoter's Shareholding*

Sr. No.	Shareholders Name	Date wise Increase / Decrease			Cumulative Shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of shares	% of total shares of the company
*2.	Gokul M. Jaykrishna Family Trust					
	At the beginning of the year	01/04/2017	-	-	2,723,509	22.1924
		13/10/2017	1,500	0.0122	2,725,009	22.2046
		20/10/2017	500	0.0041	2,725,509	22.2087
		27/10/2017	3,300	0.0269	2,728,809	22.2356
		22/12/2017	200	0.0016	2,729,009	22.2372
	At the End of the year	31/03/2018	-	-	2,729,009	22.2372
3.	Chelsea Marketing LLP – Formerly known as M/s. Intercon Finance Private Limited*					
	At the beginning of the year	01/04/2017	-	-	600	0.0049
		09/06/2017	(600)	0.0049	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000

During the year under review, Mrugesh Jaykrishna Family Trust -1 and Gokul M. Jaykrishna Family Trust has acquired 11,000 (0.09%) and 5,500 (0.04%) Equity Shares of the Company through the stock exchange respectively. The total promoter shareholding of the Company hence stands increased from 65.28% to 65.41%. During the year under review, Promoter Company Chelsea Marketing LLP has sold its holding.

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

Sr. 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 (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No of shares	% of total shares of the Company
1.	DIC Corporation	865,200	7.0500	01/04/2017	-	No Change	865,200	7.05
		865,200	7.0500	31/03/2018			865,200	7.05
2.	D. Srimathi	88,724	0.7230	01/04/2017			88,724	0.7230
				24/11/2017	2,724	Transfer	91,448	0.7452
				01/12/2017	9,134	Transfer	100,582	0.8196
				08/12/2017	11,521	Transfer	112,103	0.9135
				15/12/2017	7,190	Transfer	119,293	0.9721
				22/12/2017	141	Transfer	119,434	0.9732
				16/03/2018	2,551	Transfer	121,985	0.9940
				23/03/2018	5,838	Transfer	127,823	1.0416
				31/03/2018	143	Transfer	127,966	1.0427
		127,966	1.0427	31/03/2018				
3.	Sabitha Chandran	37,248	0.3035				37,248	0.3035
				28/04/2017	26,662	Transfer	63,910	0.5208
				05/05/2017	22,338	Transfer	86,248	0.7028

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

Sr. 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 (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No of shares	% of total shares of the Company
				19/05/2017	164	Transfer	86,412	0.7041
		86,412	0.7041	31/03/2018				
4.	Amit Jain	66,531	0.5421	01/04/2017			66,531	0.5421
				07/04/2017	1,359	Transfer	67,890	0.5532
				14/04/2017	1,992	Transfer	69,882	0.5694
				21/04/2017	4,813	Transfer	74,695	0.6086
				28/04/2017	6,888	Transfer	81,583	0.6648
				19/05/2017	714	Transfer	82,297	0.6706
				28/07/2017	(1,200)	Transfer	81,097	0.6608
				04/08/2017	(2,592)	Transfer	78,505	0.6397
				11/08/2017	(1,259)	Transfer	77,246	0.6294
				01/09/2017	(2,200)	Transfer	75,046	0.6115
				08/09/2017	(10,814)	Transfer	64,232	0.5234
				15/09/2017	(4,232)	Transfer	60,000	0.4889
				16/03/2018	(4,414)	Transfer	55,586	0.4529
		55,591	0.4530	31/03/2018				
5.	Rural Engineering Co. Pvt Ltd	45,000	0.3667	01/04/2017	-	No change	45,000	0.3667
		45,000	0.3667	31/03/2018				
6.	IL and FS Securities Services Limited	25,824	0.2104	01/04/2017			25,824	0.2104
				07/04/2017	300	Transfer	26,124	0.2129
				14/04/2017	(1,861)	Transfer	24,263	0.1977
				21/04/2017	(250)	Transfer	24,013	0.1957
				05/05/2017	(29)	Transfer	23,984	0.1954
				19/05/2017	(1,933)	Transfer	22,051	0.1797
				26/05/2017	(100)	Transfer	21,951	0.1789
				09/06/2017	1,900	Transfer	23,851	0.1943
				16/06/2017	(1,150)	Transfer	22,701	0.1850
				23/06/2017	(200)	Transfer	22,501	0.1833
				30/06/2017	(20,278)	Transfer	2,223	0.0181
				07/07/2017	27,512	Transfer	29,735	0.2423
				14/07/2017	(700)	Transfer	29,035	0.2366
				28/07/2017	400	Transfer	29,435	0.2398
				18/08/2017	(362)	Transfer	29,073	0.2369
				25/08/2017	(300)	Transfer	28,773	0.2345
				01/09/2017	(350)	Transfer	28,423	0.2316
				08/09/2017	(600)	Transfer	27,823	0.2267
				15/09/2017	(623)	Transfer	27,200	0.216

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

Sr. 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 (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No of shares	% of total shares of the Company
				22/09/2017	(250)	Transfer	26,950	0.2196
				29/09/2017	1,570	Transfer	28,520	0.2324
				27/10/2017	4,280	Transfer	32,800	0.2673
				03/11/2017	250	Transfer	33,050	0.2693
				17/11/2017	1,020	Transfer	34,070	0.2776
				24/11/2017	155	Transfer	34,225	0.2789
				01/12/2017	(100)	Transfer	34,125	0.2781
				08/12/2017	100	Transfer	34,225	0.2789
				15/12/2017	125	Transfer	34,350	0.2799
				22/12/2017	1,810	Transfer	36,160	0.2946
				29/12/2017	(2,100)	Transfer	34,060	0.2775
				30/12/2017	(20)	Transfer	34,040	0.2774
				05/01/2018	300	Transfer	34,340	0.2798
				12/01/2018	(1,807)	Transfer	32,533	0.2651
				19/01/2018	695	Transfer	33,228	0.2708
				26/01/2018	(105)	Transfer	33,123	0.2699
				02/02/2018	927	Transfer	34,050	0.2775
				09/02/2018	(30)	Transfer	34,020	0.2772
				16/02/2018	(550)	Transfer	33,470	0.2727
				23/02/2018	(242)	Transfer	33,228	0.2708
				02/03/2018	1970	Transfer	35,198	0.2868
				09/03/2018	(100)	Transfer	35,098	0.2860
				16/03/2018	1,085	Transfer	36,183	0.2948
				23/03/2018	4,488	Transfer	40,671	0.3314
				31/03/2018	(1,931)	Transfer	38,740	0.3157
		38,740	0.3157	31/03/2018				
7.	Kalyani P. Jain	37,587	0.3063	01/04/2017	-	No Change	37,587	0.3063
		37,587	0.3063	31/03/2018				
8.	Hitesh Ramji Javeri	35,101	0.2860	01/04/2017	-	No Change	35,101	0.2860
		35,101	0.2860	31/03/2018				
9.	Achintya Securities Private Limited	61,542	0.5015	01/04/2017			61,542	0.5015
				07/04/2017	(39,968)	Transfer	21,574	0.1758
				14/04/2017	(32)	Transfer	21,542	0.1755
				28/04/2017	1,245	Transfer	22,787	0.1857
				19/05/2017	775	Transfer	23,562	0.1920
				26/05/2017	(1,725)	Transfer	21,837	0.1779
				02/06/2017	40,400	Transfer	62,237	0.5071
				09/06/2017	(20,115)	Transfer	42,122	0.3432

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

Sr. 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 (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No of shares	% of total shares of the Company
				30/06/2017	(20,785)	Transfer	21,337	0.1739
				07/07/2017	(260)	Transfer	21,077	0.1717
				04/08/2017	(50)	Transfer	21,027	0.1713
				11/08/2017	50	Transfer	21,077	0.1717
				01/09/2017	13,050	Transfer	34,127	0.2781
				08/09/2017	28,719	Transfer	62,846	0.5121
				15/09/2017	(17,484)	Transfer	45,362	0.3696
				22/09/2017	(41,772)	Transfer	3,590	0.0293
				20/10/2017	12,550	Transfer	16,140	0.1315
				27/10/2017	80	Transfer	16,220	0.1322
				10/11/2017	(12,000)	Transfer	4,220	0.0344
				01/12/2017	(630)	Transfer	3,590	0.0293
				08/12/2017	5,420	Transfer	9,010	0.0734
				22/12/2017	(4,000)	Transfer	5,010	0.0408
				29/12/2017	(1,810)	Transfer	3,200	0.0261
				09/02/2018	1,700	Transfer	4,900	0.0399
				16/02/2018	(972)	Transfer	3,928	0.0320
				23/02/2018	(3,900)	Transfer	28	0.0002
				02/03/2018	2,500	Transfer	2,528	0.0206
				16/03/2018	4,800	Transfer	7,328	0.0597
				23/03/2018	10,000	Transfer	17,328	0.1412
				31/03/2018	17,594	Transfer	34,922	0.2846
		34,922	0.2846	31/03/2018				
10.	Kavitha Chandran	11,173	0.0910	01/04/2017			11,173	0.0910
				28/04/2017	17,260	Transfer	28,433	0.2317
				05/05/2017	64	Transfer	28,497	0.2322
				12/05/2017	4,892	Transfer	33,389	0.2721
				19/05/2017	1,439	Transfer	34,828	0.2838
		34,828	0.2838	31/03/2018				
11.	Pravin Natvarlal Bhagwati	32,174	0.2622	01/04/2017	-	No Change	32,174	0.2622
		32,174	0.2622	31/03/2018				
12.	Babu Lal Saraf	36,326	0.2960	01/04/2017			36,326	0.2960
				07/04/2017	(1,000)	Transfer	35,326	0.2879
				14/04/2017	1,000	Transfer	36,326	0.2960
				28/04/2017	(1,505)	Transfer	34,821	0.2837
				05/05/2017	(5,500)	Transfer	29,321	0.2389
				26/05/2017	(580)	Transfer	28,741	0.2342
				02/06/2017	(10,247)	Transfer	18,494	0.1507

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

Sr. 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 (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No of shares	% of total shares of the Company
				21/07/2017	(732)	Transfer	17,762	0.1447
				28/07/2017	(9,762)	Transfer	8,000	0.0652
				04/08/2017	(1,000)	Transfer	7,000	0.0570
				11/08/2017	(2,406)	Transfer	4,594	0.0374
				25/08/2017	(2,194)	Transfer	2,400	0.0196
				01/09/2017	(1,000)	Transfer	1,400	0.0114
				08/09/2017	(1,400)	Transfer	0	0.0000
		0	0.0000	31/03/2018				

- The above information is based on weekly downloads of beneficiary position received from Depositories.
- The details of holding has been clubbed based on PAN.
- % of total shares of the Company is based on the paid up capital of the Company at the end of the year.

(v) 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	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
2.	Mr. Gokul M. Jaykrishna					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
3.	Mr. Munjal M. Jaykrishna					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
4.	Mr. H. K. Khan					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
5.	Mr. R. K. Sukhdevsinhji					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
6.	Mr. Arvind Goenka					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000

(v) 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
7.	Mr. Gaurang N. Shah					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
8.	Dr. Pradeep Jha					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
9.	Mr. Chandravadan R. Raval					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000
10.	Mr. Saji V. Joseph					
	At the beginning of the year	01/04/2017	-	-	0	0.0000
	At the End of the year	31/03/2018	-	-	0	0.0000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	3,216.61	-	-	3,216.61
i. Principal Amount	3,216.61	-		3,216.61
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,216.61	-	-	3,216.61
Change in Indebtedness during the financial year				
• Addition	27,093.47	-	-	27,093.47
• Reduction	22,934.67	-	-	22,934.67
Net Change	4,158.80	-	-	4,158.80
Indebtedness at the end of the financial year	7,375.41			7,375.41
i. Principal Amount	7,375.41	-	-	7,375.41
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,375.41	-	-	7,375.41

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Managers: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mrs. Paru M. Jaykrishna (CMD)	Mr. Gokul M. Jaykrishna (JMD & CEO)	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	98.80	76.80	175.60
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	7.01	7.01
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option			
3.	Sweat Equity	-	-	-
4.	Commission	-	76.00	76.00
	- as % of profit			
	- others, specify…			
5.	Others, please specify	-	-	-
	Total (A)	98.80	159.81	258.61
	Ceiling as per the Act	₹330.05 lakhs (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 Lakhs)

Sr. 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	0.035	-	-	0.035
2.	Mr. R. K. Sukhdevsinhji	0.060	-	-	0.060
3.	Mr. Arvind Goenka	0.030	-	-	0.030
4.	Dr. Pradeep Jha	0.230	-	-	0.230
	Total (I)	**0.355**			**0.355**
II.	**Other Non-Executive Director**	-	-	-	-
	Total (II)	-	-	-	-
	Total Managerial Remuneration (I+II)	0.355	-	-	0.355
	Overall Ceiling as per the Companies Act, 2013	₹33.01 lakhs (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 Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Saji V. Joseph Company Secretary	Mr. Chandravadan R. Raval, General Manager (Accounts) & CFO	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.79	11.85	22.64
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-		-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify…			
5.	Others, please specify	-	-	-
	Total	10.79	11.85	22.64

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, 2018

[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, 2018 ("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, 2018, 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 applicable during the period under review 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 provision of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above;

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

I further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 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: August 08, 2018

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"

To,
The Members,
Asahi Songwon Colors Limited
Ahmedabad

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: August 08, 2018

ANNEXURE – "G" TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The world is a plethoria of colors. Phthalocyanine Blue also known as phthalo blue is bright blue color used by most of the industry. We are one of the world's leading manufacturers of Phthalocyanine Blue Crude and a range of blue pigments. Your Company has significant presence in paints, coating, inks and plastics application and positioned itself as preferred supplier to major players in Global Market.

The Company has a dedicated plant operating at Padra near Vadodara, Gujarat manufacturing blue pigments. The facility is fully integrated and equipped to manage products from the stage of chemical treatment to dispatch lending competitive advantages such as cost effectiveness and maintenance of quality standards. The manufacturing facility is ISO 140001: 2015 and ISO : 9001: 2015 certified reflecting the Companies commitment towards quality, safety and sustainable environment.

During the year 2017-18, the global economy grew at 3.8%, the highest growth pace over last six years. For the current and next year a strong growth rate of 3.9% is projected. However, the year also witness globally increase trade protections, rising international crude oil prices, geo-political risk and the uncertainty about normalization of monetary policy in advance economies.

India's economy emerged strongly from the transitory effect of demonetisation and implementation of Goods and Service Tax (GST). Although, India's GDP growth slowed down from 7.1% in 2016 to 6.7% in 2017, overall, India's microeconomic environment remained healthy.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The global pigments industry produces hundreds of colourants for a wide spectrum of industries and consumers. The major markets are printing inks, paints and coatings, plastics, paper, ceramics, textiles, glass, food and cosmetics. Asia-Pacific represents the largest and the fastest-growing regional market for pigments worldwide. A key trend witnessed in the recent past is the migration of manufacturing capacity from the West to low-cost countries in the Asia Pacific region, driven mainly by stringent environmental compliance issues. China would continue to be the single-largest and fastest-growing market followed by India. The pigment industry globally grows at around 3-4%. Today, 80% of pigments are produced in China and India.

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). India is dominant player in the green and blue and China is a clear force in the yellow and red.

With regards to consumption Ink industry consumes around 50% of pigments followed by paint 25% and plastic 10% share. Whereas Asia consumes 40% of pigments. This shows a clear shift from the west to the east both in production and consumption. The global pigments market is anticipated to grow at healthy CAGR of 4.0% during the forecast period from 2017 to 2023, growth is expected to be depicted in the form of revenue worth US$31.9 bn projected by 2023. (Source: - Transparency Market Research). The market is expected to be driven by the growing demand in Asia Pacific and rapidly increasing demand from the existing application.

Your Company is specialized in Phthlo pigment and is 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

Your Company actively seeks out opportunities available in the market and works on converting the opportunities into viable business. Your Companies key focus is to maintain the market leadership in the global market and expanding the product portfolio.

Rising population coupled with increasing purchasing power in developed markets and with high growth in end user industry has boosted the demand for pigments. Growing automotive and construction industry, increasing manufacturing and infrastructural development in Asia pacific region are some of the main features which are driving the demand for pigments in paints and coating will increase volumes. With printing ink and plastic industries also performing well, it will open up newer opportunities for the Company.

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

The Company is exposed to the risk of foreign currency fluctuations as it derives substantial portion of its revenues from the exports. Though the Company has a natural hedge, if there is any adverse fluctuation in the foreign currencies, it may affect the overall performance of the Company.

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.

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 AND STRATEGY

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. 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 to intensifying.

The Company will continue with 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 current product portfolio in long run, for which, the Company has already acquired land at Sayakha and Dahej, District : Bharuch, Gujarat.

Looking ahead in 2018-19, 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

Despite a challenging financial year 2017-18, where there was continuous appreciation of Indian Rupee, violating crude and raw material price, despite all the odds, the Company was able to sustain 13 % growth in top line.

(₹ in Lakhs)

Particulars	2017-2018	2016-2017
Revenue from Operations	29,383.17	26,080.41
Other Income	447.21	311.38
Total Income	29,830.38	26,391.79
Operating Profit	4,271.77	5,030.90
Finance Costs	353.28	281.09
Depreciation and Amortization Expenses	721.93	712.50
Profit for the year before extra ordinary item and tax expenses	3,196.56	4,037.31
Extra Ordinary Item	-	-
Profit for the year before tax expenses	3,196.56	4,037.31
Tax Expenses	889.00	1,294.94
Profit after Tax	2,307.56	2,742.37

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies in a phased manner from April 1, 2017 with a transition date of April 1, 2016. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from April 1, 2017.

RESULTS OF OPERATIONS

During the year under review, the Company earned a total income of ₹29,830 lakhs compared to ₹26,392 lakhs in the previous year.

The total sales of the Company was ₹29,383 lakhs 13% higher as compared to ₹26,080 lakhs in the previous year. The profit after tax (PAT) stood at ₹2,308 lakhs (Previous year ₹2,742 lakhs).

EXPORTS

During the year under review, the total exports value to ₹21,241 lakhs compared to ₹17,427 lakhs during the previous year. Your Company continues to view focus on 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.

ANNEXURE – "H" TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report relating to the year ended March 31, 2018 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 endevour 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 per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors. Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

As at March 31, 2018, 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 2017-18, 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 & CEO 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 & CEO.

2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2018, 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.

Board Diversity

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is posted on the Company's website and can be accessed on web link http://www.asahisongwon.com

Independent Directors

Independent Directors play an important role in the governance processes of the Board. With different points of views flowing from their expertise and experience, they enrich the decision making process of the Board and prevent conflicts of interest in such decision making.

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. Based on the confirmations / disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive – Independent Directors are independent in terms of provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015). All the directors have made necessary disclosures regarding Committee positions held by them in other companies, none of the Independent Directors serve as "Independent Directors" in more than seven listed companies, in line with the requirements of the SEBI Listing Regulations and do not hold the office of Director in more than twenty companies, including ten public companies.

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.

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, 2018, the composition of the Board of Directors of the Company was as follows:

No.	Name of the Director	Promoter/ Non-Promoter	Category
1.	Mrs. Paru M. Jaykrishna	Promoter	Executive Chairperson and Managing Director
2.	Mr. Gokul M. Jaykrishna		Executive Joint Managing Director & CEO
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

Board Meetings Process

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards creating long term sustainable growth that benefits all stakeholders. It also ensures strict compliance with the law and all regulations by the Company. Board's key functions include:

a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestments.

b) Monitoring the effectiveness of the company's governance practices and making changes as needed.

c) Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.

d) Aligning key executive and Board remuneration with the longer term interests of the company and its shareholders.

e) Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f) Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.

h) Overseeing the process of disclosure and communications.

i) Monitoring and reviewing Board Evaluation framework.

The notice of Board Meeting is given well in advance to all the Directors. The meetings are usually held at the company's at the Registered Office of the Company. The Agenda and Pre-reads are circulated well in advance in the prescribed agenda format before each meeting to all the Directors for facilitating effective discussion and decision making. Where it is not practicable to attach any document to the agenda, the same

is placed on the table at the meeting with specific reference to this effect in the agenda. With the permission of Chairperson, in special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

In case of business exigencies or urgency of matters, resolutions are passed by circulation and the same is placed before the Board in the next meeting.

Support and Role of Company Secretary

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the Meetings of the Board and its Committees, advises/assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

Invitees & proceedings

Apart from the Board members, Company Secretary, Senior Management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at the respective committee meetings, which are generally held prior to the Board meeting.

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.	26.05.2017	Ahmedabad	6
2.	25.07.2017	Ahmedabad	6
3.	12.09.2017	Ahmedabad	5
4.	14.11.2017	Ahmedabad	7
5.	20.12.2017	Ahmedabad	8
6.	13.02.2018	Ahmedabad	5
7.	20.03.2018	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 12.09.2017
	Public	Private	Public	Private	
Mrs. Paru M. Jaykrishna	1	5	2	-	Yes
Mr. H.K. Khan	1	1	2	-	No
Mr. R. K. Sukhdevsinhji	7	2	2	-	No
Mr. Arvind Goenka	3	1	3	-	No
Mr. Gaurang N. Shah	1	3	-	-	Yes
Dr. Pradeep Jha	1	-	4	-	Yes
Mr. Gokul M. Jaykrishna	2	4	-	-	Yes
Mr. Munjal M. Jaykrishna	1	7	-	-	No

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

During the financial year 2017-18, 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.

2.5 Information placed before the Board of Directors

The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the SEBI (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.

2.6 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.

2.7 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.

2.8 Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the rules issued there under and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

2.9 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 & CEO 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.

2.10 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.

2.11 Reappointment of Director liable to retire by rotation

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

2.12 Change in Designation

The Board of Directors at their meeting held on February 13, 2018 on recommendation of Nomination and Remuneration Committee has changed the designation of Mr. Gokul M. Jaykrishna from Joint Managing Director to Joint Managing Director & CEO.

2.13 Continuation of Directorship as Independent Director

Mr. H. K. Khan and Mr. R. K. Sukhdevsinhji, who were appointed as Independent Directors of the Company for period of 5 years at the 24th Annual General Meeting of the Company held on September 26, 2014.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue

the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, on recommendation of Nomination and Remuneration Committee, the Board of Directors subject to approval of members at the ensuing Annual General Meeting decided to continuation of Directorship Mr. H. K. Khan and Mr. R. K. Sukhdevsinhji under the current tenure of appointment which ends on date of 29th Annual General Meeting to be held in the calendar year 2019 notwithstanding that they have attained the age of 75 years.

2.14 Directors Profile

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

2.15 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 2017-18.

2.16 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 2017-18. Annual Declaration by the Chairperson and Managing Director to this effect is annexed at the end of this report.

2.17 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 November 14, 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. SUBSIDARIES

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.

The Meetings of each of these Committees are convened by the respective Chairman of the Committees, who also apprise the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are sent to all the Committee Members individually for their approval/ comments as per the prescribed Secretarial Standard-1 and after the Minutes are duly approved are circulated to the Board of Directors' and tabled at the Board Meeting.

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 terms of reference of the Audit Committee include the monitoring, implementing and review of risk management plan as required under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore a separate Risk Management Committee has not been constituted. The broad terms of reference of the Audit Committee therefore include:

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) Recommending to the Board the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees;
3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4) Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
   a) Matters required to be included in the Director's Responsibility Statement 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) Companies with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions;
   g) Qualifications in the draft audit report;
5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
7) Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8) Discussions with internal auditors any significant finding and follow-up thereon;
9) Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10) Discussions with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
11) To look into the reasons for substantial default in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
12) Reviewing the company's financial and risk management policies;
13) The audit committee should have discussions with the auditors periodically about the internal control systems, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the board and also ensure compliance of internal control systems;
14) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice, if necessary;
15) To review internal audit programme, to ensure co-ordination between the internal and statutory auditors, to ensure the internal audit function is adequately resourced and has appropriate standing within the company and to request internal audit to undertake specific audit projects, having informed management of their intentions;

16) Review of Cost Audit Report;

17) Review and monitor the auditor's independence and performance and effectiveness of audit process;

18) Approval or any subsequent modification of transactions of the company with related parties;

19) Scrutiny of inter-corporate loans and investments;

20) Valuation of undertakings or assets of the company, wherever it is necessary;

21) Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

22) To review the functioning of the Whistle Blower mechanism;

23) Approval of appointment of CFO (i.e. the wholetime 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;

24) Reviewing any other areas which may be specified as role of the audit committee under amendments, if any, from time to time, to the Listing Agreement, Companies Act and other statutes;

25) Considering such other matters as may be required by the Board;

26) To review periodically statutory compliances of various laws, regulatory changes, if any;

27) Periodically review pending legal cases.

The Audit Committee mandatorily reviews the following information:

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

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

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

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

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

There are no instances of Board not accepting the recommendations of the Audit Committee during the year.

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

No.	Name of the Committee Member	Attendance in Audit Committee Meetings held on						
		26.05.2017	25.07.2017	12.09.2017	14.11.2017	20.12.2017	13.02.2018	20.03.2018
1.	Mr. Gaurang N. Shah	✓	✓	✓	✓	✓	✓	✓
2.	Mr. R. K. Sukhdevsinhji	✓	×	×	✓	✓	×	×
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 Section 178 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	6	6
Mr. H. K. Khan	6	1
Dr. Pradeep Jha	6	6

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 & CEO 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 2017-18 (inclusive of Perquisites and Commission) (₹ in Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	98.80
Mr. Gokul M. Jaykrishna	Joint Managing Director & CEO	159.81
Total		258.61

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 functioning and broad terms of reference of the Stakeholders' Relationship Committee as adopted by the Board are as under:

a. To monitor work related to:
   - transfer and/or transmission of equity shares of the company.
   - dematerialisation / rematerialisation of the shares of the company.
   - sub-division, consolidation and /or replacement of any share certificate(s) of the Company.

b. Approval of issue of duplicate share certificates against the original share certificates.

c. To look into the redressing of shareholders and investors complaints like Transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, review of dematerialisation, rematerialisation, shareholding pattern, distribution schedules etc.

d. To do all other acts or deeds as may be necessary or incidental thereto.

e. The Committee also reviews the performance of the company's RTA and their system of dealing with and responding to correspondence from all categories of shareholders. The manner and timeliness of dealing with complaint letters received from Stock Exchanges/SEBI/Ministry of Corporate Affairs etc. and the responses thereto are reviewed by this Committee.

The main object of the Committee is to strengthen investor relations.

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	6	6
Mrs. Paru M. Jaykrishna	6	6
Dr. Pradeep Jha	6	6

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:	Nil
Number of complaints received:	47
Number of compliant s resolved during the year:	46
Number of pending complaints at the end of the year:	1

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	6	6
Mr. Gaurang N. Shah	6	6
Dr. Pradeep Jha	6	6

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 Joint Managing Director & CEO and General Manager Accounts & CFO 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
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 29, 2016	11.00 a.m.
2016-17	At the Registered Office at "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road, Thaltej, Ahmedabad – 380059	September 12, 2017	10.30 a.m.

11.2 Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the financial year 2017-18.

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

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

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

At the 27th Annual General Meeting held on September 12, 2017 the following Special Resolutions were passed:

i. Private Placement of Non-Convertible Debenture and/or other debt securities.

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

No postal ballot was conducted during the financial year 2017-18.

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. The Company has complied with the requirements specified in Regulation 17 to 27 and clause (b) i (i) of sub - regulation 46 of the Listing Regulations.

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

During the financial year 2017-18, 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 are disclosed in Note 41 to the Financial Statements in the Annual Report and they are not in conflict with the interest of the Company at large.

c. 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 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.

d. 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, 2018.

e. 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.

f. 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.

g. 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.

h. 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 all over India Edition 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. **Annual Report:** Annual Report containing, inter alia, audited Annual Accounts, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management Discussion and Analysis (MD&A) forms part of the Annual Report. The Annual Report is also available on the Company's website at www.asahisongwon.com

iii. **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.

iv. The Company's website contains separate dedicated section for investors, where shareholder information is available.

v. Press release made by the Company from time to time are also displayed on the Company's website.

vi. The Company intimates to the Stock Exchanges all the price sensitive matter which in its opinion are material and of relevance to the shareholders.

vii. Corporate presentations made to institution investors or to analyst are posted on the Company's website.

viii. **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.

ix. **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.

x. **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.	**28th Annual General Meeting**	
	Day, Date, Time & Venue	Friday, September 28, 2018 at 4.00 P.M. at AMA Seminar Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur Ahmedabad - 380015
2.	**Tentative Financial Year Calendar (2018-19)**	

Financial Year	April 1, 2018 to March 31, 2019
First Quarter Results	On or before August 14, 2018
Second Quarter Results	On or before November 14, 2018
Third Quarter Results	On or before February 14, 2019
Audited Results for the year 2018-19	On or before May 29, 2019
Annual General Meeting	August/ September, 2019

3.	**Date of Book Closure**	
	Closure of Register of Members and Share Transfer Books	September 22, 2018 to September 28, 2018 (both days inclusive) on account of Annual General Meeting and Dividend.

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 28th 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 25, 2018 to 5.00 p.m. IST September 27, 2018, 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**	Within 30 days from the date of declaration.
	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 2017-18 have been paid to the above stock exchange within the stipulated time.
8.	**Stock Code/Symbol BSE**	532853
	NSE	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 Marathon Futurex, 25th Floor N. M. Joshi Marg, Lower Parel (East) Mumbai – 400 013.
		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).

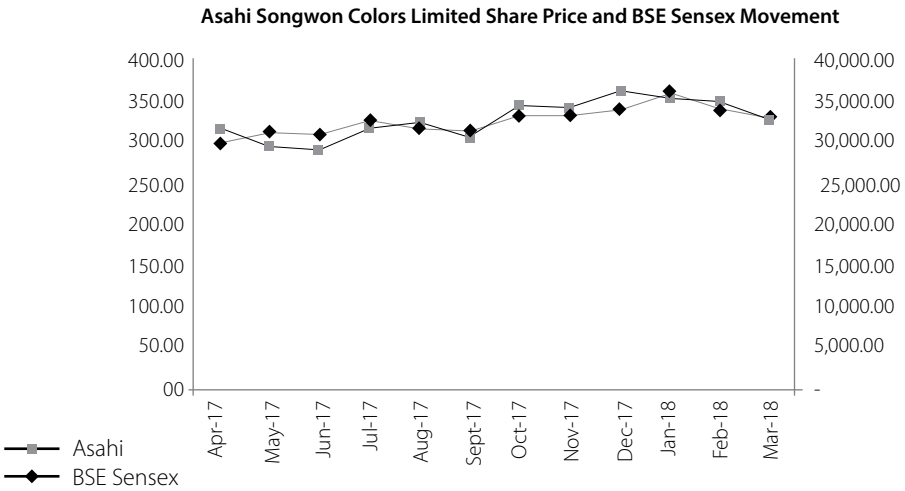
15. MARKET PRICE DATA –HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2017-18 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, 2017	29,918.40	319.20	272.20	1,18,616	320.00	275.00	4,37,855
May, 2017	31,145.80	336.90	283.10	1,14,497	337.40	281.65	3,51,618
June, 2017	30,921.61	302.00	276.15	1,07,505	309.25	278.45	2,19,401
July, 2017	32,514.94	329.00	284.00	1,17,809	328.80	283.20	4,41,755
August, 2017	31,730.49	327.90	272.00	85,571	328.90	270.00	3,06,891
September, 2017	31,283.72	365.70	287.55	2,14,020	366.00	289.00	10,36,294
October, 2017	33,213.13	368.00	305.45	1,26,955	368.00	306.00	4,22,011
November, 2017	33,149.35	358.00	317.00	51,791	359.00	320.00	3,65,420
December, 2017	34,056.83	375.45	331.05	75,824	375.00	331.60	2,59,129
January, 2018	35,965.02	423.80	349.40	1,41,851	425.20	348.50	4,76,950
February, 2018	34,184.04	373.00	312.15	93,425	375.00	310.00	2,11,244
March, 2018	32,968.68	360.00	302.90	72,044	361.00	300.20	1,79,654

16. PERFORMANCE OF THE COMPANY' EQUITY SHARE VIS-A-VISA BSE SENSEX DURING 2017-18

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, 2017 to March 31, 2018. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



17. IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING THE DIRECTORS REPORT SHALL EXPLAIN THE REASON THEREOF : NOT Applicable

18. 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

19. SHARE TRANSFER SYSTEM

i) **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.

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/ legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

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) **Payment of dividend through Automated Clearing House (ACH)**

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not made available, the Company will issue the demand drafts mentioning the existing bank details available with the Company. 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.

20. CORPORATE BENEFITS TO SHAREHOLDERS

a) Dividend declared for the last five years:

Financial Year	Dividend %	Total Dividend (₹)
2017-18	30	36,816,786
2016-17	30	36,816,786
2015-16	20	24,544,524
2014-15	35	42,952,917
2013-14	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 2010-11 on due date to the Investor Education and Protection Fund (IEPF). Members who have not enchased their dividend may approach the Company or Registrar and Share Transfer Agent.

The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2010-11 Final	25/08/2011	30/09/2018
2011-12 Interim	17/11/2011	22/12/2018
2011-12 Final	27/09/2012	01/11/2019
2012-13 Final	27/09/2013	01/11/2020
2013-14 Final	26/09/2014	31/10/2021
2014-15 Final	30/09/2015	04/11/2022
2015-16 Interim	23/03/2016	28/04/2023
2016-17 Interim	18/03/2017	23/04/2024

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

In terms of Section 124(6) of the Act, read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto, Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has within the due date, transferred the required number of shares during the year to the IEPF. Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF With effect from September 7, 2016, Investors/ Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

In terms of Section 124(6) of the Act, read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto, Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has within the due date, transferred the required number of shares during the year to the IEPF. Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF With effect from September 7, 2016, Investors/ Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

i. Download the Form No. IEPF-5 from the website of IEPF (http://www .iepf.gov.in) for filing the claim for the refund of dividend/ shares. Read the instructions provided on the website/instruction kit along with the e-form carefully before filling the form.

ii. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

iii. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.

iv. Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority"/"Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

v. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr Saji V. Joseph, Company Secretary of the Company whose e-mail id is cs@asahisongwon.com.

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

Regulation 39(4) of SEBI Listing Regulations,2015 read with Schedule VI "Manner of dealing with Unclaimed Shares", had directed Companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Companies Act, 2013.

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

21. DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on March 31, 2018 is as under:

a. Distribution by number of shares:

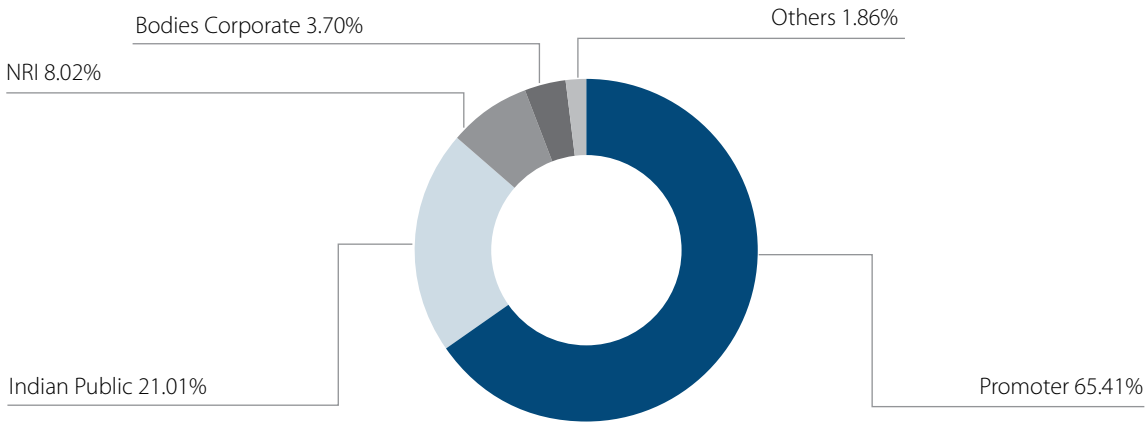
Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	5,648	86.05	721,671	5.88
501-1000	470	7.16	378,941	3.09
1001-2000	220	3.35	330,911	2.69
2001-3000	62	0.95	158,750	1.29
3001-4000	27	0.41	93,096	0.76
4001-5000	20	0.30	94,281	0.77
5001-10000	67	1.02	478,042	3.90
10001 and above	50	0.76	10,016,570	81.62
Total	6,564	100.00	12,272,262	100.00

b. Shareholding Pattern as on March 31, 2018 (Category wise)

Sr. No.	Category	No of Holders	No of Shares	% of Shareholding
A.	**Promoters**			
1.	Indian Promoters			
	Individuals	-	-	-
	Bodies Corporate	-	-	-
	Family Trust	2	8,026,820	65.41
2.	Foreign Promoters			
	Total Promoters Holding	**2**	**8,026,820**	**65.41**
B.	Non Promoters			
1.	**Institutional Investors**			
a.	Mutual Funds	-	-	-
b.	Banks, Financial Institutions, Insurance Companies	2	4,170	0.03
c.	Foreign Portfolio Investors	2	40,273	0.33
	Sub Total	**4**	**44,443**	**0.36**
2.	**Others**			
a.	Bodies Corporate	137	454,186	3.70
b.	Indian Public	5,745	2,578,253	21.01
c.	NRIs/OCBs/Foreign Company	200	984,407	8.02

b. Shareholding Pattern as on March 31, 2018 (Category wise)

Sr. No.	Category	No of Holders	No of Shares	% of Shareholding
d.	HUF	256	141,497	1.15
e.	IEPF	1	1,016	0.01
f.	Clearing Members	67	41,640	0.34
	Sub Total	6,406	4,200,999	34.23
	Grand Total	6,412	12,272,262	100.00



c. List of Top Ten Shareholders other than Promoters as on March 31, 2018

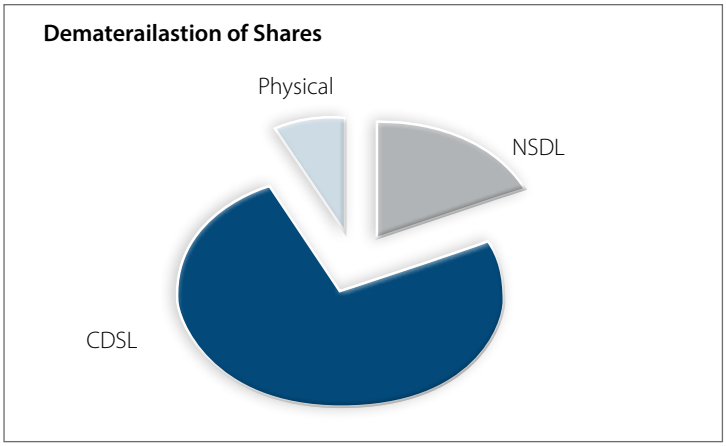
Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	865,200	7.05
2.	D. Srimathi	127,966	1.04
3.	Sabitha Chandran	86,412	0.70
4.	Amit Jain	55,591	0.45
5.	Rural Engineering Co. Pvt Ltd	45,000	0.37
6.	IL and FS Securities Services Ltd	38,740	0.32
7.	Kalyani P. Jain	37,587	0.30
8.	Hitesh Ramji Javeri	35,101	0.29
9.	Achintya Securities Pvt Ltd	34,922	0.29
10.	Kavitha Chandran	34,828	0.28

22. 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, 2018. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE and NSE.

Details of Dematerialised Shares as at March 31, 2018

Particulars	As on March 31, 2018		As on March 31, 2017	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	2,208,589	17.99	2,109,740	17.19
CDSL	9,196,374	74.94	9,295,223	75.74
Shares in **Physical Form**	867,299	7.07	8,67,299	7.07
Total	12,272,262	100.00	12,272,262	100.00



23. 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, 2018.

24. CREDIT RATING

During the year, CARE has reaffirmed the "CARE AA-; Stable [Double A Minus; Outlook; Stable rating assigned to the long-term facilities of your Company. 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.

25. PLANT LOCATIONS

Pigment Blue Plant

437-440, Village : Dhudwad,
ECP Channel Road, Padra
Vadodara, Gujarat – 391 450.

26. 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
C-101, 247 Park, L.B. S Marg,
Vikhroli (West)
Mumbai – 400 083.
Tel : 022- 49186270
E-mail id : ahmedabad@linkintime.co.in
Website : www.linkintime.co.in

27. DESIGNATED EXCLUSIVE EMAIL-ID FOR INVESTOR SERVICING cs@asahisongwon.com

28. 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 SEBI (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

29. 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 SEBI (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 2017-18 do not contain any audit qualification.

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

   The Company may appoint separate persons to the post of Chairperson and Managing Director/CEO. As per the Companies Act, 2013, no individual shall be appointed or reappointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the company at the same time after the date of commencement of the new Act if the Articles of such a company provides otherwise. In order to comply with the new Act, the Articles of Association of the company has been amended to provide for appointment as Chairperson & Managing Director.

5. **Report of Internal Auditor**

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

30. 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, 2018.

31. 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.

32. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Mr. Bipin L. Makwana, Company Secretary in Practice regarding compliance of conditions of corporate governance is annexed with the Directors' Report and forms an integral part of the Annual Report.

33. 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, 2018.

For and on behalf of the Board of Directors

Place :Ahmedabad
Date: August 08, 2018

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

CERTIFICATE BY CEO AND CFO PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGUALATIONS, 2015

To
The Board of Directors
Asahi Songwon Colors Limited

We, the undersigned, in our respective capacities as Joint Managing Director & CEO and General Manager (Accounts) & CFO of Asahi Songwon Colors Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of Asahi Songwon Colors Limited for the year ended March 31, 2018 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.
3. 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.
4. We have indicated to the auditors and the Audit Committee:
   a. that there have been no significant changes in internal control over financial reporting during the year ended March 31, 2018;
   b. that there have been no significant changes in accounting policies during the year ended March 31, 2018 and that the same have been disclosed in the notes to the financial statements; and
   c. 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: August 08, 2018

Chandravadan R. Raval
General Manager (Accounts) & CFO

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

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended March 31, 2018.

For Asahi Songwon Colors Limited

Place :Ahmedabad
Date: August 08, 2018

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
Asahi Songwon Colors Limited

I have examined the compliance of conditions of Corporate Governance by Asahi Songwon Colors Limited ("the Company"), for the year ended on March 31, 2018, 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").

The compliance of conditions of corporate governance is the responsibility of the management. My 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.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency 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: August 08, 2018

Independent Auditor's Report

To
The Members,
Asahi Songwon Colors Limited

REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of ASAHI SONGWON COLORS LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS 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 of these standalone Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the Indian Accounting Standards (IAS) specified under Section 133 of the Act, of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 adequate 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 Ind AS 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 the standalone Ind AS financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its Profit, (including other comprehensive income,) its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated July 25, 2017 and August 22, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable 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 it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;

e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to adequacy of Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls , refer to our separate report in "Annexure-A".

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 of our information and according to the explanations given to us:

(i) The company has disclosed the impact of all pending litigations which have impact on its financial position in its Standalone Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Mahendra N. Shah & Co**
Chartered Accountants
ICAI FRN 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 29/05/2018

"ANNEXURE -A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE EVEN DATE ON THE FINANCIAL STATEMENTS OF ASAHI SONGWON COLORS LIMITED.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (1) OF SUB-SECTION 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 of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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. 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 Act.

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 Act, 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 systems 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 financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles , and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies of procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting was operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

For **Mahendra N. Shah & Co**
Chartered Accountants
ICAI FRN 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 29/05/2018

"ANNEXURE - B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' section of our report of even date to the members of Asahi Songwon Colors Limited on the standalone Ind AS Financial Statements of the Company as of and for the year ended March 31,2018:

1. In respect of Fixed Assets :
   (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
   (b) The company has regular programme of physical verification of by which all Fixed Assets are verified in phased manner over period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
   (c) According to the information and explanation 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 company.
2. In respect of Inventories:

   According to information and explanation given to us, the physical verification of inventory has been conducted at reasonable intervals during the year. In our opinion, the frequency of such physical verification is reasonable. Based on the information and explanations given to us, no material discrepancies were noticed on such physical verification
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has not granted loan or made investment or given guarantee or provided security as provided in the section 185 and 186 of the Companies Act, 2013.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.
6. The Central Government has prescribed maintenance of Cost Records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records:
   (a) the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
   (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, and service tax value added tax, wealth tax, duty of customs, Goods and Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.
8. According to the information and explanations given by the management,, the Company has not defaulted in repayment of loan or borrowing to financial institution, bank, government or dues to debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. According to information and explanation given to us the term Loans raised during the year were,prima facie,utilized by the Company for the purpose for which they were raised.
10. According to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by its officers or employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us, 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 to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian accounting standards.

14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Mahendra N. Shah & Co**
Chartered Accountants
ICAI FRN 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 29/05/2018

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars		Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	ASSETS				
1)	Non-current Assets				
	(a) Property, Plant and Equipment	3	14,098.70	9,388.00	9,315.66
	(b) Capital work-in-progress	4	1,508.59	1,016.83	575.22
	(d) Financial Assets				
	(i) Investments	5	1,894.44	2,948.92	2,624.16
	(ii) Loans	6	126.47	125.19	130.58
	Total Non-current Assets		17,628.20	13,478.94	12,645.62
2)	Current Assets				
	(a) Inventories	7	3,636.24	4,305.28	2,980.86
	(b) Financial Assets				
	(i) Investments	5	-	33.56	87.16
	(ii) Trade receivables	8	7,949.11	4,678.12	3,866.18
	(iii) Cash and Cash equivalents	9	60.76	74.38	74.38
	(iv) Bank balances other than cash and cash equivalents	10	187.32	188.66	188.78
	(v) Others Financial Assets	11	1,965.79	1,522.50	1,541.43
	(vi) Current Tax Assets (Net)	12	490.29	363.05	538.05
	(c) Other Current Assets	13	31.14	18.23	28.91
	Total Current Assets		14,320.65	11,183.78	9,305.75
	TOTAL ASSETS		31,948.85	24,662.72	21,951.37
II	EQUITY AND LIABILITIES				
1)	Equity				
	(a) Equity Share capital	14	1,227.23	1,227.23	1,227.23
	(b) Other Equity	15	16,936.93	14,624.61	12,324.07
	Total Equity		18,164.16	15,851.84	13,551.30
2)	Liabilities				
	Non-current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	1,927.73	350.00	482.82
	(b) Provisions	17	102.24	96.30	77.57
	(c) Deferred tax liabilities (Net)	18	1,871.54	1,817.55	1,738.24
	(d) Other Non-Current liabilities	19	0.20	-	-
	Total Non Current Liabilities		3,901.71	2,263.85	2,298.63
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	5,106.80	3,041.27	3,783.01
	(ii) Trade payables	21	3,619.40	2,967.35	1,882.53
	(b) Other Current Liabilities	22	1,052.12	431.93	334.38
	(c) Provisions	23	104.66	106.48	101.52
	Total Current Liabilities		9,882.98	6,547.03	6,101.44
	TOTAL EQUITY AND LIABILITIES		31,948.85	24,662.72	21,951.37
Significant Accounting Policies		2			
The accompanying notes are an integral part of financial statements					

As per our report of even date attached.

For, **Mahendra N. Shah & Co.**
Chartered Accountants
Firm Registration No. 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad

Date: 29/05/2018

Chandravadan R. Raval
General Manager (Accounts) & CFO

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN 00671721)

Gokul M. Jaykrishna
Jt. Managing Director & CEO
(DIN 00671652)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Sr. No.	Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I.	Revenue from operations	24	29,383.17	26,080.41
II.	Other income	25	447.21	311.38
III.	Total Income (I + II)		29,830.38	26,391.79
IV.	**Expenses:**			
	Cost of Materials consumed	26	16,833.86	14,160.70
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	860.70	(724.54)
	Excise Duty on Sale of Goods		132.49	733.34
	Employee benefits expense	28	1,024.17	985.09
	Finance costs	29	353.28	281.09
	Depreciation and amortization expense	30	721.93	712.50
	Other Expenses	31	6,707.39	6,206.30
	Total expenses (IV)		26,633.82	22,354.48
V.	**Profit before Exceptional items and tax expenses (III - IV)**		3,196.56	4,037.31
VI.	Exceptional items		-	-
VII.	**Profit before tax expenses (V - VI)**		3,196.56	4,037.31
VIII.	Tax expense:	32		
	Current tax		835.00	1,215.64
	Deferred tax		54.00	79.30
IX.	**Profit for the year (VII - VIII)**		2,307.56	2,742.37
X.	Other Comprehensive Income (Net of Taxes)	33		
	Items that will be reclassified to profit or loss		4.76	20.46
	Other Comprehensive Income for the year (Net of tax)		4.76	20.46
XI.	**Total Comprehensive Income for the year**		2,312.32	2,762.83
XII.	Earnings per equity share: (face value of ₹10/- each)	36		
	Basic		18.80	22.35
	Diluted		18.80	22.35
Significant Accounting Policies		2		
The accompanying notes are an integral part of financial statements				

As per our report of even date attached.

For, **Mahendra N. Shah & Co.**
Chartered Accountants
Firm Registration No. 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 29/05/2018

Chandravadan R. Raval
General Manager (Accounts) & CFO

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN 00671721)

Gokul M. Jaykrishna
Jt. Managing Director & CEO
(DIN 00671652)

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity shares of ₹10 each						
Fully paid up	1,22,72,262	1,227.23	1,22,72,262	1,227.23	1,22,72,262	1,227.23
Add : amount received on forfeited shares	-	-	-	-	-	-
Total	**1,22,72,262**	**1,227.23**	**1,22,72,262**	**1,227.23**	**1,22,72,262**	**1,227.23**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earning	
As at March 31, 2018				
Opening Balance as at April 01, 2017	1,507.17	2,637.00	10,480.45	14,624.62
Profit for the year	-		2,307.56	2,307.56
Other Comprehensive Income for the year				
Re-measerement of Defined Benefit Plan	-	-	11.81	11.81
Mark to Market Forex Gain / (Loss)	-	-	(7.05)	(7.05)
Income Tax that will not be reclassified to Profit and Loss	-	-	-	-
Transfer from Retained Earning to General reserve	-	150.00	(150.00)	0.00
Dividend Including (Corporate Tax on Dividend) pertaing to Financial Year 2017-18	-	-	-	-
Closing Balance as at March 31, 2018	1,507.17	2,787.00	12,642.77	16,936.94

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earning	
As at March 31, 2017				
Opening Balance as at April 01, 2016	1,507.17	2,487.00	8,309.44	12,303.61
Profit for the year	-	-	2,742.37	2,742.37
Other Comprehensive Income for the year				
Re-measerement of Defined Benefit Plan	-	-	1.93	1.93
Mark to Market Forex Gain / (Loss)	-	-	18.53	18.53
Income Tax that will not be reclassified to Profit and Loss	-	-	-	-
Depreciation adjustment as on April 1, 2017	-	-	1.30	1.30
Transfer from Retained Earning to General reserve	-	150.00	(150.00)	-
Dividend Including (Corporate Tax on Dividend) pertaing to Financial Year 2016-17	-	-	(443.12)	(443.12)
Closing Balance as at March 31, 2017	**1,507.17**	**2,637.00**	**10,480.45**	**14,624.62**

As per our report of even date attached.

For, **Mahendra N. Shah & Co.**
Chartered Accountants
Firm Registration No. 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad

Date: 29/05/2018

Chandravadan R. Raval
General Manager (Accounts) & CFO

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN 00671721)

Gokul M. Jaykrishna
Jt. Managing Director & CEO
(DIN 00671652)

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
A. Cash Flow from Operating Activities				
Profit Before Tax		3,196.56		4,037.31
Adjustments for :				
Depreciation and Amortisation Expenses	721.93		712.50	
Finance Cost	353.28		281.09	
Loss on sales of Property, Plant and Equipment	3.56		-	
Miscellaneous Expenditure written off	-		-	
Interest Received	(36.04)		(29.29)	
Profit / (Loss) from sale of Current Investment	(59.47)		(19.42)	
Net Gain arising on financial assets measured at fair value through Profit or Loss (FVTPL)	(316.33)		(277.99)	
Dividend Income	(43.71)	623.22	(13.97)	652.92
Operating Profit Before Working Capital Changes		3,819.78		4,690.23
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade & Other receivables	(3,270.99)		(834.70)	
Changes in Mark to Market Gain / (Loss)	(7.05)		18.53	
(Increase)/Decrease Inventories	669.04		(1,324.40)	
Increase/ (Decrease) Trade & other payables	788.04		1,260.45	
Changes in Gratuity provision in Other Comprehensive Income	11.81		1.93	
Changes in Loans	(457.48)	(2,266.63)	37.30	(840.89)
Net Cash Flow Generated from Operating Activities		1,553.15		3,849.34
Direct taxes paid (Net)	(962.23)		(1,040.65)	
		(962.23)		(1,040.65)
Net Cash Flow from Operating Activities		590.92		2,808.69
B. Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipment	(5,929.25)		(1,225.16)	
Proceeds from sale of Property, Plant & Equipment	1.30		-	
Purchase of Current Investments	(3,254.10)		(2,729.44)	
Sale of Current Investments	4,717.94		2,755.70	
Margin money deposit (placed) / matured	1.84		0.12	
Interest and Other Income	79.75		43.26	
Net Cash Flow (used in) Investing Activities		(4,382.52)		(1,155.52)

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow from Financing Activities		
Availment of long term borrowings	2,194.03	-
Repayment of long term borrowings	(127.05)	(186.73)
Availment/(Repayment) Short term borrowings	2,065.53	(741.73)
Payment of Dividend (including Dividend Distribution Tax)	-	(443.12)
Unclaimed dividend paid	(1.25)	(0.50)
Interest Paid	(353.28)	(281.09)
Net Cash Flow from / (used in) Financing Activities	3,777.98	(1,653.17)
Net increase / (decrease) in cash and cash equivalents	(13.62)	–
Cash and cash equivalent at the beginning of the year	74.38	74.38
Cash and cash equivalent at the end of the year	60.76	74.38
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 - 9)	60.76	74.38
	60.76	74.38
2. Components of cash and cash equivalents:		
Cash on hand	9.23	7.65
In current accounts	8.53	23.73
In deposits with banks	43.00	43.00
	60.76	74.38

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

4. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

As per our report of even date attached.

For, **Mahendra N. Shah & Co.**
Chartered Accountants
Firm Registration No. 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 29/05/2018

Chandravadan R. Raval
General Manager (Accounts) & CFO

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN 00671721)

Gokul M. Jaykrishna
Jt. Managing Director & CEO
(DIN 00671652)

Accounting Polices

1. COMPANY INFORMATION

Asahi Songwon Colors Limited (the 'Company') is a public limited Company domiciled in India with its registered office at "Asahi House", 13, Aarayans Corporate Park, Thaltej – Shilaj Road, Nr. Shilaj Railway Crossing, Thaltej, Ahmedabad – 380 059. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is principally engaged in the business of manufacturing & export of color pigments and its derivatives.

The financial statements as at March 31, 2018 present the financial position of the Company.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 29, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

The principal accounting polices applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

The Company has adopted the Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from its previous GAAP as define in Ind AS 101 with necessary disclosure relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income under Ind AS.

(i) Statement of Compliance with Ind-AS

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. These financial statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The Financial Statement for the year ended March 31, 2018 is the first Financial Statement, the Company has prepared in accordance with IND AS.

(ii) Basis of Preparation and presentation

The financial statements have been prepared and presented on the going concern basis and at historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and

b) Any other item as specifically stated in the accounting policy.

(iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(iv) Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

(iv) Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest Lakh (INR 1,00,000) as per the requirement of Schedule III, unless otherwise stated.

2.2 Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these stimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

2.2.1 Critical accounting estimates

a. Useful lives and residual values of property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

b. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

c. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

d. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.3 Property, Plant and Equipment (PPE) (IND AS 16)

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount /rebate, import duties, non-refundable taxes, Net of Cenvat and VAT credit/GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

The Company adjusts exchange differences arsing on translation difference/settlement of long term foreign currency monetary items outstanding and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year.

De-recognised upon disposal

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.

Treatment of Expenditure during Construction Period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/ disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold Land is amortised over the primary period of the lease.

2.4 Intangible assets (IND AS 38)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally Generated Intangible Assets - Research and Development Expenditure:

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise,

such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

2.5 Leases (IND AS 17)

At the inception of a lease, the lease arrangements is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

As a Lessee:

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowing or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from lessor) are charged to profit or loss on straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in other income on straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Deposits provided to Lessor:

The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors.

Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of deposit is recognised as lease prepayments. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortised cost using the effective interest method with carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognised as interest income. The lease repayment is amortised on straight-line basis over the lease term as lease rentals expense.

2.6 Inventories (IND AS 2)

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis and is net of credits under GST/ CENVAT/VAT.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.7 Borrowing Cost (IND AS 23)

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.8 Impairment of Assets (IND AS 36)

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of

its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.9 Government Grants (IND AS 20)

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

2.10 Taxes (IND AS 12)

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

c) Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

2.11 Employees Benefits (IND AS 19)

a) Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Post-employment obligations

The Company operates the following post-employment schemes:

(i) Defined benefit plans such as gratuity and;

(ii) Defined contribution plans such as provident fund.

(i) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(ii) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

2.12 Provisions, Provisions, Contingent Liability and Contingent Assets (IND AS 37)

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise, GST etc.) pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized but disclosed by way of notes to accounts.

2.13 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.14 Revenue Recognition (IND AS 18)

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from sale of goods is recognized, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It includes excise duty and excludes value added tax/sales tax/GST. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

Dividend Income

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.15 Cash Flows and Cash and Cash Equivalents (IND AS 7)

Statement of cash flows is prepared in accordance with the indirect method prescribed in the IND AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation

2.16 Earnings per share (IND AS 33)

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Segment Reporting (IND AS 108)

Based on "Management Approach" as defined in IND AS 108 – Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.18 Foreign Currency Transactions (IND AS 21)

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.19 Fair Value Measurement (IND AS 113)

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or In the absence of a principal market,in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.20 Recognition of dividend income, interest income or expense

Dividend income is recognized in profit or loss on the date on which the company's right to receive payment is established.

Interest income or expense is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.21 Events occurring after the balance sheet date (IND AS 10)

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

2.22 Financial Instruments (IND AS 109)

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;

- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

  the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss

De-recognition

Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.23 First time adoption of IND AS – Mandatory exceptions / Optional exemptions (IND AS 101)

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

- De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

- Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

2.24 Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 - Revenue from Contract with Customers, Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration and amendment to certain existing Ind AS.

These amendments shall be applicable to the Company from April 01, 2018.

The company will be adopting the amendments from their effective date.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

Application of above standard is not expected to have any material impact on the Company's Financial Statements.

(b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

2.26 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.27 Goods and Service Tax / Service Tax input Credit:

Goods and Service tax / Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakhs)

Particular	Land	*Leasehold Land	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Total
Gross Amount as at April 1, 2016	405.81	3.70	1,181.39	11,166.04	81.26	155.03	40.39	13,033.62
Additions	0.75	-	78.08	656.06	1.64	36.91	10.11	783.55
Deduction & Adjustment	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	406.56	3.70	1,259.47	11,822.10	82.90	191.94	50.50	13,817.17
Additions	-	3,464.25	36.60	1,788.41	8.05	127.36	12.81	5,437.48
Deduction & Adjustment	-	-	-	-	-	7.50	-	7.50
Balance as at March 31, 2018	406.56	3,467.95	1,296.07	13,610.51	90.95	311.80	63.31	19,247.15
Accumulated Depreciation								
Balance as at April 1, 2016	-	-	304.51	3,338.81	23.18	30.33	21.13	3,717.96
Deduction & Adjustment	-	-	-	-	-	-	-	-
Depreciaton for the period	-	-	55.22	615.42	8.19	21.46	12.21	712.50
Balance as at March 31, 2017	-	-	359.73	3,954.23	31.37	51.79	33.34	4,430.46
Deduction & Adjustment	-	-	15.59	(15.40)	1.26	2.03	(4.77)	(1.29)
Depreciaton for the period	-	-	49.15	632.35	7.01	23.95	9.47	721.93
Deduction on Disposal	-	-	-	-	-	(2.65)	-	(2.65)
Balance as at March 31, 2018	-	-	424.47	4,571.18	39.64	75.12	38.04	5,148.45
Net carrying amount								
Balance as at April 1, 2016	405.81	3.70	876.88	7,827.23	58.08	124.70	19.26	9,315.66
Balance as at March 31, 2017	406.56	3.70	884.15	7,883.29	50.27	138.12	21.93	9,388.00
Balance as at March 31, 2018	406.56	3,467.95	871.60	9,039.33	51.31	236.68	25.27	14,098.70

4 CAPITAL WORK IN PROGESSS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Tangible Assets	1,508.59	1,016.83	575.22
Total	**1,508.59**	**1,016.83**	**575.22**

- * Lease hold land ocupied in current year from GIDC Ankleshwar: 1. At GIDC Dahej - II, Plot No. D-2/CH/39 admeasuring 60,000 Sq Mtrs. ₹1,432.85 Lakhs, on 94 years Lease, and 2. At Village Sayakha, Taluka Vagra, Dist Bharuch (GIDC Sayakha) Plot No. T-79 to T-96 admeasuring 115158 Sq Mtrs. ₹2,031.40 Lakhs, on 99 years Lease.

-The above Plots are under development for use and hence no amortization has been provided.

- The additions to the Plant and Machinery includes Research & Development Equipments worth ₹89.70 Lakhs installed and put to use during the year for our in house R & D Laboratory.

5 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Investment in Equity Instruments at Fair Value through Profit & Loss						
Quoted, Fully Paid up						
Equity Shares of ₹2/- each of HDFC Bank Limited	-	-	20,000	288.45	20,000	214.23
Equity Shares of ₹10/- each of Sun Pharma Advance Research Company Limited	1,40,000	533.45	1,40,000	448.89	1,10,000	318.91
Equity Shares of ₹10/- each of Eclerx Services Limited	14,000	168.45	13,000	182.71	10,000	129.74
Equity Shares of ₹2/- each of Housing Development Finance Limited	-	-	20,000	300.48	20,000	221.11
Equity Shares of ₹10/- each of IRB Infrastructure Developers Limited	-	-	30,000	70.85	30,000	69.71
Equity Shares of ₹2/- each of Gruh Finance Limited	-	-	20,000	79.15	20,000	47.83

5 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity Shares of ₹10/- each of Dewan Housing Finance Corporation Limited	-	-	40,000	146.80	1,30,000	255.06
Equity Shares of ₹2/- each of Suzlon Energy Limited	-	-	1,00,000	19.10	1,00,000	14.15
Equity Shares of ₹2/- each of Crompton Greaves Limited	-	-	-	-	15,000	7.38
Equity Shares of ₹2/- each of Crompton Greaves Consumer Electricals Limited	-	-	-	-	15,000	0.30
Equity Shares of ₹10/- each of Bharat Financial Inclusion Limited	-	-	-	-	10,000	54.57
Equity Shares of ₹10/- each of Develpoment Credit Bank Limited	-	-	-	-	1,60,000	126.32
Equity Shares of ₹1/- each of Colgate Palmolive (India) Limited	-	-	10,000	99.84	10,000	82.77
Equity Shares of ₹1/- each of Cadila Healthcare Limited	-	-	10,000	44.33	30,000	95.09
Equity Shares of ₹10/- each of Arvind Mills Limited	-	-	-	-	20,000	54.62
Equity Shares of ₹1/- each of Sun Pharmaceuticals Limited	40,000	198.15	33,000	226.94	7,000	57.36
Equity Shares of ₹2/- each of Federal Bank Limited	1,81,000	161.72	1,60,000	146.16	-	-
Equity Shares of ₹5/- each of Ashoka Buildcon Limited	-	-	50,000	96.88	-	-
Equity Shares of ₹5/- each of Bajaj Finserv Limited	-	-	2,000	81.76	-	-
Equity Shares of ₹10/- each of RBL Bank Limited	-	-	10,000	49.42	-	-
Equity Shares of ₹10/- each of Persistent System Limited	-	-	10,000	59.57	-	-
Equity Shares of ₹5/- each of Godrej Properties Limited	70,000	508.12	70,000	269.89	-	-
Equity Shares of ₹5/- each of Gokaldas Exports Limited	80,000	69.68	50,000	35.08	-	-
Equity Shares of ₹2/- each of Bajaj Finance Limited	-	-	4,000	46.96	-	-
Equity Shares of ₹10/- each of Ujjivan Finacial Services Limited	-	-	40,000	169.56	-	-
Equity Shares of ₹10/- each of Max Ventures and Industries Limited	-	-	40,000	36.10	-	-
Equity Shares of ₹10/- each of All Cargo Logistics Limited	30,000	44.33	-	-	-	-
Equity Shares of ₹10/- each of Walchandnagar Industries Limited	20,000	34.29	-	-	-	-
Equity Shares of ₹10/- each of Wipro Limited	10,000	28.15	-	-	-	-
Equity Shares of ₹10/- each of Can Fin Homes Limited	10,000	48.51	-	-	-	-
Equity Shares of ₹1/- each of Va Tech Wabag Limited	10,000	49.59	-	-	-	-
Total of Quoted Equity Instruments	**6,05,000**	**1,844.44**	**8,72,000**	**2,898.92**	**7,07,000**	**1,749.15**
Unquoted Equity instruments of structured entities (Valued At Cost)						
Equity Shares of ₹10/- each of Akshar Silica Private Limtied	-	-	-	-	100	0.01
Shares of ₹10/- each of Swadesh Essfil Private Limited @ premium of ₹573.94 per share	3,425	20.00	3,425	20.00	3,425	20.00

5 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Total of Unquoted Equity Instruments of structured entities	**3,425**	**20.00**	**3,425**	**20.00**	**3,525**	**20.01**
Unquoted Debentures and Preference Shares (Valued at Cost)						
Compulsory Convertible Debentures of ₹100/- each of Smart Institute Private Limited	30,000	30.00	30,000	30.00	30,000	30.00
14% Redeemable Preference Shares of Akshar Silica Private Limited of ₹100/- each	-	-	-	-	8,25,000	825.00
Total of Unquoted Instruments	**30,000**	**30.00**	**30,000**	**30.00**	**8,55,000**	**855.00**
Total Non Current Investments	**6,38,425**	**1,894.44**	**9,05,425**	**2,948.92**	**15,65,525**	**2,624.16**

5 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Current Investment in Mutual Funds & Portfolio Management Services						
ASK Wealth Management	-	-	-	33.56	-	-
DSP Black Rock Mutual Funds Collection	-	-	-	-	4,390.68	87.16
Total Current Investments	**-**	**-**	**-**	**33.56**	**4,390.68**	**87.16**

6 NON CURRENT LOANS

Unsecured, Considered good

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
a.	Security Deposits	126.47	125.19	125.58
b.	Advance Against Expenses	-	-	5.00
	Total	**126.47**	**125.19**	**130.58**

7 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
a.	Raw materials	1,284.57	957.84	707.04
b.	Raw materials - in Transit	-	175.24	37.23
c.	Work in progress	277.18	127.36	121.10
d.	Finished goods	1,270.76	1,222.04	952.27
e.	Finished Goods in Transit	435.17	1,494.42	1,045.90
f.	Stores and spares	342.88	293.80	108.72
g.	Fuel & Oil	25.68	34.58	8.60
	Total	**3,636.24**	**4,305.28**	**2,980.86**

8 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
	Unsecured, Considered good	7,949.11	4,678.12	3,866.18
	Total	**7,949.11**	**4,678.12**	**3,866.18**

9 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Balance with Banks in Current accounts	8.53	23.73	21.69
Deposits	43.00	43.00	43.76
Cash on hand	9.23	7.65	8.93
Total	**60.76**	**74.38**	**74.38**

10 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Earmarked balance for Unpaid Dividend	5.32	6.66	6.78
Term Deposits with Bank as Margin Money against Letters of Credit and Guarantees with			
- Maturity within 3 months but less than 12 months	-	-	-
- Maturity within 12 months	182.00	182.00	182.00
Total	**187.32**	**188.66**	**188.78**

11 OTHER CURRENT FINANCIALS ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Loans to Employees	4.29	3.49	4.31
Advances to Capital Goods Suppliers	16.56	70.67	14.00
Balance with government authorities	1,768.12	1,268.88	1,328.66
Prepaid expenses	53.11	28.11	36.02
Advances Other than Capital Advances	123.71	151.35	158.44
Total	**1,965.79**	**1,522.50**	**1,541.43**

12 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Advance payment of tax (Net)	490.29	363.05	538.05
Total	**490.29**	**363.05**	**538.05**

13 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Interest accrued on deposits	31.14	18.23	28.91
Total	**31.14**	**18.23**	**28.91**

14 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
a. Authorised Share Capital :						
Equity Shares of ₹10 each	1,65,00,000	1,650.00	1,65,00,000	1,650.00	1,65,00,000	1,650.00
b. Issued & Subscribed :		-		-		-
Equity Shares of ₹10 each	1,22,72,262	1,227.23	1,22,72,262	1,227.23	1,22,72,262	1,227.23
c. Subscribed and Fully Paid Up		-		-		-
Equity Shares of ₹10 each	1,22,72,262	1,227.23	1,22,72,262	1,227.23	1,22,72,262	1,227.23

14 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
d. Forfeited Shares						
Equity Shares of ₹10 each	-	-	-	-	-	-
Total	1,22,72,262	1,227.23	1,22,72,262	1,227.23	1,22,72,262	1,227.23

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

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity Shares						
At the beginning of the period	1,22,72,262	1,227.23	1,22,72,262	1,227.23	1,22,72,262	1,227.23
Add : Issued during the pariod	-	-	-	-	-	-
Less: Baught back during the period	-	-	-	-	-	-
Outstanding at the end of the period	1,22,72,262	1,227.23	1,22,72,262	1,227.23	1,22,72,262	1,227.23

f. 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.

g. Shares held by holding/ultimate holding Company/or their Subsidiaries/Associates

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Not Applicable	-	-	-

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

(₹ in Lakhs)

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Equity Shares	% of holdfing	No. of Equity Shares	% of holdfing	No. of Equity Shares	% of holdfing
Mrugesh Jaykrishna Family Trust - 1	52,97,811	43.17	52,86,811	43.08	42,32,054	34.48
Gokul M. Jaykrishna Family Trust	27,29,009	22.24	27,23,509	22.19	-	-
Mrs. Paru M. Jaykrishna	-	-	-	-	4,00,000	3.26
Mr. Gokul M. Jaykrishna	-	-	-	-	15,05,049	12.27
Mr. Munjal M. Jaykrishna	-	-	-	-	15,05,049	12.27
DIC Corporation	8,65,200	7.05	8,65,200	7.05	8,65,200	7.05
Clariant Chemical (India) Ltd	-	-	-	-	7,18,600	5.86
	88,92,020	72.46	88,75,520	72.32	92,25,952	75.19

i. 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

4. Securities which are convertible into Equity Shares : NIL

5. Aggregate Value of Calls unpaid by directors and officiers : NIL

6. Shares reserved for issued under options & contracts or commitments for the sale of shares or disinvestment, including terms of amounts: NIL

15 OTHER EQUITY

(₹ in Lakhs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
	Amount	Amount	Amount
Securities Premium			
Balance as per last year	1,507.17	1,507.17	1,507.17

15 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Add: Appropriations from Current year's Profit	-	-	-
Balance at the end of the Year	1,507.17	1,507.17	1,507.17
General Reserve			
Balance as per last year	2,637.00	2,487.00	2,337.00
Add: Appropriations from Current year's Profit	150.00	150.00	150.00
Balance at the end of the Year	2,787.00	2,637.00	2,487.00
Surplus in Statement of Profit & Loss			
Balance at the beginning of the year	10,480.44	8,309.43	6,726.52
Add: Profit after tax for the Year	2,307.56	2,742.37	2,098.27
Depreciation adjustment	-	1.30	-
Re-measerement of Defined Benefit Plan	11.81	1.93	-
Mark to Market Forex Gain / (Loss)	(7.05)	18.53	(49.47)
Income Tax that will not be reclassified to Profit and Loss	-	-	-
Amount available for Approriation	12,792.76	11,073.56	8,775.32
Less:Appropriations			
Dividend	-	368.17	245.45
Dividend Disribution Tax	-	74.95	49.97
Transfered to General reserves	150.00	150.00	150.00
Total Appropriation	**150.00**	**593.12**	**445.42**
Balance at the end of the Year	**12,642.76**	**10,480.44**	**8,329.90**
Total	**16,936.93**	**14,624.61**	**12,324.07**

Description of nature and purpose of each reserve :

General Reserve: General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. General Reserve is a free reserve available to the company.

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

Equity instruments through other comprehensive income: This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Other Comprehensive Income: Other Comprehensive Income includes re-measurement loss on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

16 NON CURRENT BORROWINGS

(₹ in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
	Secured			
a.	**Term Loans from Banks**			
	From State Bank of India	-	350.00	480.77
	Net of Repayable in one year considered as Current Borowwings (Refer Note: 20)			
	From Federal Bank Ltd.	1,885.60	-	-

16 NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
	Net of Repayable in one year considered as Current Borowwings (Refer Note: 20)			
b.	**Other**			
	Vehicle Loan	42.13	-	2.05
	Net of Repayable in one year considered as Current Borowwings (Refer Note: 20)			
	Total	**1,927.73**	**350.00**	**482.82**

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

i Primery Security:

State Bank of India Term Loan: First charge in favour of State Bank of India By way of Equitable Mortgage and Hypothecation on entire Fixed Assets (Land, Building, Plant & Machinery) both present and future of the company situated at Survey No. 437 to 440, ECP Cchannel Road, Padra, Vadodara. (Previous year old survey no. 429-432, ECP Channel Road, Padra, Vadodara)

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.

Federal Bank Ltd. Term Loan: Exclusive charge on Fixed Assets purchased out of the term loan of Federal Bank Ltd.

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 Corporate Term loan from State Bank of India amounting to ₹ Nil (Previous Year ₹350.00 Lakh) Repayable in and 7 quarterly installments of ₹50.00 Lakh

ii Term Loan from Federal Bank Ltd. ₹2,500.00 Lakh senctioned and disbursed as at 31-03-2018 ₹2,135.59 Lakhs (Previous year Nil), Repayable in 20 equal Instalments of ₹125.00 Lakhs starting from October 22, 2018

iii Vehicle loans are repayable in equal monthly installment over the terms of 36 installments Previous Year ₹ Nil

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

17 NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Provisions for employees benefits			
Provision for Gratuity	102.24	96.30	77.57
Total	102.24	96.30	77.57

18 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
a.	**Deferred Tax Liabilities**			
	Opening Balance	1,887.75	1,800.22	1,674.01
	Accumulated depreciation	25.58	38.68	126.21
	Other comprehensive income from investments	36.69	48.85	-
		1,950.02	1,887.75	1,800.22
b.	**Deferred Tax Assets**			
	Opening Balance	70.20	61.98	56.44
	Defined benefit plan for employees	8.28	8.22	5.54
		78.48	70.20	61.98
	Liabilities (Net)	1,871.54	1,817.55	1,738.24

19 OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Deposits from customers	0.20	-	-
Other Non Current Liabilities	**0.20**	**-**	**-**

20 CURRENT BORROWING

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Secured Loans *			
Loans repayable on demand from bank			
From State Bank of India			
Working Capital Loans	3,206.80	3,041.27	3,783.01
From Federal Bank Ltd			
Working Capital Loans	1,900.00	-	-
Total	**5,106.80**	**3,041.27**	**3,783.01**

The working capital limits from bank are secured by:

i Primery 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 Survey No. 437 to 440 (Previous Year Block No. 429 to 432) ECP Channel Road, Village Dudhwada, Taluka Padra, District Vadodara, Gujarat.

- First Charge by way of 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 ₹25.00 Lakhs.

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Trade payable			
Dues to Micro and Small Enterprises	388.14	149.43	98.63
Dues to other than Micro and Small Enterprises	3,231.26	2,817.92	1,783.90
Total	3,619.40	2,967.35	1,882.53

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'

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each period:			
Principal	388.14	149.43	98.63
Interest	-	-	-

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
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	388.14	149.43	98.63

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, 2018. 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.

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Amount	Amount	Amount
a.	Unpaid Dividends #	5.32	6.66	6.78
b.	Current maturities of long term borrowings (Refer Note: 16)	616.31	127.05	180.95
c.	Other payables			
	Advances from customers	1.44	0.32	0.08
	Statutory liabilities	97.51	19.29	25.27
	Payable for fixed assets	227.07	150.80	66.10
	Other Current liabilities and payables	104.47	127.81	55.20
	Total	1,052.12	431.93	334.38

The Company has transferred ₹1.25 Lakhs (Previous Year ₹0.50 Lakhs) to the Investors Education and Protection Fund (IEPF) during the year.

23 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Amount	Amount	Amount
Provision for Gratuity (Refer Note: 17)	104.66	106.48	101.52
Total	104.66	106.48	101.52

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
		Amount	Amount
	Reveune from Sale of Products		
a.	Export Sales	21,241.16	17,426.73
b.	Domestic Sales (Including Excise Duty)*	7,288.26	7,893.96
	Total Sale of Products	**28,529.42**	**25,320.69**
c.	Other operating revenues		
	Export incentives	370.21	351.24
	Exchange Rate difference related to export sales	395.23	333.08
	Interest Income on FDR	36.04	29.29
	Other Operating Income	52.27	46.11
	Total - Other Operating revenues	853.75	759.72
	Total	29,383.17	26,080.41

* Effective from July 1, 2017, the Government of India has introduced Goods and Service Tax (GST) whereby sales are recorded net of GST, whereas earlier sales were recorded gross of excise duty which formed part of expenses.

25 OTHER INCOME

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
		Amount	Amount
a.	Dividend Income	43.71	13.97
b.	Gain on Investment in Shares Long Term	79.58	-
c.	Gain on Investment in Shares Short term	-	19.42
d.	Gain on Investments in Shares at FVTPL*	316.33	277.99
e.	Others	7.59	-
	Total	447.21	311.38

* The gain on investments in shares due to difference in aquisition cost and fair market value is accrued but unrealized profit.

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
		Amount	Amount
a.	Raw Materials		
	Opening Stock	801.81	706.77
	Add : Purchases	16,911.40	13,973.60
		17,713.21	14,680.37
	Less : Closing Stock	1,191.04	801.81
	Cost of Raw Material Consumed	**16,522.17**	**13,878.56**
b.	Packing Material		
	Opening Stock	71.90	26.08
	Add : Purchases	326.16	327.96
		398.06	354.04
	Less : Closing Stock	86.37	71.90
	Cost of Packing Material Consumed	**311.69**	**282.14**
	Cost of Total material consumed	16,833.86	14,160.70

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

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
		Amount	Amount
a.	Inventories at the end of the year		
	Finished goods	1,705.93	2,716.45

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

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
		Amount	Amount
	Work-in-progress	277.18	127.36
	Total	1,983.11	2,843.81
b.	Inventories at the beginning of the year		
	Finished goods	2,716.45	1,998.17
	Work-in-progress	127.36	121.10
	Total	2,843.81	2,119.27
	Net (Increase) / decrease	860.70	(724.54)

28 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
		Amount	Amount
a.	Salaries, Wages & Bonus *	694.38	628.11
b.	Contribution to Provident and other funds	38.02	36.85
c.	Staff welfare expenses	33.16	24.03
d.	Directors Remuneration including perquisites and commission	258.61	296.10
	Total	1,024.17	985.09

* Salaries, Wages and Bonus excluded the salaries paid to the staff related to R & D, is debited to Research and Development expenses.

29 FINANCE COSTS

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
		Amount	Amount
a.	Interest		
	Term Loans *	43.39	29.47
	Working Capitals	257.36	150.02
b.	Other Financial Costs		
	Bank and other charges	52.53	101.60
	Total	353.28	281.09

* Interest on long-term borrowings, ₹24.97 Lakhs (Previous year ₹31.51 Lakhs) is capitalised being the interest pertaining to the erection and construction period.

30 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Amount	Amount
Depreciation and amortization for the year on tangible assets	721.93	712.50
Depreciation and amortization relating to continuing operations	**721.93**	**712.50**

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Amount	Amount
Power and Fuel	3,611.00	3,221.19
Consumption of Stores and Spare parts	241.28	272.59
Pollution Treatment Expenses	397.39	459.03
Repairs to Machinery	294.25	313.69
Repairs to Building	23.18	81.31
Repairs to Other Assets	9.62	8.36
Manufacturing & Labour Charges	776.07	691.77
Selling and Distribution Expenses	805.33	670.12
Rent	27.46	23.93

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Amount	Amount
Rates & Taxes (excluding taxes on income)	4.72	4.67
Insurance	14.55	16.83
Travelling, Conveyance & Vehicle Expenses	48.60	59.57
Directors Travelling Expenses	106.01	77.19
Stationery and Printing Expenses	8.15	8.39
Communication Expenses	23.28	23.88
Auditors Remuneration (Refer Note:38)	2.78	1.61
Internal Audit Fees	3.00	3.00
Directors Sitting Fees	0.36	0.27
Legal & Professional Expenses	116.96	53.62
General Charges	33.62	29.83
Donation	1.00	0.50
Research and Development Expenses (Refer Note: 37)	85.61	82.92
Expenditure towards Corporate Social Responsibility activities	49.50	76.63
Loss on sales of Investments	20.11	25.40
Loss on sales of Assets	3.56	-
Total	**6,707.39**	**6,206.30**

32 INCOME TAXES

(₹ in Lakhs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A.	The major components of income tax expense for the year as under:		
	Current tax		
	In respect of current year	835.00	1,215.64
	Deferred tax		
	In respect of Accumulated Depreciation	25.58	38.68
	In respect of Other comprehensive income from investments	36.69	48.85
	In respect of defined benefit plan for emloyees	(8.27)	(8.22)
	Total deferred tax	54.00	79.31
	Total tax expenes charged to statement of Profit and Loss	889.00	1,294.95
B.	Reconciliation of Effective Tax Rate		
	Applicable Tax Rate	34.608%	34.608%
	Profit before tax	3,196.56	4,037.31
	Income not considered for tax purpose	(1,798.37)	(1,467.76)
	Expenses not allowed for tax purpose	1,004.70	942.94
	Tax payable at lower rate	(2.43)	(0.49)
	Net Taxable income for the year	2,400.46	3,512.00
	Effective Tax for the year	830.75	1,215.43
	Effective tax at lower rate	0.41	0.07
	Total current tax calculated for the year	831.16	1,215.50
	Excess provision	3.84	0.14
	Effective current tax rate for the year	26.00%	30.11%

33 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Amount	Amount
Items that will be reclassified to Profit and Loss (Net of Tax)		
Re-measerement of Defined Benefit Plan	11.81	1.93
Mark to Market Forex gain / (Loss)	(7.05)	18.53
Other Comprehensive Income (Net of Tax)	**4.76**	**20.46**

(₹ in Lakhs)

34	CONTINGENT LIABILITIES	As at March 31, 2018	As at March 31, 2017
1	**Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year**	**1,559.95**	**1,899.45**
2	**In respect of Income Tax**	**-**	**46.72**
	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		

(₹ in Lakhs)

35	CAPITAL COMMITMENT	As at March 31, 2018	As at March 31, 2017
	Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	65.05	145.27

(₹ in Lakhs)

36 EARNING PER SHARE

Basic and diluted earnings per share

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(Loss) for the year	2,307.57	2,742.37
Net Profit / (Loss) attributable to Equity Shareholders	2,307.57	2,742.37
Profit / (Loss) after taxation before Extra Ordinary Items	2,307.57	2,742.37
Number of Equity Shares for Basic EPS	1,22,72,262	1,22,72,262
Number of Equity Shares for Diluted EPS	1,22,72,262	1,22,72,262
Nominal Value Per Share in Rupees	10 .00	10.00
Basic Earning Per Share in Rupees	18.80	22.35
Diluted Earning Per Share in Rupees	18.80	22.35

(₹ in Lakhs)

37	RESEARCH AND DEVELOPEMENT	Year ended March 31, 2018	Year ended March 31, 2017
	Capital Goods		
	Machinery and Equipments for Research Laboratory	89.70	-
	Total Capital Expenditure	**89.70**	**-**
	Revenue Expenses		
	Salaries & Wages	74.53	72.59
	Laboratory Chemicals and other goods	4.05	2.46
	Stationery	0.02	0.01
	Conusmable stores	4.20	1.95
	Travelling Expenses	2.44	3.50
	Conveyance Expenses	0.04	-
	Testing Expenses	0.19	0.14
	Seminar for Research & Development	0.14	0.13
	Books for Research & Development	-	1.70
	Electricity Expenses	-	0.44
	Total Revenue	**85.61**	**82.92**
	Total Expenditure towards Research & Development	**175.31**	**82.92**

(₹ in Lakhs)

38 PAYMENT TO AUDITORS	Year ended March 31, 2018	Year ended March 31, 2017
Audit fees	2.50	1.16
Taxation matters	-	0.15
Out of pocket expenses	0.03	-
Others (Certification work)	0.25	0.30
Total	**2.78**	**1.61**

39 EMPLOYEES BENEFITS

In compliance with the Accounting Standard on "Employee Benefits" (AS 19) notified by Companies (Accounting Standards) Rules, 2006, the following disclosures have been made:

1 Defined Contribution Plan: (₹ in Lakhs)

The Company has recognized the following amount as an expense: (Amount in Rupees)

	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Provident and other Funds	38.02	36.85

2 Defined Benefit Plan (₹ in Lakhs)

i Gratuity Disclosure Statement as per Ind AS 19 For the Period	Year ended March 31, 2018	Year ended March 31, 2017
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	April 1, 2017	April 1, 2016
Date of Reporting	March 31, 2018	March 31, 2017
Period of Reporting	12 Months	12 Months
ii Assumptions (Previous Period)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.34%	8.08%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
iii Assumptions (Current Period)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.85%	7.34%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

39 EMPLOYEES BENEFITS

(₹ in Lakhs)

		Year ended March 31, 2018	Year ended March 31, 2017
iv	Table Showing Change in the Present Value of Projected Benefit Obligation		
	Present Value of Benefit Obligation at the Beginning of the Period	202.78	179.09
	Interest Cost	14.88	14.47
	Current Service Cost	9.02	7.66
	(Benefit Paid Directly by the Employer)	(7.98)	(0.37)
	"Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions"	(5.68)	7.60
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(6.13)	(5.67)
	Present Value of Benefit Obligation at the End of the Period	206.90	202.78
v	**Amount Recognized in the Balance Sheet**		
	(Present Value of Benefit Obligation at the end of the Period)	(206.90)	(202.78)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/ (Deficit))	(206.90)	(202.78)
	Net (Liability)/Asset Recognized in the Balance Sheet	(206.90)	(202.78)
vi	**Net Interest Cost for Current Period**		
	Present Value of Benefit Obligation at the Beginning of the Period	202.78	179.09
	(Fair Value of Plan Assets at the Beginning of the Period)	-	-
	Net Liability/(Asset) at the Beginning	202.78	179.09
	Interest Cost	14.88	14.47
	Net Interest Cost for Current Period	14.88	14.47
vii	**Expenses Recognized in the Statement of Profit or Loss for Current Period**		
	Current Service Cost	9.02	7.66
	Net Interest Cost	14.88	14.47
	Expenses Recognized	23.91	22.13
viii	**Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period**		
	Actuarial (Gains)/Losses on Obligation For the Period	(11.81)	1.93
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	(11.81)	1.93
ix	**Balance Sheet Reconciliation**		
	Opening Net Liability	202.78	179.09
	Expenses Recognized in Statement of Profit or Loss	23.91	22.13
	Expenses Recognized in OCI	(11.81)	1.93
	(Benefit Paid Directly by the Employer)	(7.98)	(0.37)
	Net Liability/(Asset) Recognized in the Balance Sheet	206.90	202.78
x	**Other Details**		
	No of Active Members	142	147
	Per Month Salary For Active Members	26.76	26.65
	Weighted Average Duration of the Projected Benefit Obligation	7	7
	Average Expected Future Service	17	17
	Projected Benefit Obligation	206.90	202.78
xi	**Net Interest Cost for Next Year**		
	Present Value of Benefit Obligation at the End of the Period	206.90	202.78
	(Fair Value of Plan Assets at the End of the Period)	-	-
	Net Liability/(Asset) at the End of the Period	206.90	202.78
	Interest Cost	16.24	14.88
	Net Interest Cost for Next Year	16.24	14.88
xii	**Expenses Recognized in the Statement of Profit or Loss for Next Year**		
	Current Service Cost	9.02	7.66

39 EMPLOYEES BENEFITS

(₹ in Lakhs)

iv	Table Showing Change in the Present Value of Projected Benefit Obligation	Year ended March 31, 2018	Year ended March 31, 2017
	Net Interest Cost	14.88	14.47
	Expenses Recognized	0.00	0.00
xiii	**Maturity Analysis of the Benefit Payments**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	104.66	106.48
	2nd Following Year	7.62	2.80
	3rd Following Year	3.20	6.58
	4th Following Year	10.06	3.01
	5th Following Year	3.79	9.44
	Sum of Years 6 To 10	22.72	18.55
	Sum of Years 11 and above	231.15	219.78
xiv	**Sensitivity Analysis for significant assumptions**		
	Projected Benefit Obligation on Current Assumptions	206.90	202.78
	Delta Effect of +1% Change in Rate of Discounting	(9.93)	(10.07)
	Delta Effect of -1% Change in Rate of Discounting	11.57	11.81
	Delta Effect of +1% Change in Rate of Salary Increase	11.67	11.85
	Delta Effect of -1% Change in Rate of Salary Increase	(10.18)	(10.28)
	Delta Effect of +1% Change in Rate of Employee Turnover	1.70	1.21
	Delta Effect of -1% Change in Rate of Employee Turnover	(1.92)	(1.38)

40 SEGMENT REPORTING

The Company operates in a single segment and in line with Ind AS - 108 - "Operating Segments", the operation of the Company fall under Chemical Business which is considered to be the only reportable business segment.

41 RELATED PARTY DISCLOSURES AND THEIR RELATIVES

Related Party Disclosures as required by Accounting Standard Ind AS 24 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

Akshar Silica Pvt. Ltd

Gokul M. Jaykrishna HUF

Hunter Wealth Management LLP

b) Key Management Personnel:

Mrs. Paru M. Jaykrishna	Chairperson & Mg. Director
Mr. Gokul M. Jaykrishna	Jt. Managing Director & CEO
Mr. Chandravadan R. Raval	General Manager (Accounts) & CFO
Mr. Saji V Joseph	Company Secretary

c) Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna

2 DETAILS OF TRANSACTIONS DURING THE YEAR

(₹ in Lakhs)

a	Enterprises own or significantly influenced by key management personnel or their relatives	Year ended March 31, 2018	Year ended March 31, 2017
1	AksharChem (India) Limited		
	Purchase of Goods	-	-
	Sales of Goods	201.33	109.28
2	Skyways		
	Rent Paid	2.02	1.86
3	Hunter Wealth Management LLP		
	Rent Income	1.22	-
4	Gokul M. Jaykrishna HUF		
	Rent Paid	1.50	-
3	Skyjet Aviation Pvt Ltd.		
	Air Tickets booking services	37.90	32.27
b	Key Management Personnel and their relatives		
1	Mrs. Paru M. Jaykrishna		
	Remuneration	98.80	115.20
	Provident Fund Contribution	8.64	8.64
	Commission	-	50.00
2	Mr. Gokul M. Jaykrishna		
	Remuneration	76.80	76.80
	Perquisites	7.01	4.10
	Provident Fund Contribution	5.76	5.76
	Commission	76.00	50.00
3	Mr. Mrugesh Jaykrishna		
	Consultancy	3.60	1.80
4	Mr. Chandravadan R. Raval		
	Salary and allowances	11.85	12.29
5	Mr. Saji V Joseph		
	Salary and allowances	10.79	9.85
c	Outstaning payables / (receivables) to / from Related parties and key Management persons		
1	AksharChem (India) Ltd,	(54.94)	-
2	Skyways	0.14	-
3	Skyjet Aviation Pvt Ltd.	0.30	-
4	Hunter Wealth Management LLP	(0.30)	-
5	Gokul M. Jaykrishna HUF	0.50	-
6	Mrs. Paru M. Jaykrishna	2.00	2.76
7	Mr. Gokul M. Jaykrishna	54.50	1.79
8	Mr. Mrugesh Jaykrishna	0.36	-
9	Mr. Chandravadan R. Raval	0.89	0.83
10	Mr. Saji V. Joseph	0.80	0.72

42 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: ₹81.16 Lakhs (Previous year ₹136.43 Lakhs)

b. Amount spent and utilized during the year on: (₹in Lakhs)

Sr No	Particulars	Current Year			Previous Year		
		In Cash (Charged to P & L)	Yet to be paid in Cash	Total	In Cash (Appropriated to P & L)	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	31.80	-	31.80	42.12	-	42.12
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	48.50	-	48.50	70.00	-	70.00
	b) Expenditure on Administrative Overheads for CSR	1.00	-	1.00	6.63	-	6.63
	Total	**81.30**	**-**	**81.30**	**118.75**	**-**	**118.75**

43 CAPITAL MANAGEMENT

For the purpose of the Company capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings (Note No: 16 & 20)	7,034.53	3,391.27	4,265.83
Less : cash and cash equivalents (Note No: 9)	(60.76)	(74.38)	(74.38)
Net Debt	6,973.77	3,316.89	4,191.45
Other Equity	18,164.16	15,851.84	13,551.30
Total Other Equity and net debt	25,137.93	19,168.73	17,742.75
Gearing Ratio	0.28	0.17	0.24

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2018, the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

44 DIVIDEND

Proposed Dividend

The Board of Directors at its meeting held on May 29, 2018 have recommended a payment of final dividend of ₹3.00 per equity shares of face value of ₹10/- each for the financial year ended March 31, 2018. The same amounts to ₹443.85 Lakhs including dividend distribution tax of ₹75.68 Lakhs The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

45 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise other than derivatives mainly of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, other balances with banks, loans, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities are exposed to Credit risk, Market risk and Liquidity risk.

The Board of directors of the Company are overall responsible for the establishment and oversight of the company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables and loans

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the company.

The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days for customers. More than 85% of the company's customers have been transacting with the company for over four years, and none of these customers' balances are credit-impaired at the reporting date.

Confirmation of balances from Debtors & Loans and Advances have been received and the same is being reconciled.

Cash and cash equivalents

The company holds cash and cash equivalents of ₹60.76 Lakhs at March 31, 2018 (March 31, 2017: ₹74.38 Lakhs). The cash and cash equivalents are held with bank and cash on hand.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company uses process costing to cost its products, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in it total portfolio.

The company is not exposed to significant interest rate risk as at the specified reporting date.

Currency Risk

The company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and functional currency. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are US dollars.

The Company Forex risk management policy is to hedge currency exchange fluctuation and mitigate currency volatility and risks and to avoid uncertainties in cash flows. All foreign currency exposures – financial assets and liabilities and firm commitments (imports) & probable forecast transactions (exports) which are off-balance sheet exposures are covered under Forex risk management policy.

Hedging of trade exposures viz., imports and exports are generally hedged on net exposures basis. The company mostly uses forward exchange contracts to hedge its currency risks mostly with the maturity of less than one year from the reporting date. The Company does not use derivative financial instruments for trading or speculative purposes.

45 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

Outstanding foreign exchange exposure (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Receivables	1,581.80	2,034.51	1,548.50
Trade Payables	565.52	430.89	39.26
Net Exposure	**1,016.28**	**1,603.63**	**1,509.24**

Forward Exchange Contracts:

Forward Contracts outstanding

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	Cross Currency
Net Exposure	US $	16,13,936	24,41,364	22,40,155	Rupees

Risk over uncovered foreign currency:

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	Cross Currency
Exposure covered	US $	16,13,936	5,34,878	22,40,155	Rupees
Un hedged Exposure	US $	-	19,06,486	-	Rupees
Un hedged Exposure	₹in Lakhs	-	1,256.76	-	
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	₹in Lakhs	-	62.61	-	

Price Risk

Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

(₹in Lakhs)

Particulars	Movement in Rate	Impact on PAT	
		2017-18	2016-17
Equity Shares (Quoted)	3%	36.18	56.87
Equity Shares (Quoted)	-3%	(36.18)	(56.87)

Commodity Price Risk

Principal Raw Materials for company's products are Phthalic Anhydride and Cuprous Chloride. Company sources its raw material requirements from domestic markets as well as from International Markets. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of Phthalic Anhydride and Cuprous Chloride ₹1 per kg on profit for the period.

(₹ in Lakhs)

Particulars	Impact on PAT	
	2017-18	2016-17
₹ 1 Decrease in Price of Phthalic Anhydried	70.23	65.48
₹ 1 Increase in Price of Phthalic Anhydried	(70.23)	(65.48)
₹ 1 Decrease in Price of Cuprous Chloride	11.76	11.09
₹ 1 Increase in Price of Cuprous Chloride	(11.76)	(11.09)

46 FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

1 The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.

2 Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.

3 Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

4 The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:
Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

I. Figures as at April 01, 2016 (₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	875.01	-	875.01
Non Current Loans	130.58	-	130.58
Trade Receivables	3,866.18	-	3,866.18
Cash and Cash Equivalents	74.38	-	74.38
Bank Balances Other than Cash and Cash Equivalents	188.78	-	188.78
Other Current Financial Assets	1,541.43	-	1,541.43
Total	**6,676.36**	-	**6,676.36**
Financial assets at fair value through profit or loss:			
Investments (Current)	87.16	-	87.16
Investments (Non-Current)	1,749.15	1,749.15	-
Total	**1,836.31**	1,749.15	**87.16**
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	482.82	-	482.82
Borrowings (Current)	3,783.01	-	3,783.01
Trade Payables	1,882.53	-	1,882.53
Other financial liabilities	334.38	-	334.38
Total	**6,482.74**	-	**6,482.74**

46 FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

II. Figures as at March 31, 2017 (₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	50.00	-	50.00
Non Current Loans	125.19	-	125.19
Trade Receivables	4,678.12	-	4,678.12
Cash and Cash Equivalents	74.38	-	74.38
Bank Balances Other than Cash and Cash Equivalents	188.66	-	188.66
Other Current Financial Assets	1,522.50	-	1,522.50
Total	**6,638.85**	**-**	**6,638.85**
Financial assets at fair value through profit or loss:			
Investments (Current)	33.56	-	33.56
Investments (Non-Current)	2,898.92	2,898.92	-
Total	**2,932.48**	**2,898.92**	**33.56**
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	350.00	-	350.00
Borrowings (Current)	3,041.27	-	3,041.27
Trade Payables	2,967.35	-	2,967.35
Other financial liabilities	431.93	-	431.93
Total	**6,790.55**	**-**	**6,790.55**

III. Figures as at March 31, 2018 (₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	50.00	-	50.00
Non Current Loans	126.47	-	126.47
Trade Receivables	7,949.11	-	7,949.11
Cash and Cash Equivalents	60.76	-	60.76
Bank Balances Other than Cash and Cash Equivalents	187.32	-	187.32
Other Current Financial Assets	1,965.79	-	1,965.79
Total	**10,339.45**	**-**	**10,339.45**
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	1,844.44	1,844.44	-
Total	**1,844.44**	**1,844.44**	**-**
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	1,927.73	-	1,927.73
Borrowings (Current)	5,106.80	-	5,106.80
Trade Payables	3,619.40	-	3,619.40
Other financial liabilities	1,052.12	-	1,052.12
Total	**11,706.05**	**-**	**11,706.05**

47 FIRST TIME ADOPTION OF IND AS

The Company has prepared financial statements for the year ended March 31, 2018 are the first financial statements prepared by the company in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with accounting standards notified notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of he Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2017. The transition to Ind-AS has resulted in changes in the presentation of the financial statements, disclosures in the notes, accounting policies and principles.

Exemptions on first time adoption of Ind-AS availed in accordance with Ind-AS 101, have been described below:

Exemptions availed on first time adoption of Ind-AS 101:

Ind-AS 101 allows certain optional exemptions and mandatory exemptions on first time adoption of Ind-AS from the retrospective application of certain provisions of Ind-AS. The Company has accordingly applied the following exemptions:

A. Ind AS optional exemptions:

Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind-AS 101 permits, a first time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind-AS 38 and Investment properties covered by Ind-AS 40. Accordingly, the Company has elected to measure all of its Property, Plant and Equipment, Investment Properties and Intangible Assets at their previous GAAP carrying value.

B. Ind AS mandatory exceptions:

Estimates

An entity's estimates in accordance with Ind-AS at the date of transition to Ind-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. Ind-AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of financial assets

Ind-AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind-AS.

Note no. 47.1

Reconciliation between statement of equity as previously reported (referred to as "Previous GAAP") and Ind AS (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
	Amount	Amount
Equity under Previous Indian GAAP	15,659.46	13,600.76
Adjustments:	-	-
Revenue deferral on account of Ind AS (net of related cost)	(177.12)	(188.54)
On account of fair value of financial assets, Net of deferred tax	417.05	139.07
Depreciation	1.30	-
Deferred tax on OCI	(48.85)	-
Equity under Ind AS	**15,851.84**	**13,551.29**

Note No. 47.2 - Reconciliation between statement of Profit and Loss as previously reported (referred to as "Previous GAAP") and Ind AS

(₹ in Lakhs)

Particulars	As at March 31, 2017
	Amount
Net Profit as per previous Indian GAAP	2,501.82
Add / (Less) : Adjustments	-
Revenue deferral on account of Ind AS (net of related cost)	11.41
Fair Valuation of Investment in quoted equity shares (Fair Value through Profit and Loss (FVTPL))	277.99
Impact of Deferred Tax	(48.85)
Net Profit/(Loss) before Other Comprehensive Income (OCI) as per Ind AS	2,742.37
Other Comprehensive Income (net of tax)	20.46
Net Profit under Ind AS	**2,762.83**

48 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, **Mahendra N. Shah & Co.**
Chartered Accountants
Firm Registration No. 105775W

Chirag M. Shah
Partner
Membership No. 045706
Place : Ahmedabad
Date: 29/05/2018

Chandravadan R. Raval
General Manager (Accounts) & CFO

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
(DIN 00671721)

Gokul M. Jaykrishna
Jt. Managing Director & CEO
(DIN 00671652)

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 & CEO*

Mr. Munjal M. Jaykrishna

CHIEF FINANCIAL OFFICER

Mr. Chandravadan R. Raval

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Saji V. Joseph

AUDITORS

Mahendra N. Shah & Co.

BANKERS

State Bank of India
Federal Bank Limited

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)

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