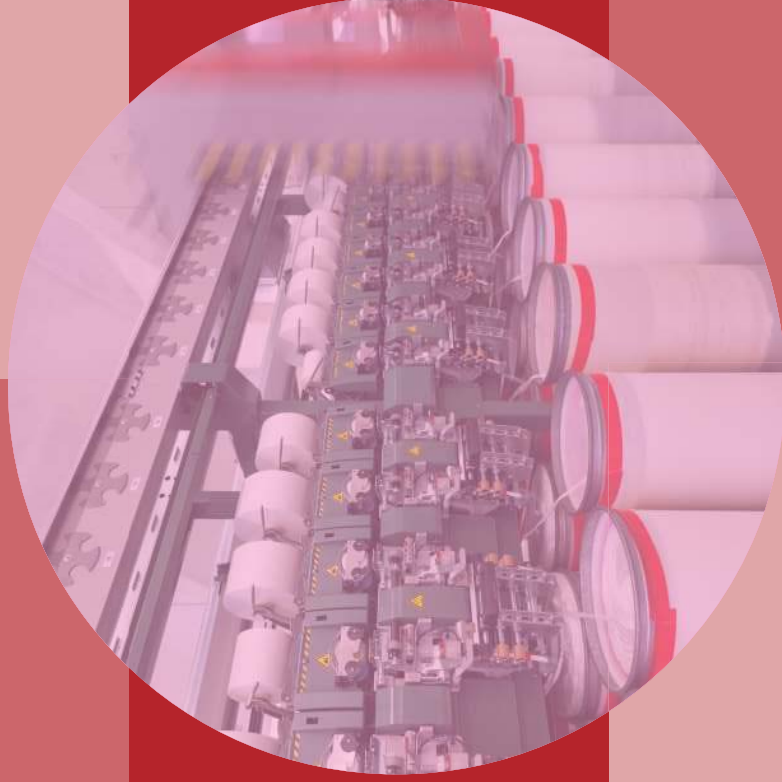




**ASAHI INDUSTRIES LIMITED**



**22nd Annual Report**  
**2014-2015**



**ASAHI INDUSTRIES LIMITED**

Ecomax, Musrane, Taluka Wada, Dist. Thane-421 312.



# ASAHI INDUSTRIES LIMITED

CIN: L17120MH1993PLC073267

## ANNUAL REPORT 2014-15

### BOARD OF DIRECTORS

Shri Narayan Ghumatkar	- Managing Director
Shri Jodharam Dhaka	- Independent Director
Shri Shivprasad Shrivastav	- Independent Director
Shri Manoj Kumar Sharma	- Independent Director
Shri Suraj Singh	- Director
Ms. Martina Keny	- Director

### CHIEF FINANCIAL OFFICER

Mr. Ravindra Chitle

### PRINCIPAL BANKER

(Dena Bank)

### AUDITOR

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 2

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**22<sup>nd</sup> Annual General Meeting to be held on Saturday, 12<sup>th</sup> September, 2015 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 22<sup>nd</sup> Annual General Meeting of the Members of **ASAHI INDUSTRIES LIMITED** will be held on Saturday, 12<sup>th</sup> September, 2015, 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, 2015 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To ratify the appointment of Auditor and to fix remuneration 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W), as the Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting of the Company to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditor.”

### SPECIAL BUSINESS

3. To appoint Shri Suraj Singh (DIN No 06923815) as a 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 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 Suraj Singh (DIN No 06923815), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.
4. To appoint Ms. Martina Keny (DIN No 07194903) as a 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 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, Ms. Martina Keny (DIN No 07194903), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.
5. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016 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, 2016, 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.”

### 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 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 6<sup>th</sup> September, 2015 to 12<sup>th</sup> September, 2015 (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 Saturday, 5<sup>th</sup> September, 2015, 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 Two 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:-**

- 1) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" tab.
- 3) Now, select the Electronic Voting Sequence Number - "EVSN" along with "ASAHI INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT".
- 4) Now Enter your User ID [For CDSL: 16 digits beneficiary ID, For National Securities Depository Limited ("NSDL"): 8 Character DP ID followed by 8 Digits Client ID], Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- 5) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below: Fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form / Physical Form
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
DOB#	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.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the ----- in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the **DD/MM/YYYY** in the Date of Birth details field. Alternately please enter ----- in the Dividend Bank details field.

## ASAHI INDUSTRIES LIMITED

- 6) After entering these details appropriately, click on "SUBMIT" tab.
- 7) Members holding shares in physical form will then reach directly to the EVSN 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.
- 8) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in the Notice convening AGM.
- 9) Click on the relevant EVSN on which you choose to vote.
- 10) 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.
- 11) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- 12) 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.
- 13) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- 14) The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on cut-off date/entitlement date.
- 15) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 16) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code then click on Forgot Password & enter the details as prompted by the system.
- 17) 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 Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution which they have issued in favour of the Authorised Person, if any, in PDF format in the system for the scrutinizer to verify the same.
- 18) The e-voting period begins on Wednesday, 9<sup>th</sup> September, 2015 at 9:00 a.m. and shall end on Friday, 11<sup>th</sup> September, 2015 at 5:00 p.m., both days inclusive. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Saturday, 5<sup>th</sup> September, 2015 being the cut-off date/entitlement date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 19) The e-voting facility is being offered as an alternate to all the Members to enable them to exercise their right to vote by electronic means. The Members who do not opt to exercise their right to vote by electronic means or who do not have access to e-voting facility, may exercise their right to vote at Annual General Meeting, in the manner prescribed under Section 107 of the Companies Act, 2013. The Members who opted to cast their vote by electronic means cannot participate in voting at Annual General Meeting. If any Member opted to cast his vote by electronic means and also participates in voting at Annual General Meeting then voting done by electronic means shall be treated as valid and the vote casted at Annual General Meeting shall be treated as if the Member has not participated in voting at Annual General Meeting.
- 20) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available on [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). The shareholders can also write to [asahifibreslimited@gmail.com](mailto:asahifibreslimited@gmail.com)
- 21) The Notice of Annual General Meeting is placed on website of the CDSL viz. [www.cdslindia.com](http://www.cdslindia.com).
- 22) 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.
- 23) The result of the e-voting shall be declared by any one of the Directors or Company Secretary or any other person authorised by the Board at the Annual General Meeting and the results declared along with the Scrutinizer's Report shall be placed on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com).

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

**Sd/-**

**Martina Keny**  
**Chairperson**

**Place: Mumbai**  
**Date: 5<sup>th</sup> August, 2015**

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM NO. 3, & 4**

The Board of Director of the Company appointed, pursuant to the provisions of section 161(1) of the Companies Act 2013, and article of association of the company Ms. Martina Keny (DIN No 07194903) and Shri Suraj Singh (DIN No 06923815) as an additional director of the company with effect from 30th March, 2015 and 14<sup>th</sup> August 2014, respectively.

In term of provisions of Section 161(1) of the Companies act 2013 Ms. Martina Keny (DIN No 07194903) and Shri Suraj Singh (DIN No 06923815) would hold office up to the date of the ensuring Annual General Meeting.

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.

Shri Suraj Singh (DIN No 06923815) and Ms. Martina Keny (DIN No 07194903) is 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 candidature of Shri Suraj Singh (DIN No 06923815) and Ms. Martina Keny (DIN No 07194903) for office of Director of the Company.

The relatives of Shri Suraj Singh , Ms. Martina Keny , may be deemed to be interested in the Resolutions set out respectively at item nos. 3, & 4 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 recommends the Ordinary Resolutions set out at item nos. 3, & 4 of the Notice for approval of the shareholders.

**ITEM NO. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment of a Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

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. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

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

**Place: Mumbai**

**Date: 5<sup>th</sup> August, 2015**

**Sd/-  
Martina Keny  
Chairperson**

# ASAHI INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby presents the 22<sup>nd</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, 2015.

### FINANCIAL HIGHLIGHTS

	2014-2015 (Rs. in Lacs)	2013-2014 (Rs. in Lacs)
Revenue from operations	52887.17	25932.87
Finance Cost	109.06	144.25
Depreciation and Amortization Expense	1360.88	1364.65
Profit before Tax	(134.09)	(13.94)
<b>Provision for Tax</b>		
Current Tax		
Deferred Tax Liabilities/ (Assets)	153.43	108.22
Profit/Loss after Tax	19.34	94.28

**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 Rs 52887.17 Lacs as against Rs. 25932.87 Lacs in respect of the previous Financial Year ended 31<sup>st</sup> March, 2014. The Profit after Tax is increased to Rs. 19.34 Lacs in the Financial Year ended 31<sup>st</sup> March, 2015 as against Rs. 94.28 Lacs in the previous Financial year ended 31<sup>st</sup> March, 2014 after considering deferred tax assets of Rs. 153.43 Lacs as against 108.22 Lacs in the previous financial year.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Section 203 of the Companies Act, 2013, Ms. Monica Bohra was appointed as the post of whole-time Company secretary and Compliance officer of the Company w.e.f. 09 January, 2014

In accordance with the Section 203 of the Companies Act, 2013, Mr. Ravindra Chitale was appointed as the post of Chief Financial officer of the Company w.e.f. 14 August, 2014

During the year under Report, Mr. Gaje Singh Solanki and Ms. Monica Bohra resigned on August, 30, 2014 and February 13, 2015 respectively as the post of whole-time Company secretary and Compliance officer of the Company.

During the year under Report, Ms. Martina Keny (DIN No 07194903) as appointed has an Additional Director w.e.f. 30<sup>th</sup> March, 2015 and Shri Suraj Singh (DIN No 06923815) has been Appointed as an Additional Director of the Company w.e.f. 14<sup>th</sup> August, 2014.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure A”.

### MEETINGS OF THE BOARD

Six meetings of the Board of Directors and Four Meeting of audit committee were held during the year. For further details, please refer report on corporate governance section in this Annual Report.

### COMMITTEES OF THE BOARD

Currently, the Board has Six committees: the audit committee, nomination and remuneration committee, Management and Finance Committee, Sexual Harassment Committee, stakeholder's relationship committee, and risk and Management committee. All committees, except the risk and Management committee, consist entirely of independent directors.

A detailed note on the Board and its committees is provided under the corporate governance report section in this Annual Report.



### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, The Nomination and Remuneration Committee have defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Director.

In accordance with the criteria and procedure the Independent Directors considered/evaluated the Board's performance, Performance of the Chairman and other Non-Independent Directors.

The Board has undergone a formal review which comprised Board effectiveness survey and review of materials. The Board subsequently evaluated its own performance, the working of its committees (Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Management and Finance Committee) and Independent Directors (without the participation of the relevant director) The Directors were evaluated on aspects such as attendance and contribution at Board / Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director and CEO Areas on which the Committees were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings

The performance evaluation of Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committee and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

### DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes its Independent Directors 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. through various programmes.

The details of such familiarization programme shall be disclosed on the Company's website at the following web link: <http://asahiind.com/wp/>

### REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations Obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken 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;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

# ASAHI INDUSTRIES LIMITED

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.asahiind.com](http://www.asahiind.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15.

No of complaints received: Nil

No of complaints disposed off: Nil

## 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 the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

## RELATED PARTY TRANSACTIONS:

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Notes to the financial statements.

The Company has also adopted Related Party Transaction Policy as required under Clause 49 of the Listing Agreement.

The Board has approved the policy on Related Party Transactions and Material Subsidiary. The policies have been uploaded on the Company's website, under the web link: <http://asahiind.com/wp/related-party-transactions/>