



**ASAHI INDUSTRIES LIMITED**



21st  
**Annual Report**  
2013-14

## ANNUAL REPORT 2013-2014

### ASAHI INDUSTRIES LIMITED

CIN: L17120MH1993PLC073267

#### BOARD OF DIRECTORS

Shri Narayan Ghumatkar – Chairman cum Managing Director

Shri Subhash Chandra Bhargava

Shri Jodharam Dhaka

Shri Shivprasad Shrivastav

Shri Manoj Kumar Sharma

#### COMPANY SECRETARY

Mr. Gaje Singh Solanki

#### PRINCIPAL BANKERS

(Dena Bank)

#### AUDITORS

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

Chartered Accountants

#### REGISTERED OFFICE

Ecomax, Musrane, Taluka Wada,

Dist. Thane – 421 312,

Maharashtra

#### CORPORATE OFFICE

Raghuvanshi Mills Compound,

11/12, Senapati Bapat Marg,

Lower Parel (W),

Mumbai- 400 013,

Maharashtra

#### REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Private Limited

21, Shakil Nivas, Opp Satya Sai Baba Temple,

Mahakali Caves Road, Andheri (East)

Mumbai – 400 093

Email: info@unisec.in

#### PLANT

Valsad, Gujarat

Bhilad

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

# ASAHI INDUSTRIES LIMITED

## NOTICE

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

### ORDINARY BUSINESS

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

### SPECIAL BUSINESS

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

### NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the



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Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

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

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

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

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

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

### In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Sunday, 13<sup>th</sup> July, 2014 at 9:00 a.m. and ends on Tuesday, 15<sup>th</sup> July, 2014 at 6:00 p.m., During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23<sup>rd</sup> June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

Sd/-  
Gaje Singh Solanki  
Company Secretary

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

#### ITEM NO. 3, 4, & 5

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

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

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

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

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

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

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

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

#### ITEM NO. 6

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

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

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

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

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

#### ITEM NO. 7

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

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

For and On behalf of the Board

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

Sd/-  
Gaje Singh Solanki  
Company Secretary

# ASAHI INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby presents the 21<sup>st</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, 2014.

### FINANCIAL HIGHLIGHTS

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

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

### DIVIDEND

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

### REVIEW OF PERFORMANCE

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

### DIRECTORS

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

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

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

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

### AUDIT COMMITTEE

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

### SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

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

### CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

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

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### HUMAN RESOLURCE DEVELOPMENT

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

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

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

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

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY

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

### PARTICULARS OF EMPLOYEES

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

### FIXED DEPOSITS

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

### INSURANCE

The properties/assets of your Company are adequately insured.

### AUDITORS

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

### COST AUDIT

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

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Sd/-

Narayan Ghumatkar

Chairman cum Managing Director

Place : Mumbai

Date : 29<sup>th</sup> May, 2014



# ASAHI INDUSTRIES LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

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

### I. CONSERVATION OF ENERGY

#### a) Energy conservation measures taken:

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

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

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

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

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

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

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

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

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### II. TECHNOLOGY ABSORPTION

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

#### a) Research and Development:

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

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

### 1. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

Sd/-  
Narayan Ghumatkar  
Chairman cum Managing Director