

Annual Report 2010-2011







Asahi Songwon Colors Limited
Adding Color to Life



Message from the Chairperson & Managing Director

Dear Shareholders.

The year 2010-11 has been an excellent one for our company and your country.

The turnaround in the economy what started last year is now complete. India and Indian business are making headlines across the world.

Our Company has been able to move to the next level. Our profits have doubled this year on back of a good last year. But more importantly, we feel this is just the beginning of a good period for our industry where Indian takes the lead globally.

Our revenues have increased by 45%, PAT by 110%. Keeping in line with the company's dividend payout record, the board has recommended a final dividend of 20% for the year 2010-11 which with the interim dividend of 10% makes a total of 30% during the year.

Our results would not have been possible without the commitment, dedication and hard work of our work force. They have performed extremely well under difficult conditions.

For me, this year has been particularly satisfying one as Asahi has now started investing regularly in its R & D efforts. This is now likely to prop the Company forward. We plan to launch two new higher value added products which I am proud to say have been developed by Asahi team.

With customers such as DIC of Japan, Sun Chemicals of USA, Clariant of Germany and BASF our future looks promising.

As always our Company remains committed to a greener and cleaner environment.

I take this opportunity to thank all the employees, suppliers, customers and our valued shareholders for their support.

Paru M. Jaykrishna Chairperson

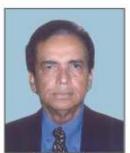


BOARD OF DIRECTORS AND THEIR BRIEF PROFILE



Mrs. Paru M. Jaykrishna Chairperson & Managing Director

Mrs. Paru M. Jaykrishna, is the Chairperson and Managing Director of the Company. She is B.A. & M.A. in Philosophy, Sanskrit & English Literature and also holds a degree in Law. She is one of the renowned women entrepreneurs of India. She was the first lady appointed as Executive Member and President of Gujarat Chambers of Commerce and Industry. She has been founder director, president to many of the Gujarat Government Boards and Organizations. She is the founder of the Company and looks after policy making and growth strategies of the Company.



Mr. H. K. Khan

Mr. H. K. Khan, IAS (Retd.). has held very senior position both in Government of India and Government of Gujarat. Besides holding Chairman/Director on the Board of several public sector as well as private sector companies, he has severed very important position in Gujarat Government as Chief Secretary, Adviser to Chief Minister, Additional Chief Secretary and Principal Secretary of Industry. In 1988, he was appointed as Secretary to the Government of India in the Department of Chemicals and Petrochemicals. He held following Corporate posts: Chairman - Gujarat State Fertilizer Company, Chairman - Gujarat Narmada Fertilizer Company, Chairman - Gujarat Alkalies and Chemicals Ltd., Chairman - Gujarat Power Corporation and Ahmedabad Electric Company, Chairman - Gujarat Ambuja Cement Ltd., Director - I.P.C.L. He is a member of remuneration committee of the Company. He is a director of Jubliant Organosys Ltd and Calcom Visions Ltd.



Mr. R. K. Sukhdevsinhji

Mr. R. K. Sukhdevsinhji, is the son of late Maharaja Rajendrasinhji. He graduated from St. Stephens College, Delhi. In 1981 he was deputed to the Ministry of Petroleum and Natural Gas as Director (Operations) in the Oil Coordination Committee (OCC). He has also served as Chairman and Managing Director of Bharat Petroleum Corporation Ltd. He has held Board level position in various Central Government, public sectors companies/corporations. Presently he is Advisor (Oil) and Resident Director - Corporate Affairs, Mumbai of Essar Group. He is a member of Audit Committee of the Company.



Mr. Arvind Goenka

Mr. Arvind Goenka, is a graduated from St. Xaviers College, Kolkata, is an industrialist hailing from the renowned family of Late Sir Badridas Goenka associated with the Industrial group popularly known as DUNCANS. Mr. Goenka commands rich experience over 25 years in managing and/or looking after industries of diverse business interests such as jute, cotton textiles, rubber, chemical and sophisticated industrial engineering products. He is on the board of reputed companies like Oriental Carbon & Chemicals Ltd, Schrader Duncan Ltd, Associated Polymers Ltd.

BOARD OF DIRECTORS AND THEIR BRIEF PROFILE



Mr. Gaurang N. Shah

Mr. Gaurang N. Shah, is an industrialist having more than 30 years experience in business and in particularly in the Chemical Industry. He is the chairman of Audit Committee & Remuneration Committee and Shareholders/Investors Grievances Committee of the Company.



Prof. Pradeep Jha

Prof. Pradeep Jha, is an academician with over 35 years of experience in teaching. He has published research papers on inventory management. He is senior Professor of Mathematics in M.G. Science College in Ahmedabad. He is a member of Audit Committee, Remuneration Committee and Shareholder's/Investor's Grievances Committee of the Company.



Mr. Gokul M. Jaykrishna

Mr. Gokul M. Jaykrishna, is the Joint Managing Director of the Company looking after the finance, marketing and overall development of the Company. He is a Major in finance and marketing from Lehigh University, Behtlehem. He has the experience of working with Krieger Associates, New Jersey, USA, one of the most influential currency and currency option traders in the world. He is with the Company since 1996.



Mr. Munjal M. Jaykrishna

Mr. Munjal M. Jaykrishna, is the Joint Managing Director of the Company looking after production, marketing, quality control and overall development of the Company. He is a Bachelors of Science in business and economics from Lehigh University, Bethlehem. Before, joining the Company, he has worked with Bank of California, San Francisco as Financial Analyst & Paragon Knits, Bethlehem as a Consultant.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Paru M. Jaykrishna Chairperson & Managing Director

Mr. H. K. Khan

Mr. R. K. Sukhdevsinhji

Mr. Arvind Goenka

Mr. Gaurang N. Shah

Prof. Pradeep Jha

Mr. Gokul M. Jaykrishna

Joint Managing Director Mr. Munjal M. Jaykrishna Joint Managing Director

COMPANY SECRETARY

Mr. Saji V. Joseph

AUDITORS

Trushit Chokshi & Associates

BANKERS

State Bank of India

REGISTERED OFFICE AND WORKS

167-168, Village Indrad,

Kadi Kalol Road,

Dist. Mehsana

Gujarat - 382 727 (India)

Works: 1. Pigment Green Division

167-168, Village Indrad,

Kadi Kalol Road,

Dist. Mehsana

Gujarat - 382 727 (India)

Works: 2. Pigment Blue Division

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

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of **ASAHI SONGWON COLORS LIMITED** will be held on Thursday the 25th August, 2011 at the Registered Office of the Company situated at 167-168, Village Indrad, Kadi - Kalol Road, Dist: Mehsana, Gujarat, at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider, approve and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Audited Balance Sheet as at that date and the Director's and Auditor's report thereon.
- 2. To confirm the Interim Dividend already paid to the Equity Shareholders as Final Dividend.
- 3. To declare Final Dividend.
- 4. To appoint a Director in place of Mr. Arvind Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
- 5. To appoint a Director in place of Prof. Pradeep Jha, who retires by rotation and being eligible, offers himself for re-appointment.
- 6. To appoint statutory auditors and fix their remuneration.

SPECIAL BUSINESS:

7. REAPPOINTMENT OF MRS. PARU M. JAYKRISHNA AS CHAIRPERSON AND MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) such other approvals, permissions and sanctions from Central Government, if required, approval of the Company be and is hereby accorded to the reappointment of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company for a period of 5 years with effect from 1st August, 2011 on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mrs. Paru M. Jaykrishna as the Chairperson and Managing Director, the Company has no profits or its profit are inadequate, the Chairperson and Managing Director shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised further to alter, vary and/or amend the terms and conditions of re-appointment including the remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereof."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

8. REAPPOINTMENT OF MR. GOKUL M. JAYKRISHNA AS JOINT MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-



enactment (s) thereof, for the time being in force) such other approvals, permissions and sanctions from Central Government, if required, approval of the Company be and is hereby accorded to the reappointment of Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company for a period of 5 years with effect from 1st August, 2011 on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Gokul M. Jaykrishna as Joint Managing Director, the Company has no profits or its profit are inadequate, the Joint Managing Director shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised further to alter, vary and/or amend the terms and conditions of re-appointment including the remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereof."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

9. **REAPPOINTMENT OF MR. MUNJAL M. JAYKRISHNA AS JOINT MANAGING DIRECTOR OF THE COMPANY**To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956, consent of the members of the Company be and is hereby given to change in designation of Mr. Munjal M. Jaykrishna from Executive Director to Joint Managing Director of the Company w.e.f. 20th July, 2010."

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or reenactment (s) thereof, for the time being in force) such other approvals, permissions and sanctions from Central Government, if required, approval of the Company be and is hereby accorded to the reappointment of Mr. Munjal M. Jaykrishna as Joint Managing Director of the Company for a period of 5 years with effect from 1st August, 2011 on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Munjal M. Jaykrishna as Joint Managing Director, the Company has no profits or its profit are inadequate, the Joint Managing Director shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised further to alter, vary and/or amend the terms and conditions of re-appointment including the remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereof."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

By the Order of the Board of Directors

MRS. PARU M. JAYKRISHNA Chairperson and Managing Director

Place: Indrad, Mehsana
Date: 06/07/2011

Registered Office:
167-168, Village Indrad,
Kadi Kalol Road, Dist. Mehsana
Gujarat - 382 727 (India)



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.

PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY ATLEAST 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.

- 2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business at Item No. 7 to 9 is annexed hereto.
- Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 4. For the Financial Year 2010-2011 interim dividend of Rupee 1/- per Equity Share (@ 10% on face value of Rs. 10/- each) was approved at the meeting of Board of Directors held on 21st October, 2010 and the same has been paid to the members/beneficial owners as on record date. The approval of members to confirm the payment of interim dividend as final dividend for the financial year 2010-2011 is sought for, at the ensuing Annual General Meeting.
- 5. A brief resume of Directors retiring by rotation and directors seeking reappointment with nature of their expertise in specific functional areas and name of Companies in which they hold directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.
- 6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.
- Members who hold shares in dematerilised form are requested to fill their Client ID and DP ID numbers and those hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- 8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 17th August, 2011 to Thursday, 25th August, 2011 (both days inclusive).
- 9. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those Members whose name appear in the Register of Members of the Company as on 16th August, 2011, in respect of shares held in Physical Form and in respect of shares held in the electronic form, to those "Deemed Members" whose name appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) at the end of business hours on 16th August, 2011.
- 10. (a) Members are requested to notify immediately any change of address:
 - i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii) to the Company or to its Share Transfer Agents in respect of their physical share folios, if any.
 - (b) In case the mailing address on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately
- 11. The members can also avail facility of nomination in terms of extent legal provisions in this regard. On request, the necessary form will be supplied by the Registrar and Share Transfer Agents.
- 12. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing service of notices / documents including Annual Report by e-mails to its members. To support this green initiative of the Government in full measure, members who are requested to register their email address with the Company or the Registrar and Share Transfer agent.
- 13. Members desirous of obtaining any information / clarification concerning accounts and operations of the Company are requested to send in writing to the Company at least 7 days before the date of the Meeting.

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ANNEXURE TO THE NOTICE

Disclosure pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting (Refer Item No. 4, 5, 7 to 9) of the Notice.

RE		•				
PORT	Name of Director	Mr. Arvind Goenka	Prof. Pradeep Jha	Mrs. Paru M. Jaykrihsna	Mr. Gokul M. Jaykrishna	Mr. Munjal M. Jaykrishna
ľ 201	Date of Birth	05/06/1962	28/11/1945	05/08/1943	24/10/1968	08/04/1970
0-2011	Date of Appointment Expertise in specific functional areas	16/04/1996 Rich experience in the business of Jute,	26/08/1997 Academician with over 35 years teaching.	19/12/1990 Experience of more than 39 years in the business of	08/03/1996 He possesses rich and varied experience of more	08/03/1996 He possesses rich experience of more than 21 years in
		Chemicals and Textiles etc.	He is a senior Professor of Mathematics.	Chemicals and Travel.	than 22 years in Finance and Marketing	Production and Marketing
	Qualification	Commerce Graduate	M.Sc (Maths)	MA, LLB	Major in Finance and Marketing	Bachelors of Science in Business and Economics
	No. of Equity Shares Held as on 31.03.2011	NIL	NIL	5113074	1217061	1214017
	List of outside Company Directorships Held	Oriental Carbon & Chemicals Ltd Schrader Duncan Ltd Associated Polymers Ltd Associated Polymers Ltd Formkins Consulting Services India Pvt. Ltd	1. AksharChem (India) Ltd	 AksharChem (India) Ltd Akshar Silica Pvt Ltd Asahi Energy Pvt Ltd Asahi Powertech Pvt Ltd Skyjet Aviation Pvt Ltd 	AksharChem (India) Ltd Akshar Silica Pvt Ltd Asahi Energy Pvt Ltd Asahi Powertech Pvt Ltd Skyjet Aviation Pvt Ltd Flyover communication Pvt Ltd	1. AksharChem (India) Ltd 2. Akshar Silica Pvt Ltd 3. Asahi Energy Pvt Ltd 4. Asahi Powertech Pvt Ltd 5. Skyjet Aviation Pvt Ltd 6. Flyover communication Pvt Ltd
	Chairman/Member of the Committees of the Board of Directors of the Company	NIL	Audit Committee Member Shareholder/Investor Committee – Member	Nil	Nil	Nil
	Chairman / Member of the Committees of Directors of other Companies in which he/she is a Director					
5	it Committee reholders / Investors vances Committee	Schrader Duncan Ltd Oriental Carbon & Chemicals Ltd	 AksharChem (India) Ltd AksharChem (India) Ltd 	Nil	Nil	Nil



ANNEXURE TO THE NOTICE

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

Item No. 7

At the Extra Ordinary General Meeting held on 20th October, 2006, Mrs. Paru M. Jaykrishna was reappointed as Chairperson and Managing Director of the Company for a further period of five years with effect from 1st November, 2006 to 31st October, 2011. The terms of remuneration was revised at the 20th Annual General Meeting held on 20th July, 2010.

The Board of Directors, at their meeting held on 6th July, 2011 has decided before completion of her present tenure, to reappoint Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company for a further period of 5 years with effect from 1st August, 2011 on a revised remuneration as recommended by the remuneration committee, subject to the approval of the shareholders in the general meeting.

Mrs. Paru M. Jaykrishna, 68 years, is a M.A. LLB from University of Gujarat. She is one of the renowned women entrepreneurs of India. She was the first lady elected as President of Gujarat Chambers of Commerce and Industry in last 60 years. Under her able leadership, the Company has achieved phenomenal growth since inception to the current year. The brief particulars of her terms and conditions of remuneration are mentioned herein below:

1. Tenure of Appointment: 5 years with effect from 1st August, 2011.

2. Remuneration:

a. Basic Salary:

 Rs. 7,00,000/- per month with effect from 1st August, 2011, with such revisions as approved by the Board from time to time.

b. Commission:

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

3. Perquisites:

In addition to the salary and commission as outlined above, the Chairperson and Managing Director shall be entitled to perquisites/allowances as under:

Category "A"

a. Housing:

- The expenditure incurred by the Company on hiring furnished accommodation for the Chairperson and Managing Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Managing Director.
- ii) In case the accommodation is owned by the Company, 10% of the salary of Chairperson Managing Director shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, Chairperson and Managing Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.

b. Medical Reimbursement:

The Company shall reimburse expenses incurred for the Chairperson and Managing Director for herself and her family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.

c. Leave Travel Concession:

For the Chairperson and Managing Director and her family once in a year incurred in accordance with the rules of the Company.