

**ASAHI INDUSTRIES LIMITED**  
**(Formerly Asahi Fibres Limited)**  
**ANNUAL REPORT 2010-11**

**BOARD OF DIRECTORS**

Shri Saurabh Kumar Tayal – Chairman  
Shri Jaikumar Vishwanath Mishra – Managing Director  
Shri Subhash Chandra Bhargava  
Shri Mahesh Prasad Mehrotra  
Ms. Mrinal Tayal  
Shri Jodharam Dhaka  
Shri Shivprasad Shrivastav

**COMPANY SECRETARY**

Ms. Supriya Baldi

**AUDITORS**

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

**REGISTERED OFFICE**

Ecomax, Musrane, Taluka Wada,  
Dist. Thane – 421 312,  
Maharashtra.

**CORPORATE OFFICE**

Raghuvanshi Mills Compound,  
11/12, Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai- 400 013,  
Maharashtra.

**REGISTRAR & SHARE TRANSFER AGENT**

Universal Capital Securities Private Limited  
(Formerly known as Mondkar Computers Pvt. Ltd.)  
21, Shakil Nivas, Opp Satya Sai Baba Temple,  
Mahakali Caves Road, Andheri (East),  
Mumbai – 400 093.  
Email: info@unisec.in

**PLANT**

Valsad, Gujarat

**CONTENTS**

Notice .....	2
Directors' Report .....	4
Corporate Governance Report .....	9
Management Discussion and Analysis Report ...	16
Auditors' Report .....	19
Balance Sheet .....	22
Profit & Loss Account .....	23
Schedules .....	24
Notes to Accounts .....	27
Cash Flow Statement .....	30
Balance Sheet Abstract and General Business Profile .....	31

**18<sup>th</sup> ANNUAL GENERAL MEETING** to be held on **Saturday, 2<sup>nd</sup> July, 2011** at 10.00 a.m.,  
at the Registered Office of the Company at Ecomax, Musrane, Taluka Wada, Dist. Thane – 421 312, Maharashtra

# ASAHI INDUSTRIES LIMITED

## NOTICE

**Notice** is hereby given that 18<sup>th</sup> Annual General Meeting of the Members of **ASAHI INDUSTRIES LIMITED** (Formerly known as Asahi Fibres Limited) will be held on Saturday, 2<sup>nd</sup> July, 2011, at the Registered Office of the Company at Ecomax, Musrane, Taluka Wada, Dist. Thane – 421 312, Maharashtra, at 10.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Saurabh Kumar Tayal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Mahesh Prasad Mehrotra, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. A. F. Khasgiwala & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration and to pass, with or without modification(s), the following Resolution as Ordinary Resolution:

**“RESOLVED THAT** M/s A. F. Khasgiwala & Co, Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following Resolutions:

#### AS ORDINARY RESOLUTION.

5. **“RESOLVED THAT** in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Ms. Mrinal Tayal, who was appointed by the Board of Directors on 14<sup>th</sup> December, 2010, as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

#### AS SPECIAL RESOLUTION

6. **“RESOLVED** that the re-appointment of Shri Jaikumar Vishwanath Mishra as the Managing Director of the Company, made by the Board of Directors of the Company in their Meeting held on 5<sup>th</sup> February, 2011, pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, be and is hereby approved by the shareholders of the Company on the following terms:

Particulars	Terms
Tenure	15 <sup>th</sup> January, 2011 till 14 <sup>th</sup> January, 2016
Salary	₹ 50,000/- per month or ₹ 6,00,000/- per annum
Commission on Net Profit	1% of the Net Profits as calculated u/s 349/350 of the Companies Act, 1956
Maximum	₹ 12,00,000 per annum

**RESOLVED FURTHER** that Shri Saurabh Kumar Tayal, Chairman or Shri Jodharam Dhaka, Director of the Company, be and is hereby authorised to file the relevant e-forms with Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to the above Resolution.”

### NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. The instrument(s) appointing the Proxy shall be delivered to the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

## ANNUAL REPORT 2010–2011

5. The Register of Members and Share Transfer Register of the Company will remain closed from Thursday, 30<sup>th</sup> June, 2011 to Saturday, 2<sup>nd</sup> July, 2011 (both days inclusive) to comply with Annual Book Closure requirements.
6. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except public holidays, between 10.00 a.m. and 1.00 p.m., up to the date of Annual General Meeting.
7. Members desiring any information on the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2011, are requested to write to the Company at its Corporate Office Address atleast 7 days in advance of the Annual General Meeting, so as to enable the Management to keep the information ready at the Meeting.
8. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their Registered Address specifying full address with Pin Code Number and quoting their Registered Folio Number to the Company.
9. **Green Initiatives in the Corporate Governance:** The Government of India-Ministry of Corporate Affairs has, vide the Circular No. 17/2011 dated 21<sup>st</sup> April, 2011, allowed service of documents to the shareholders in the electronic mode. Thus, having regard to the said Circular read with the Information Technology Act, 2000 and Section 53 of the Companies Act, 1956, the Company hereby requests all its Members to register their E-mail Address (and any change therein from time to time) with Universal Capital Securities Private Limited (Formerly known as Mondkar Computers Pvt. Ltd), the Registrar and Share Transfer Agents of the Company. The Company proposes to send all the future correspondences in electronic form to the Members whose E-mail Address is registered with the Registrar and Share Transfer Agents of the Company. Any Member desiring to receive the said correspondences in the physical form are requested to write to the Company at its Corporate Office Address.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 28<sup>th</sup> April, 2011

Sd/-  
Company Secretary

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 5

Ms. Mrinal Tayal was appointed as an Additional Director by the Board of Directors on 14<sup>th</sup> December, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956, her tenure as an Additional Director expires at the ensuing Annual General Meeting.

Ms. Mrinal Tayal has done M.B.A. in Finance & Marketing and B. Tech in Computer Science. She has rich experience of working in Banking Sector. Ms. Mrinal Tayal was Corporate Relationship Manager in CITI BANK. Further, she worked with ICRA to profile credit ratings for SME's. She has also worked with Barclays Capital for the project on Syndicated INR Loans.

Ms. Mrinal Tayal is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Ms. Mrinal Tayal in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003, confirming her eligibility for such appointment. Ms. Mrinal Tayal do not hold any shares in the Company.

The Company has received a Notice alongwith requisite deposit amount from a Member pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Ms. Mrinal Tayal for the Office of the Director of the Company.

The Board recommends the passing of this Resolution. Except Ms. Mrinal Tayal, none of the Directors are interested in this Resolution.

#### Item No. 6:

Shri Jaikumar Vishwanath Mishra was re-appointed as a Managing Director by the Board of Directors of the Company on 5<sup>th</sup> February, 2011, in accordance with the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956.

Shri Jaikumar Vishwanath Mishra has done his Graduation in Commerce and M.B.A. in Finance. He has more than 16 years of experience of working in the Textile Industry.

Shri Jaikumar Vishwanath is not disqualified from being re-appointed as Managing Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Shri Jaikumar Vishwanath Mishra in terms of the Companies (Disqualification of Directors under Section 274 (1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such re-appointment. Shri Jaikumar Vishwanath Mishra do not hold any shares in the Company.

The Board recommends the passing of this Resolution. Except Shri Jaikumar Vishwanath Mishra, none of the Directors are interested in this Resolution.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 28<sup>th</sup> April, 2011

Sd/-  
Company Secretary

# ASAHI INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby presents the 18<sup>th</sup> Annual Report on the business and operations of your Company along with the Audited Statements of Accounts for the Financial Year ended 31<sup>st</sup> March, 2011.

### FINANCIAL HIGHLIGHTS

	2010-2011 (₹ in Lacs)	2009-2010 (₹ in Lacs)
Sales	12443.91	8701.09
Profit before Depreciation, Interest and Tax	1294.59	1201.41
Depreciation	1277.99	1188.12
Provision for Tax	3.31	2.26
Deferred Tax Assets	89.67	112.46
Profit for the year	102.96	123.49
Profit/(Loss) brought forward from Previous Year	(795.40)	(918.89)
Profit/(Loss) carried to Balance Sheet	(692.43)	(795.40)

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

### DIVIDEND

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

### REVIEW OF PERFORMANCE

During the year, the Turnover of Company has substantially increased to ₹ 12443.91 Lacs as against ₹ 8701.09 Lacs in respect of the previous Financial Year ended 31<sup>st</sup> March, 2010, registering a growth of around 43% over the previous Financial Year. The Profit before Depreciation, Interest and Tax is ₹ 1294.59 Lacs in the Financial Year ended 31<sup>st</sup> March, 2011 as against ₹ 1201.41 Lacs in the previous Financial year ended 31<sup>st</sup> March, 2010. The profit after tax is ₹ 102.96 Lacs during the year under Report after making provision for taxation of ₹ 3.31 Lacs and after considering Deferred tax Assets of ₹ 89.67 Lacs as against profit after tax of Rs 123.49 Lacs in the previous Financial Year.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Saurabh Kumar Tayal, Non-Executive Chairman and Shri Mahesh Prasad Mehrotra, Director of the Company, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

During the year under Report, Shri Mahendrabhai Patel, Shri Harinder Kumar and Dr. Pritam Singh Pritam have resigned from the Directorship of the Company w.e.f. 5<sup>th</sup> October, 2010, 16<sup>th</sup> October, 2010 and 6<sup>th</sup> December, 2010, respectively. The Board places on record, the appreciation of the services rendered by Shri Mahendrabhai Patel, Shri Harinder Kumar and Dr. Pritam Singh Pritam during their tenure as the Directors, towards the growth of the Company.

Further, the Board of Directors of the Company had appointed Ms. Mrinal Tayal as an Additional Director w.e.f. 14<sup>th</sup> December, 2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Ms. Mrinal Tayal shall hold office upto the date of ensuing Annual General Meeting. The Notice pursuant to Section 257 of the Companies Act, 1956, has been received from the Member proposing the candidature of Ms. Mrinal Tayal for being appointed as a Director of the Company.

Further the tenure of Shri Jaikumar Vishwanath Mishra as the Managing Director of the Company had expired on 15<sup>th</sup> January, 2011. The Board of Directors of the Company had, in their Meeting held on 5<sup>th</sup> February, 2011, given their approval for the re-appointment of Shri Jaikumar Vishwanath Mishra as the Managing Director of the Company on the terms and conditions as mentioned in the Notice of AGM.

## ANNUAL REPORT 2010–2011

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2011, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the Financial Year ended 31<sup>st</sup> March 2011, on a '*going concern*' basis.

### CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from M/s. Asahi Fibres Limited to "*ASAHI INDUSTRIES LIMITED*" in accordance with the provisions of Section 21 of the Companies Act, 1956. In this regard, the Company has received Fresh Certificate of Incorporation consequent upon Change of name of the Company dated 21<sup>st</sup> October, 2010, from the Government of India-Ministry of Corporate Affairs, Registrar of Companies, Mumbai, Maharashtra.

### RESUMPTION IN TRADING AT THE BOMBAY STOCK EXCHANGE LIMITED

Your Directors have pleasure in appraising that Bombay Stock Exchange Limited had, vide Notice No. 20101025-13 dated 25<sup>th</sup> October, 2010, granted permission for resumption in the trading of the Equity shares of the Company w.e.f. 29<sup>th</sup> October, 2010, in 'T' group under the Scrip code 514482.

### ADMISSION OF THE EQUITY SHARES OF THE COMPANY AT NSDL

Your Directors have pleasure in appraising that the National Securities Depository Limited (NSDL) has admitted the Equity Shares of the Company on their depository system under the ISIN INE745I01015 vide Circular No. NSDL/PI/2010/2697 dated 1st December, 2010.

### DELISTING OF EQUITY SHARES

Your Directors hereby informs that the Equity shares of the Company have been automatically de-listed from the Saurashtra Kutch Stock Exchange Limited vide Letter No. SKSE/10-11/154 dated 13<sup>th</sup> October, 2010, on account of withdrawal of the recognition of the said Stock Exchange by SEBI.

Further, the Company is in the process of applying for the delisting of the Equity shares from the Ahmedabad Stock Exchange Limited under the Scrip Code 05153.

### AUDIT COMMITTEE

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

### SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The composition of Share Transfer and Investors' Grievance Committee is given in the Report on Corporate Governance.

### REPORT ON CORPORATE GOVERNANCE

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

### SAFETY, HEALTH AND ENVIRONMENT

A sustained and meticulous effort continues to be exercised by the Company at the plant of the Company towards greener production and Environment Conservation. The Company perseveres its efforts to indoctrinate safe and environmentally accountable behavior in every Employee as well as Vendors by compulsory annual training and refresher courses and frequent awareness programs. Mock drills of emergency preparedness are regularly conducted at the plant showing Company's commitment towards safety, not only of its own men and plant, but also of the society at large. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings.

## **ASAHI INDUSTRIES LIMITED**

The health of employees and the environment in and around the plant area have been given due care and attention. The Company continues to comply with the prescribed Industrial Safety Environment Protection and Pollution Control Regulations at its production plant through periodic checks of the system involved and constant monitoring to meet the standards set by the Pollution Control Authorities, etc.

The Plant of the Company is eco-friendly and do not generate any harmful effluents. Safety devices have been installed wherever necessary.

### **INDUSTRIAL RELATIONS & HUMAN RESOURCES MANAGEMENT**

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

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

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

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

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

### **PARTICULARS OF EMPLOYEES**

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

### **FIXED DEPOSITS**

During the year under report the Company has not accepted any fixed deposits.

### **INSURANCE**

The properties/assets of your Company are adequately insured.

### **AUDITORS**

M/s. A. F. Khasgiwala & Co., Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. A. F. Khasgiwala & Co. to the effect that their re-appointment as Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956.

### **ACKNOWLEDGEMENT**

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

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 28<sup>th</sup> April, 2011**

**Sd/-**  
**Saurabh Kumar Tayal**  
**Chairman**

# ANNUAL REPORT 2010–2011

## ANNEXURE TO THE DIRECTORS' REPORT:

Information as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2010-2011.

### 1. CONSERVATION OF ENERGY

#### a) Energy conservation measures taken:

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

#### b) Proposals being implemented for reduction of consumption of energy:

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

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

The Company is constantly exploring avenues for cost saving as an on-going process.

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

	Year ended 31.03.2011	Year ended 31.03.2010
<b>A. Power and Fuel Consumption in respect of :</b>		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	141.02	117.52
2. Total amount (₹ in Lacs)	826.38	688.66
3. Rate per unit (Rs/unit)	5.86	5.86
(b) Own Generation		
(Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	332.65	354.72
2. Units per litre of fuel	3.63	3.30
3. Cost per unit (Rs/unit)	6.25	6.85
2. Coal	—	—
3. Furnace Oil		
1. Furnace Oil (Ltr. In Lacs)	—	—
2. Total Amt (₹ In Lacs)	—	—
3. Cost ₹/ltr.	—	—
4. Others/Internal Generation	—	—
<b>B. Consumption per unit of production</b>		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	2641.67	2401.52
2. Coal (Kgs.)	—	—
3. Furnace Oil (Ltrs.)	—	—
4. Steam (Tonnes)	—	—

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

## ASAHI INDUSTRIES LIMITED

### 2. TECHNOLOGY ABSORPTION

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

#### a) Research and Development:

i) Specified areas in which R&D activities are carried out by the Company.	R&D activities are being carried out continuously to produce better quality of yarn and fabrics.
ii) Benefits derived as a result of the above	As a result of R&D activities, the Company has been able to produce quality fabrics.
iii) Future Plan of Action	Efforts aimed at cost reduction, improvement in quality of products and development of new process will continue.
iv) Expenditure on R & D	Expenditure on R&D is being booked under the respective heads in the Profit & Loss Account as no separate account is maintained for this purpose.
b) Technology Absorption, Adaptation and Innovation:	The Company has not utilized any imported technology.

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Year ended 31.03.2011	Year ended 31.03.2010
a) Activities relating to export markets for products and services and export plan	—	—
b) Foreign Exchange Outgo (₹ in Lacs)	—	—
c) Foreign Exchange Earnings (₹ in Lacs)	—	—

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 28<sup>th</sup> April, 2011

Sd/-  
Saurabh Kumar Tayal  
Chairman



# ANNUAL REPORT 2010–2011

## CORPORATE GOVERNANCE REPORT

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

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

### 2. BOARD OF DIRECTORS

**2.1** The Board of Directors of the Company comprises of 7 Directors. During the Financial year 2010-2011, the Board met 4 times on the following dates namely 20<sup>th</sup> May 2010, 4<sup>th</sup> August 2010, 16<sup>th</sup> October 2010 and 5<sup>th</sup> February, 2011. There was no time gap of more than four months between any two Meetings of the Board of Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the 17<sup>th</sup> Annual General Meeting, and also the number of Directorships and Committee Memberships held by them in various Companies are given below: -

Name of the Director	Category	Attendance Particulars		Number of Directorships in other Public Companies and total Committee Memberships/ Chairmanships as on 31st March, 2011		
		Board Meetings during 2010-11	17th AGM	Directorships in other Public Companies	Total Committee Membership	Total Committee Chairmanship
Shri Saurabh Kumar Tayal	NEC	4	Yes	9	6	2
Shri Jaikumar Vishwanath Mishra	MD	4	Yes	2	1	Nil
Ms. Mrinal Tayal *	NED	1	N.A.	4	Nil	Nil
Shri Mahesh Prasad Mehrotra	ID	3	No	14	5	5
Shri Subhash Chandra Bhargava	ID	3	No	10	4	2
Shri Jodharam Dhaka	ID	4	Yes	Nil	1	1
Shri Shivprasad Shrivastav	ID	4	Yes	Nil	2	Nil
Shri Mahendrabhai Patel **	ID	Nil	No	N.A.	N.A.	N.A.
Shri Harinder Kumar ***	ID	Nil	No	N.A.	N.A.	N.A.
Dr. Pritam Singh Pritam ****	ID	3	No	N.A.	N.A.	N.A.

\*Appointed as an Additional Director w.e.f. 14<sup>th</sup> December, 2010

\*\* Resigned from Directorship w.e.f. 5<sup>th</sup> October, 2010

\*\*\* Resigned from Directorship w.e.f. 16<sup>th</sup> October, 2010

\*\*\*\* Resigned from Directorship w.e.f. 6<sup>th</sup> December, 2010

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

"NED" = Non-Executive Director and "ID" = Independent Director.

## ASAHI INDUSTRIES LIMITED

### 2.2 Appointment/Re-appointment of Directors

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

Sr. No.	Name of Director	Brief Resume	Area of Expertise	Other Director-ships	Total Committee Memberships as on 31.03.2011	Total Committee Chairmanship as on 31.03.2011
1.	Shri Saurabh Kumar Tayal	B. Com, M.B.A. (Finance)	Textile and Real Estate	9	6	2
2.	Shri Mahesh Prasad Mehrotra	B. Com, L.L.B., F.C.A.	Accounts & Audit, Legal, Taxation and Finance	14	5	5
3.	Ms. Mrinal Tayal	M.B.A. (Finance & Marketing) B. Tech (Computer Science)	Finance, Administration and Banking sector	4	Nil	Nil
4.	Shri Jaikumar Vishwanath Mishra	B. Com, M.B.A. (Finance)	Textile	2	1	Nil

### 2.3 Non-Executive Directors Compensation Disclosures

Details of Sitting Fees paid to Non-Executive and Independent Directors of the Company during the Financial Year 2010-2011, for attending the Board Meetings, Audit Committee Meetings and Share Transfer and Investors' Grievances Committee Meetings, is as follows:

Name of Director	Category	Sitting Fees (in ₹)	
		For Board Meetings	For Committee Meetings
Ms. Mrinal Tayal	NED	10,000	Nil
Shri Mahesh Prasad Mehrotra	ID	30,000	10,000
Shri Subhash Chandra Bhargava	ID	30,000	Nil
Shri Jodharam Dhaka	ID	40,000	49,000
Shri Shivprasad Shrivastav	ID	40,000	49,000
Dr. Pritam Singh Pritam	ID	30,000	Nil
Shri Mahendrabhai Patel	ID	Nil	Nil
Shri Harinder Kumar	ID	Nil	Nil
<b>Total</b>		<b>1,80,000</b>	<b>1,08,000</b>

## 3. BOARD COMMITTEES

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

### 3.1 Audit Committee

The Audit Committee of the Company has been re-constituted twice during the year ended 31<sup>st</sup> March, 2011. In the Meeting of the Board of Directors held on 16<sup>th</sup> October, 2010, the Audit Committee was re-constituted and comprised of Shri Mahesh Prasad Mehrotra, Chairman, Shri Shivprasad Shrivastav, Member and Shri Jodharam Dhaka, Member.

However, due to pre-occupation of Shri Mahesh Prasad Mehrotra, the Audit Committee was re-constituted again in the Board Meeting of the Company held on 5<sup>th</sup> February, 2011. The Audit Committee now comprises of:

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

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(II)(A) of the Listing Agreement as introduced by the Companies (Amendment) Act, 2000.