AsahiSongwon

ASAHI SONGWON COLORS LIMITED

Registered Office: 167/168, Village : Indrad, Tal : Kadi, Dist : Mehsana – 382 727, Gujarat, India.
Tel : +91 2764- 233007-10, Fax : +91- 2764 233 550 email : cs@asahisongwon.com, CIN:L24222GJ1990PLC014789.
www.asahisongwon.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF ASAHI SONGWON COLORS LIMITED

Day : Tuesday

Date : 1st day of July, 2014

Time : 11.30 a.m.

Venue : 167/168, Village : Indrad, Tal : Kadi, Dist : Mehsana - 382727, Gujarat, India.

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 134 OF 2014

In the matter of Scheme of Arrangement under Sections 391 to 394 read with Section 78 and 100 to 103 of the Companies Act, 1956;

AND

In the matter of Asahi Songwon Colors Limited A Company incorporated under the Companies Act, 1956 and having its registered office at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727 in the state of Gujarat.

AND

In the matter of Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited and consequential restructure of the share capital of Asahi Songwon Colors Limited.

Asahi Songwon Colors Limited. A Company incorporated under the Companies Act, 1956 and having its registered office at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727 in the state of Gujarat..... Applicant De-merged Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF ASAHI SONGWON COLORS LIMITED

To,
The Equity Shareholders of Asahi Songwon Colors Limited
("Applicant Company" / "De-merged Company")

TAKE NOTICE that by an Order made on 9th day of May, 2014, in the above mentioned Company Application, the Hon'ble High Court of Gujarat at Ahmedabad has directed that a meeting of the Equity Shareholders of Asahi Songwon Colors Limited, the Applicant Company, be convened and held at the registered office of the Applicant Company at 167/168, Village Indrad, Kadi Kalol Road, Mehsana, 382 727 in the state of Gujarat on Tuesday, the 1st day of July 2014 at 11.30 a.m., for the purpose of considering and if thought fit, approving with or without modifications, the proposed Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited, the Demerged Company to AksharChem (India) Limited, the Resulting Company and consequential restructure of the share capital in form of Utilization of Securities Premium Account of Asahi Songwon Colors Limited, the Applicant De-merged Company, as proposed between the company and its Equity shareholders and creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Asahi Songwon Colors Limited, the Applicant Company, will be convened and held at the registered office of the Applicant Company at 167/168, Village Indrad, Kadi Kalol Road, Mehsana 382727 in the state of Gujarat on Tuesday, the 1st day of July 2014 at 11.30 a.m. at which place, day, date and time, when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Village Indrad, not later than 48 hours before the scheduled time of the commencement of the said meeting. Please carry proper proof of identification at the meeting venue for the purpose of verification.

The Hon'ble High Court of Gujarat at Ahmedabad has appointed Mrs. Paru M. Jaykrishna, the Chairperson and Managing Director of the Applicant Company, and failing her Mr. Munjal M. Jaykrishna, the Joint Managing Director of the Applicant Company, as Chairman of the said Meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, the Scheme of Arrangement, the fairness report issued by Tipsons Consultancy Services Private Limited, the observation letters issued by the BSE Limited and National Stock Exchange of India Limited, the Complaints Report, Form of Proxy and Attendance Slip are enclosed.

Dated 27th day of May, 2014
Registered Office:
167/168, Village: Indrad
Kadi Kalol Road,
Mehsana – 382 727
Gujarat, India

Sd/-
Mrs. Paru M. Jaykrishna
Chairperson appointed for the meeting

Notes:

1. All alterations made in the Form of Proxy should be initialed.

2. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act) at the meeting. The authorized representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting, provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting.

3. Foreign Institutional Investors (FIIs) who are registered equity shareholders of the Applicant Company would be required to deposit certified copies of custodial resolutions/power of attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting.

4. A registered equity shareholder of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company.

5. Registered equity shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.

6. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.

Encl.: As above

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 (CORRESPONDING TO SECTION 192A OF THE COMPANIES ACT, 1956) READ WITH CIRCULARS BEARING NOS. CIR/CFD/DIL/5/2013 DATED FEBRUARY 4, 2013 AND CIR/CFD/DIL/8/2013 DATED MAY 21, 2013 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI")

The Equity Shareholders of Asahi Songwon Colors Limited
("Applicant Company" / "De-merged Company")

NOTICE is hereby given to you to consider, and if thought fit, approve the proposed Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited, and consequential restructure of the share capital in form of Utilization of Securities Premium Account of Asahi Songwon Colors Limited.

The Audit Committee and the Board of Directors of the Company at their respective meetings held on December 19, 2013, unanimously approved the Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited, and consequential restructure of the share capital in form of Utilization of Securities Premium Account of Asahi Songwon Colors Limited under Sections 391 to 394 read with Section 78 and 100 to 103 of the Companies Act, 1956.

The Company seeks the approval of its Equity Shareholders to the Scheme by way of Postal Ballot and e-voting pursuant to Section 110 of the Companies Act, 2013 (corresponding to Section 192A of the Companies Act, 1956) read with Companies (Management and Administration) Rules, 2014 (corresponding to Companies Passing of Resolution by Postal Ballot) Rules 2011 read with SEBI Circulars bearing Nos. CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013 ("SEBI Circulars"), subject to the requirements specified in the Observation letters dated May 2, 2014 issued by BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") respectively pursuant to the SEBI Circulars and the Listing Agreement (collectively referred to as "Observation Letters") and under relevant provisions of applicable laws.

The Hon'ble High Court of Judicature at Ahmedabad by an Order made on 9th day of May, 2014 directed the Company to convene and conduct a meeting of the Equity Shareholders on Tuesday, 1st July, 2014, 2014 at 11.30 a.m. at the registered office of the Applicant Company at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382727 in the state of Gujarat, in addition to the Court Convened Meeting, the Company is required to comply with the requirements of the SEBI Circulars.

In terms of the SEBI Circulars, read with the Observation Letters, the Scheme shall be acted upon only if the number of votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by them against the Scheme.

The Company has appointed Mr. Ashish C. Doshi, Company Secretary in practice as the Scrutinizer for conducting the Postal Ballot.

Further, the Company has engaged Link Intime (India) Private Limited to provide e-voting facility to its Equity Shareholders. If an Equity Shareholder has voted on the e-voting facility, he/she is not required to send a Postal Ballot Form to the Company. If an Equity Shareholder has voted on the e-voting facility and also sends his/her Postal Ballot Form, only the votes cast through the Postal Ballot Form shall be considered by the Scrutinizer. The instructions for voting by Postal Ballot are set out in the Postal Ballot Form sent along with this Notice. The instructions for e-voting are provided in the Notes below.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed, in the enclosed self-addressed, postage pre-paid business reply envelope (if posted in India) so as to reach the Scrutinizer on or before the close of working hours i.e., 5.00 p.m. on July 1, 2014. Postal Ballot Forms received after this date will be considered invalid.

The Scrutinizer will submit his report to the Chairperson after completion of the scrutiny of the Postal Ballots including e-voting.

The results of the Postal Ballot will be announced on Friday, July 4, 2014 at 4.00 p.m. at the registered office of the Applicant Company at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727, in the state of Gujarat and will be displayed on the website of the Company at www.asahisongwon.com for information of the Equity Shareholders and will also be published in the newspaper(s), besides being communicated to BSE Limited and National Stock Exchange of India Limited.

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and other applicable provisions of the Companies Act, 1956, SEBI Circulars and other relevant provisions of applicable laws (including the Companies Act, 2013) the following Resolution is proposed for the consideration of the Equity Shareholders of the Company through Postal Ballot and e-voting:

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

"RESOLVED THAT pursuant to Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by the Securities and Exchange Board of India (**"SEBI"**), and subject to the Observation Letters issued by the BSE Limited and National Stock Exchange of India Limited both dated May 2, 2014 respectively and relevant provisions of applicable laws, the arrangement as embodied in the Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited, and consequential restructure of the share capital in form of Utilization of Securities Premium Account of Asahi

Songwon Colors Limited be and is hereby approved with/without modifications and/or conditions, if any, which may be required and/or imposed by the Equity Shareholders in the Court Convened Meeting and/or the Hon'ble High Court of Judicature at Ahmedabad while sanctioning the arrangement embodied in the Scheme or by any authorities under law."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Applicant Company (which includes any Committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper to effectively implement the arrangement as embodied in the Scheme and to settle any questions or difficulties that may arise or to carry out such modifications / conditions /directions, if any, which may be required and/or ordered by the Hon'ble High Court of Judicature at Ahmedabad and/or by any other authority, while sanctioning the arrangement as embodied in the Scheme."

By order of the Board of Directors
For Asahi Songwon Colors Limited

Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

Place : Ahmedabad
Date : May 27, 2014

Registered Office:
167/168, Village: Indrad
Kadi Kalol Road,
Mehsana – 382 727
Gujarat, India.

Note:

1. The Explanatory statement with rationale for proposing the resolution stated in the notice above is annexed hereto.

2. The accompanying Postal Ballot Form is being posted to the address of the Equity Shareholders registered with the Company whose names appear in the Register of Members of the Company and the Register of Beneficial owners as provided to the Company by the Depositories.

3. The voting periods ends at 5.00 p.m. on July 1, 2014.

4. The material documents referred to the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered office of the Company on all working days during the office hours up to the last date for receipt of the Postal Ballot Form.

5. **Process and manner for members opting for e-voting are as under:**

   In compliance with the provisions of Section on 110 of the Companies Act, 2013 (corresponding to Section 192A of the Companies Act, 1956) read with the Companies (Management and Administration) Rules 2014 (Corresponding to Passing of the Resolution by Postal Ballot) Rules, 2011 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. The instructions for e-voting are as under:

INSTRUCTIONS FOR VOTING

Voting through Physical Postal Ballot Form

1. The members are requested to carefully read the instructions printed in the Postal Ballot form and return the Postal Ballot form duly completed with the assent (FOR) or dissent (AGAINST), in the enclosed postage pre-paid self addressed envelope, so as to reach the Scrutinizer **on or before Tuesday, July 1, 2014,** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member.

2. The members are requested to exercise their voting rights by using the attached Postal Ballot form only. No other form or photocopy thereof is permitted.

3. Envelopes containing Postal Ballot form if deposited in person or sent by courier at the expense of the registered member will also be accepted.

E-voting Facility

In compliance with provisions of Section 110 of the Companies Act 2013 (corresponding to Section 192A of the Companies Act, 1956), read with the Rules and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Shareholder have option to vote either through e-voting or through the Postal Ballot Form.

If a shareholder has opted for e-voting, then he/she should not vote by Postal Ballot also and vice- versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid. For this purpose, the Company has signed an agreement with the National Securities Depository Limited ("NSDL") for facilitating e-voting.

The instructions for members for voting electronically are as under:-

If you are holding shares in Demat form and had logged on to www.evoting.nsdl.com and casted your vote earlier for EVEN of any company, then your existing login id and password are to be used.

1. Initial password and other details are provided as below at the bottom of Postal Ballot Form:

EVEN (E Voting Even Number)	USER ID	PASSWORD / PIN

2. The voting period starts from the **Monday, June 2, 2014** and ends on **Tuesday, July 1, 2014** at 5.00 p.m. The e-voting module will be disabled by NSDL for voting thereafter.

3. Launch the internet browser by typing the following URL **https://www.evoting.nsdl.com/**

4. Click on "Shareholder – Login"

5. Put User ID and password noted in step (1) above as initial password. Click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.

6. If you are logging in for the first time, Password Change Menu appears. Change the password of your choice with minimum 8 digits/characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.

7. Home page of "e-Voting "opens. Click on e-Voting : Active Voting Cycles.

8. Select "EVEN" of ASAHI SONGWON COLORS LIMITED. Members can cast their vote online from **Monday, June 2, 2014** and ends on **Tuesday, July 1, 2014** at 5.00 p.m.

9. Now you are ready for "e-voting" as "Cast Vote" Page opens.

10. Caste your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.

11. Institutional shareholders (i.e. Shareholders other than individuals, HUF, NRIs, etc) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter etc together with the attested specimen signature(s) of the duly authorized signatories who are authorized to vote to the Company through email to cs@asahisongwon.com with a copy marked to evoting@nsdl.co.in.

12. Once the vote on a resolution is cast by the shareholder he/she shall not be allowed to change it subsequently.

13. In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evoting.nsdlcom or contact NSDL by email at evoting@nsdl.co.in

EXPLANATORY STATEMENT UNDER SECTIONS 192A(2) AND 393 OF THE COMPANIES ACT, 1956 AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING OF EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY AND POSTAL BALLOT AND E-VOTING

1. Pursuant to an Order dated 9th day of May, 2014 passed by the Hon'ble High Court of Gujarat at Ahmedabad in the Company Applications No. 134 and 135 of 2014, the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Asahi Songwon Colors Limited and the Equity shareholders and Secured Creditors of AksharChem (India) Limited, are being convened and to be held at the registered offices of the respective companies at Village: Indrad, Kadi Kalol Road, Mehsana, 382 727, in the state of Gujarat respectively on Tuesday 1st day of July 2014 and Wednesday, 2nd day of July 2014; for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited ('Demerged Company') to AksharChem (India) Limited ('Resulting Company'), and consequential restructure of the share capital in form of Utilization of Security Premium Account of Asahi Songwon Colors Limited. The other definitions contained in the Scheme of Arrangement between Demerged Company and Resulting Company and their respective shareholders and creditors shall apply to this Explanatory statement also.

2. A copy of the Scheme of Arrangement setting out in detail the terms and conditions of the Arrangement which has been approved by Board of Directors of the Applicant Company at the meeting held on 19th day of December, 2013 is attached to, and forms part of, this Explanatory Statement.

3. Apart from the Court Convened Meeting of the Equity Shareholders of the Applicant Company, to seek their approval pursuant to Section 391 to 394 of the Companies Act, 1956, the approval of the Equity Shareholders of the Company is also sought for the scheme by passing a resolution pursuant to Section 110 of the Companies Act, 2013 (corresponding to Section 192A of the Companies Act, 1956), by way of Postal Ballot and e-voting as per the Securities and Exchange Board of India ("SEBI") Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 (hereinafter collectively referred as "SEBI Circulars").

4. In terms of the SEBI Circulars, the Scheme shall be acted upon only if the votes cast by the public shareholders (i.e. Shareholders other than promoter and promoter group shareholders) in favour of the proposal are more than the number of votes cast by the public shareholders against the proposal.

5. **BACKGROUND OF DEMERGED COMPANY AND RESULTING COMPANY:**

Asahi Songwon Colors Limited (Demerged Company)

a. The Demerged Company, a public limited company incorporated under the provisions of the Companies Act, 1956 on 19th day of December 1990 having its registered office at 167/168 Village : Indrad, Kadi Kalol Road, Mehsana, Gujarat – 382 727. The Demerged Company originally was incorporated on 19th day of December, 1990 in the name and style of Lucky Laminates Private Limited under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. The company became a public limited company vide fresh certificate dated 19th day of April 1996 and the name was further changed to Asahi Songwon Colors Limited vide a certificate dated 19th day of April 1996.

b. The equity shares of the Demerged Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), (collectively, the "Stock Exchanges"). The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on March 31, 2013 was as under:

Particulars	Amount in Rs.
Authorized Share Capital	
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Total	20,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,22,72,262 Equity Shares of Rs. 10 each fully paid-up	12,27,22,620
Total	12,27,22,620

Subsequent to March 31, 2013 and up to the date of this statement, there has been no change in the capital structure of the Demerged Company.

c. The Demerged Company is engaged in the business of manufacturing pigments which are basically colourants used in printing inks, paints, plastics, textiles, rubber, etc. It is in the business of manufacturing of the Pigment Green-7, Beta Blue and CPC Blue Crude, exporting substantial production to leading MNCs around the world on account of quality of its products.

d. The main objects of Asahi Songwon Colors Limited as set out in Clause III of its Memorandum of Association are briefly as under: -

(A) MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-

a) To manufacture, make, buy, sell, import, export, distribute, introduce or otherwise deal in decorative boards, laminates sheets, Boards, Wooden sheets, Plywood and Artificial leather cloth and similar products in India or elsewhere.

b) To carry on the business as manufacturers, importers, exporters, processors, buyers, sellers, dealers, consignors, agent, stockist, suppliers of all kinds, types and nature of pigments, dyes, chemicals, auxiliaries, intermediates, Agro chemicals and chemical products of any nature and kind whatsoever, including heavy chemicals, fine chemicals, organic and inorganic chemicals and allied chemicals.

AksharChem (India) Limited (Resulting Company)

e. AksharChem (India) Limited was originally incorporated on 4th day of July, 1989 in the name and style of Audichem (India) Private Limited under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. The company became a public limited company vide fresh certificate dated 25th day of February, 1994 and the name was further changed to AksharChem (India) Limited vide a certificate dated 21st day of March, 2003.

f. The equity shares of AksharChem (India) Limited ('ACIL') are listed on the BSE Limited and Ahmedabad Stock Exchange Limited ('ASE'). The authorised, issued, subscribed and paid-up share capital of the ACIL as on March 31, 2013 was as under:

Particulars	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000
Total	5,00,00,000
Issued, Subscribed and Paid-up Share Capital	
49,52,850 Equity Shares of Rs. 10 each fully paid-up	4,95,28,500
Total	4,95,28,500

Subsequent to March 31, 2013 and up to the date of this Statement, there has been no change in the capital structure of ACIL.

g. The Resulting Company is primarily engaged in the business of manufacturing of dyes and intermediaries and is one of the leading manufacturer and exporter of Vinyl Sulphone.

h. The main objects of resulting company as set out in Clause III of its Memorandum of Association are briefly as under: -

(A) MAIN OBJECT OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION IS:-

1. To carry on the business of manufacturing of and dealers in chemicals, chemical compounds and chemical products of any nature and kind whatsoever, and as a wholesale and retail chemists, importers, exporters, manufacturers of and dealers in heavy chemicals, acids, alkalis, chemical compounds and elements of all kinds (solid, liquid and gaseous) dyes, dyestuff intermediates, textile auxiliaries.

6. **BACKGROUND OF THE SCHEME**

Asahi Songwon Colors Limited, (ASCL), the Demerged Company is a public limited company and its shares are listed at the BSE Limited and National Stock Exchange of India Limited. It is primarily engaged in the business of manufacturing pigments which are basically colourants and used in printing inks, paints, plastics, textiles, rubber, etc. It is in the manufacturing of the Pigment Green-7, Beta Blue and CPC Blue Crude etc. It is also involved in exporting substantial production to leading MNCs around the world on account of quality of its products. The total income of the company for the financial year ended on 31st March 2013 has been more than Rs. 230 crores and the net profit has been more than Rs. 15 crores. The company has built up reserves and surplus of more than Rs. 100 crores. Thus, it is a profit making and dividend paying company with bright future prospects.

AksharChem (India) Limited, (ACIL), the Resulting Company is also a public limited company and its shares are listed at the BSE Limited and Ahmedabad Exchange of India Limited. It is primarily engaged in the business of manufacturing of dyes and intermediaries and is one of the leading manufacturer and exporter of Vinyl Sulphone. The total income of the company for the financial year ended on 31st March 2013 has been more than Rs. 95 crores and the net profit has been nearly Rs. 3.3 crores. The company has built up reserves and surplus of nearly Rs. 12 crores. Thus, it is a profit making and dividend paying company with bright future prospects.

Both the companies belong to the same group of management. The Demerged Company, ASCL has two manufacturing divisions namely CPC Green Division, which is located at Kadi, Mehsana and Pigment Blue division, which is located at

Padra, Vadodara, both in the State of Gujarat. It has been realized by the management of the company that its two operating divisions are quite different involving distinct business dynamics. Both of them have distinct market segments and customers. The strategies for the development and growth of these businesses require different focus. With a view to achieving operational efficiencies, site synergies and streamlining its current structure, ASCL has decided to demerge its CPC Green Division into ACIL with primary intention to focus its business synergies on Pigment Blue division. The transfer and vesting of the CPC Green Division of ASCL to ACIL pursuant to this Scheme is with a view to establishing highest operational standards and also to unlock the economic value of the CPC Green Division.

It is envisaged that the re-organization exercise would inter alia achieve the following advantages:

i. Realigning assets to create an integrated business model;
ii. More focused leadership and dedicated management;
iii. Greater visibility on the performance of Pigment Blue Division.

This would be beneficial to its shareholders as well as creditors.

Further, the Demerged Company, vide clause 17 of the scheme, proposes to restructure its Share Capital in order to make its Balance Sheet realistic upon the de-merger and transfer of the CPC Green Division. The company has proposed the restructure in form of utilization of its Securities Premium Account; for adjusting the value of the net assets of the De-merged undertaking in its books of accounts. Though there is no actual reduction in Issued and Paid up Equity Share Capital of the company, the said proposal shall be covered under the provisions of Sec. 78 read with Sec. 100 to 103 of the Companies Act, 1956. However, this being consequential in nature is proposed as an integral part of the proposed scheme of arrangement.

7. **CORPORATE APPROVALS FOR THE SCHEME**

a) The Board of Directors of the Applicant Company has approved the Scheme of Arrangement at their meeting held on December 19, 2013.
b) The proposal for the Arrangement was placed before the Audit Committee of the Applicant Company at its meeting held on December 19, 2013. The Audit Committee of the Applicant Company took into account the recommendations on the Share Exchange Ratio (as defined in the Scheme) by B S R and Associates, Chartered Accountants, Mumbai acting as Independent Chartered Accountants. On the basis of the aforesaid evaluations and its own independent judgment, the Audit Committee has recommended the Scheme, including the Share Exchange Ratio to the Board of Directors of the Applicant Company.
c) The Board of Directors of the Applicant Company has taken into account the independent recommendations of the Audit Committee and the recommendations of the Share Exchange Ratio provided by B S R and Associates, Chartered Accountants, Mumbai in relation to the Share Exchange Ratio.
d) Further, fairness opinion on share exchange ratio was also availed from Tipsons Consultancy Services Private Limited. The Fairness Opinion provided by Tipsons Consultancy Services Private Limited notes that in consideration of the arrangement pursuant to the Scheme, 5 (Five) equity shares of AksharChem (India) Limited of Rs. 10/- each fully paid up for every 26 (Twenty Six) equity shares of Asahi Songwon Colors Limited of Rs. 10/- each fully paid up (i.e., pursuant to the Scheme, the shareholders of the Demerged Company will be issued shares of Resulting Company in accordance with the Share Exchange Ratio). It further states that, as of such date, and based upon and subject to the methodologies used by the Valuer for providing their opinion on the Share Exchange Ratio and the underlying assumptions adopted to arrive at the Share Exchange Ratio, the Share Exchange Ratio is fair to the equity shareholders of the Applicant Company.
e) The Board of Directors of the Resulting Company has approved the Scheme at their meeting held on December 19, 2013.

8. **SALIENT FEATURES OF THE SCHEME**

The material provisions of the proposed Scheme of Arrangement are as under:

"1. DEFINITIONS:

1.3 "Appointed Date" shall mean the 1st day of April, 2014 or such other date as may be fixed or approved by the High Court of Gujarat or any other appropriate authority.

1.6 "Demerged Undertaking" shall mean the entire business and undertaking of ASCL relating to its CPC Green division and all and related activities carried on as a going concern basis and shall mean and include (without limitation) the following:

a) All the assets and properties as on the Appointed Date (hereinafter referred to as "the said assets") pertaining to the Demerged Undertaking;
b) All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Demerged Undertaking;
c) Without prejudice to the generality of above, the Demerged Undertaking shall include rights over land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, bills of exchange, letter of intents, loans and advances, investments but other than those forming part of Remaining Undertaking, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits,

advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Undertaking.

d) all permanent employees of CPC Green Division of ASCL engaged in or in relation to the Demerged Undertaking as on the Effective Date.

e) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking.

Explanation A: Whether any particular asset or employee should be included as asset or employee of the Demerged Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of Demerged Company and Resulting Company.

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking of ASCL shall comprise the liabilities, borrowings, debts and loans as agreed between Demerged Company and Resulting Company which will cover:

a) The liabilities, which arise out of the activities or operations of Demerged Undertaking.

b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Demerged Undertaking.

Liabilities other than those referred to in sub-clauses (a) and (b) above and not directly relatable to the Remaining Undertaking of ASCL, being the amounts of general or multipurpose borrowings of ASCL shall be allocated to the Demerged Undertaking of ASCL in the same proportion which the value of the assets transferred under this sub-clause bears to the total value of the assets of Demerged Company immediately before giving effect to this Scheme.

Any question that may arise as to whether a specified liability pertains or does not pertain to the Demerged Undertaking of Demerged Company or whether it arises out of the activities or operations of Demerged Undertaking of Demerged Company shall be decided by mutual agreement between the Board of Directors or any Committee thereof of Demerged Company and Resulting Company.

1.7 "Effective Date" means the last of the date on which the conditions specified in Clause 18 of this Scheme are fulfilled with respect to a particular Part of the Scheme.

1.8 "Record Date" means such date to be mutually fixed by the Board of Directors of ASCL and ACIL or any committee / person duly authorized by the respective Board of Directors, after the Effective Date, to determine the members of ASCL to whom equity shares of ACIL will be allotted pursuant to this Scheme.

1.9 "Remaining Undertaking" means all business and undertaking of the Demerged Company other than the Demerged Undertaking.

1.10 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form or with any modification(s) as approved or directed by the High Court.

4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF ASCL

With effect from the Appointed Date, the Demerged Undertaking of ASCL shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961, stand transferred to and vested in or deemed to be transferred to and vested in Resulting Company, as a going concern and in the following manner:

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of Demerged Undertaking and its properties, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in Resulting Company so as to vest in Resulting Company all rights, title and interest pertaining to the Demerged Undertaking.

a) All the movable assets pertaining to the Demerged Undertaking, which are capable of being physically transferred including cash on hand, shall be physically handed over by delivery to Resulting Company to the end and intent that the property therein passes to Resulting Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of Demerged Company and Resulting Company;

b) In respect of other assets pertaining to Demerged Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, Demerged Company shall, on being so requested by Resulting Company, issue notices in such form as Resulting Company may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Resulting Company as the person entitled thereto, to the end and intent that the right of Demerged Company to receive, recover or realize the same, stands transferred to Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

c) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clauses (i) to (ii), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.

4.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of Demerged Company pertaining to the Demerged Undertaking under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Resulting Company, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to Resulting Company as if they were originally obtained by Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to Resulting Company on the same terms and conditions as applicable to Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Resulting Company.

4.4 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relatable to the Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the Demerged Undertaking are securities for liabilities of the Remaining Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets retained by Demerged Company and shall cease to operate against any of the assets transferred to Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the Remaining Undertaking are securities for liabilities of the Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets transferred to Resulting Company and shall cease to operate against any of the assets retained in Demerged Company in terms of this Scheme. The absence of any formal amendment which may be

required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Resulting Company shall continue with respect to such assets or any part thereof of Resulting Company and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in Resulting Company, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by Demerged Company in relation to the Demerged Undertaking which shall vest in Resulting Company by virtue of the vesting of the Demerged Undertaking with Resulting Company and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

Provided further that all the loans, advances and other facilities sanctioned to Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to Resulting Company and the said loans and advances may be drawn and utilized either partly or fully by Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Resulting Company and all the obligations of Demerged Company in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of Resulting Company without any further act or deed on the part of Resulting Company.

4.5 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Demerged Undertaking which Demerged Company owns or to which Demerged Company is a party and which cannot be transferred to Resulting Company or to its successor in business, for any reason whatsoever, Demerged Company shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resulting Company to which the Demerged Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

5. CONSIDERATION

5.1 Upon this Scheme becoming effective, Resulting Company shall without any further application or deed, issue and allot Shares, credited as fully paid-up, to the extent indicated below to the shareholders of Demerged Company, holding shares in Demerged Company and whose name appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following proportion:

5 (five) fully paid up Equity Shares of Rs. 10/- each of Resulting Company shall be issued and allotted for every 26 (twenty six) fully paid up Equity Shares of Rs. 10/- each held in Demerged Company.

5.2 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank paripassu in all respects with the then existing equity shares of the Resulting Company.

5.3 No fractional certificate(s) shall be issued by the Resulting Company in respect of any fractions which the members of the Demerged Company may be entitled to on issue and allotment of the New Equity Shares as aforesaid by the Company. The Board of Directors of the Resulting Company shall instead, consolidate all such fractional entitlements and allot New Equity Shares in lieu thereof to a Director or an officer of the Resulting Company or such other person(s) as the Board of Directors of the Resulting Company shall appoint in this regard who shall hold the New Equity Shares in trust on behalf of the members entitled to such fractional entitlements with express understanding that such director or officer or person(s) shall sell the same in market at such time(s) (not later than 6 months upon coming into effect of this Scheme) at such price(s) and to such person(s) as it/ he/ they may deem fit, and pay to the Resulting Company the net sale proceeds thereof. Thereupon the Resulting Company shall distribute the net sale proceeds, after deduction of applicable taxes/ duties/ levies, if any, to the members entitled in proportion to their respective fractional entitlements. In case the number of such shares to be allotted to the Director/officer by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in the Resulting Company to such Director/officer.

5.4 Shares to be issued by Resulting Company pursuant to Clause 5.1 in respect of any equity shares held by shareholder of Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by Resulting Company.

5.5 In so far as the issue of equity shares pursuant to Clause 5.1 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity shares in Demerged Company in dematerialized form, in to the account with the Depository Participant in which the equity shares of Demerged Company are held or such other account with the Depository Participant as is intimated by the equity shareholders to Resulting Company before the Record Date. All those equity shareholders of Demerged Company who hold equity shares of Demerged Company in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the

details of their account with the Depository Participant are intimated in writing to Resulting Company before the Record Date. In the event that Resulting Company has received notice from any equity shareholder of Demerged Company that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue equity shares of Resulting Company, in accordance with the Demerged Company Share Entitlement Ratio, as the case may be, in physical form to such equity Shareholder.

5.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the board of directors or any committee thereof of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in Demerged Company and in relation to the shares issued by Resulting Company after the effectiveness of this Scheme. The board of directors of Demerged Company and Resulting Company shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account of difficulties faced in the transaction period.

5.7 The equity shares issued by Resulting Company, in terms of Clause 5.1 of this Scheme, will be listed and/or admitted to trading on the stock exchange where the Resulting Company shares are already traded subject to necessary approval to be obtained from regulatory authorities and all necessary applications and compliances will be made in this respect by Resulting Company.

5.8 Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Resulting Company to the equity shareholders of Demerged Company, as provided in this Scheme.

5.9 The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange.

5.10 The equity shares to be issued by Resulting Company shall be subject to the Scheme and the Memorandum and Articles of Association of Resulting Company.

5.11 The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Resulting Company of new equity shares to the equity shareholders of the Demerged Company.

5.12 Resulting Company shall comply with the relevant and applicable rules and regulations including provisions of FEMA to enable it to issue shares pursuant to this Scheme.

6. TRANSFER OF AUTHORISED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

A. RESULTING COMPANY

6.1 Capital Clause

Upon the Scheme being effective, the Authorised Share Capital of the Demerged Company amounting to Rs.3,50,00,000/- shall be transferred to the Resulting Company and accordingly the Authorised Share Capital of the Resulting Company shall automatically stand increased by the said amount, as on the effective date, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Resulting Company shall be altered.

6.2 Objects Clause

Clause III A of the Memorandum of Association of the Resulting Company shall be amended to add sub-clause 2 and 3 after sub-clause 1, as mentioned in the Schedule 2, attached herewith, without any further act or deed, to enable the Resulting Company to carry on the business of Demerged Undertaking.

B. DEMERGED COMPANY

6.3 Upon the Scheme being effective, and on the proposed transfer of the Authorised Share Capital of the Demerged Company amounting to Rs.3,50,00,000/- to the Resulting Company, the Authorised Share Capital of the Demerged Company shall automatically stand reduced to the said extent, as on the effective date, without any further act or deed. Clause V of the Memorandum of Association and Article 5 (a) of the Articles of Association of the Demerged Company shall be accordingly altered.

The Demerged Company and the Resulting Company will file necessary forms with concerned Registrar of Companies for increasing / reclassification of Authorised Share Capital.

6.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred

amendments, viz. Change in the Capital Clause of both Demerged Company and Resulting Company as well as Change in the Objects Clause of the Resulting Company shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Demerged Company and the Resulting Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 31, 94, 97 and 149 of the Companies Act, 1956 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

7. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

7.1 Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking at their respective book values.

7.2 Resulting Company shall credit to the Share Capital account in its books of account, the aggregate face value of the shares issued and allotted as per Clause 5.1 of the Scheme to shareholders of Demerged Company.

7.3 The inter-company balances, if any, appearing in the books of accounts of ACIL and the Demerged Undertaking being transferred, will stand cancelled.

7.4 The difference being the excess of the Net Assets Value of the Demerged Undertaking transferred to and recorded by Resulting Company as per Clause 7.1 above and the face value of Shares allotted as per Clause 7.2 above, after considering the adjustments mentioned in Clause 7.3 above, shall be credited to General Reserve of Resulting Company. The shortfall, if any, shall be debited to Goodwill account of Resulting Company. ("Net Assets Value" shall be computed as the value of assets less the value of liabilities, of the Demerged Undertaking transferred to Resulting Company and recorded in Resulting Company in terms of Clause 7.1).

8. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:

8.1 Upon the Scheme becoming effective and from the Appointed Date, Demerged Company shall reduce from its books, the book value of assets and liabilities transferred as part of the Demerged Undertaking to Resulting Company, pursuant to the Scheme.

8.2 The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted entirely against the Securities Premium Account, (as provided in detail in clause 17 herein below).

11. LEGAL PROCEEDINGS

11.1 All legal proceedings of whatsoever nature by or against Demerged Company pending and/or arising before the Effective Date and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against ACIL, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against Demerged Company.

11.2 After the Effective Date, if any proceedings are taken against Demerged Company in respect of the matters referred to in the Clause 11.1 above, it shall defend the same at the cost of Resulting Company and Resulting Company shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.

11.3 Resulting Company undertakes to have all respective legal or other proceedings initiated by or against Demerged Company referred to in Clause 11.1 and/or 11.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company as the case may be, to the exclusion of Demerged Company.

15. REMAINING UNDERTAKING OF DEMERGED COMPANY

It is clarified that, the Remaining Undertaking of ASCL shall continue with ASCL as follows:

a) The Remaining Undertaking of Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by Demerged Company;

b) All legal and other proceedings by or against Demerged Company under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of Demerged Company in respect of the Remaining Undertaking of Demerged Company) shall be continued and enforced by or against Demerged Company.

With effect from the Appointed Date and including the Effective Date:

a) Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities

relating to the Remaining Undertaking of Demerged Company for and on its own behalf;

b) All profit accruing to Demerged Company thereon or losses arising or incurred by it relating to the Remaining Undertaking of Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of Demerged Company.

16. TAX CREDITS

16.1 Resulting Company will be the successors of Demerged Company vis-à-vis the Demerged Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Demerged Undertaking and the obligations if any for payment of the tax on any assets forming part of the Demerged Undertaking or their erection and / or installation, etc. shall be deemed to have been availed by Resulting Company or as the case may be deemed to be the obligations of Resulting Company. Consequently, and as the Scheme does not contemplate removal of any asset by Resulting Company from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company.

16.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Demerged Company relating to the Demerged Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of Resulting Company.

16.3 Demerged Company and Resulting Company are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Demerged Undertaking of Demerged Company as vested with Resulting Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

17. RESTRUCTURE OF SHARE CAPITAL OF THE DEMERGED COMPANY IN FORM OF UTILISATION OF ITS SECURITIES PREMIUM ACCOUNT

17.1 Consequent to the demerger of the demerged undertaking of ASCL, the de-merged company, as envisaged under clause 8.2 hereinabove, the amount of difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted entirely against the Securities Premium Account.

17.2 The above referred proposal amounts to reduction of capital under Section 78 as well as 100 to 103 of the Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the Demerged Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 78 and 100 and all other applicable provisions of the Act and the Demerged Company shall not be required to undertake any separate proceedings for the same. The order of the Honorable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Demerged Company shall not be required to separately comply with Section 100 or any other provisions of Act.

17.3 Further, since the above restructure involving the utilization of Securities Premium Account of the company is only deemed reduction under Section 78 read with Section 100 of the Act and there is no actual Reduction of Issued, Subscribed and Paid up Share Capital of the company, the Demerged company shall not be required to add the suffix "and reduced' to its name."

The features set out above being only the salient features of the Scheme of Arrangement, the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

9. The Scheme is not prejudicial to the interests of the members or secured and unsecured creditors of the Applicant Company.

10. Pursuant to the Scheme, the equity shares of the Resulting Company that are proposed to be issued to the shareholders of the Demerged Company in the prescribed Share Exchange Ratio are to be listed on the same stock exchanges on which the equity shares of the Resulting Company are listed, i.e. the BSE and the ASE.

11. The Applicant Company had vide its letters, both dated February 3, 2014, applied to BSE and NSE for no objection to the Applicant to file Scheme with the Hon'ble High Court for sanction. Vide Observation Letters dated May 2, 2014 issued by the BSE and NSE, the Stock Exchanges gave their approval for the Scheme. Copy of the observation letters issued by Stock Exchanges is enclosed and should be read in their entirety for information regarding the conditions imposed by the Stock Exchanges.

12. As required by the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("SEBI Circulars"), the Applicant Company has filed the Complaints Report (indicating NIL complaints) with the BSE and NSE on March 7, 2014. A copy of the Complaints Report is enclosed. Further in compliance to the aforesaid circulars, the public

shareholders are also entitled to Postal Ballot and e-voting for the approval sought to the proposed scheme of Arrangement. The necessary details for the same alongwith Postal Ballot form are annexed herewith.

13. There are no winding up proceedings pending against the Applicant Company as of date.

14. The Background of the Board of Directors of both companies is as under:

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	71	MA, LLB
2.	Mr. Gokul M. Jaykrishna	Joint Managing Director	46	Major in Finance and Marketing
3.	Mr. Munjal M. Jaykrishna	Joint Managing Director	44	Bachelors of Science in Business and Economics
4.	Mr. H. K. Khan	Director	81	BA (History)
5.	Mr. R. K. Sukhdevsinhji	Director	78	BA (Economics)
6.	Mr. Arvind Goenka	Director	52	Commerce Graduate
7.	Mr. Gaurang N. Shah	Director	56	Msc
8.	Dr. Pradeep Jha	Director	69	Msc (Maths)

(2) **AksharChem (India) Limited (Resulting Company)**

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1.	Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	71	MA, LLB
2.	Mr. Gokul M. Jaykrishna	Joint Managing Director	46	Major in Finance and Marketing
3.	Mr. Munjal M. Jaykrishna	Joint Managing Director	44	Bachelors of Science in Business and Economics
4.	Mr. Gautam M. Jain	Additional Director	62	BSC (Chemistry) and LLB
5.	Mr. Jayprakash M. Patel	Additional Director	66	BE Chemical
6.	Mr. Param J. Shah	Director	34	MBA, M.Com, LLB
7.	Dr. Pradeep Jha	Director	69	Msc Maths
8.	Mr. Kiran J. Mehta	Director	61	MCom, LLB, FICWA, FIISA

15. None of the Directors have any interest in the Scheme of Arrangement between the Demerged Company and Resulting Company except as shareholders in general of the respective companies, the extent of which is as stated below:

Number of Shares held

Name	Designation	ASCL (Demerged Company)		ACIL (Resulting Company)	
		No. of shares	% shareholding	No. of shares	% shareholding
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	46,32,054	37.74	16,52,792	33.37
Mr. Gokul M. Jaykrishna	Joint Managing Director	15,05,049	12.26	8,36,372	16.89
Mr. Munjal M. Jaykrishna	Joint Managing Director	15,05,049	12.26	8,36,372	16.89

There are no loans given by any of the Directors of any of the companies to any of the companies in the proposed scheme and hence, none of the directors are creditors of any of these companies.

16. The detailed pre-scheme on and post-scheme on (expected) shareholding pattern of the Resulting Company and the Demerged Company are given herein below:

SHAREHOLDING PATTERN – RESULTING COMPANY

Category of Shareholder	**Pre Scheme Shareholding**		**Post Scheme Shareholding**	
	No. of shares	**% of shares**	**No. of shares**	**% of shares**
A. Promoter Group				
(1) Indian				
Individuals / Hindu Undivided Family	3325536	67.14	4795180	65.57
Bodies Corporate	323922	6.54	324037	4.43
Sub Total	**3649458**	**73.68**	**5119217**	**70.00**
(2) Foreign	0	0	0	0
Total shareholding of Promoter and Promoter Group (A)	**3649458**	**73.68**	**5119217**	**70.00**
B. Public Shareholdings				
(1) Institutions				
Mutual Funds / UTI	4500	0.09	4500	0.06
Sub Total	**4500**	**0.09**	**4500**	**0.06**
(2) Non-Institutions				
Bodies Corporate	82229	1.66	314325	4.30
Individuals	1182725	23.88	1638844	22.41
Any Others (Specify)				
Clearing Members	11722	0.24	28484	0.39
NRIs / OBCs	22216	0.45	41145	0.56
Foreign Bodies Corporates	0	0	166385	2.28
Sub Total	**1298892**	**26.23**	**2189183**	**29.94**
Total Public shareholding (B)	**1303392**	**26.32**	**2193683**	**30.00**
Total (A)+(B)	**4952850**	**100.00**	**7312900**	**100.00**

The above is based on shareholding pattern as on 31.03.2014.

SHAREHOLDING PATTERN – DEMERGED COMPANY

Category of Shareholder	No. of shares	% of shares
A. Promoter Group		
(1) Indian		
Individuals / Hindu Undivided Family	7642152	62.27
Bodies Corporate	600	0.00
Sub Total	**7642752**	**62.27**
(2) Foreign	0.00	0.00
Total shareholding of Promoter and Promoter Group (A)	**7642752**	**62.27**
B. Public Shareholdings		
(1) Institutions	0.00	0.00
(2) Non-Institutions		
Bodies Corporate	1206899	9.83
Individuals	2371818	19.32
Any Others (Specify)		
Clearing Members	87160	0.71
Non Resident Indians	98433	0.80
Foreign Corporate Bodies	865200	7.05
Sub Total	**4629510**	**37.72**
Total Public shareholding (B)	**4629510**	**37.72**
Total (A)+(B)	**12272262**	**100.00**

The above is based on shareholding pattern as on 31.03.2014.

17. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member of the Applicant Company. The instrument appointing the proxy should however be deposited at the registered office of the Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.

18. Corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the board of directors or other governing body of the body corporate not later than 48 (Forty Eight) hours before commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.

19. The following documents will be open for inspection by the equity shareholders of the Applicant Company up to 1 (One) day prior to the date of the meeting at the Registered Office of the Applicant Company during the office hours on any working day except Saturdays, Sundays and public holidays:

a) Papers and proceedings in Company Applications No. 134 and 135 of 2014 including certified copy of the Orders dated 9th day of May, 2014, of the Hon'ble High Court of Gujarat at Ahmedabad in the said Company Applications Proposed Scheme of Arrangement.

b) Memorandum and Articles of Association of both the Companies.

c) Latest Audited Annual Reports of both the Companies for the year ended March 31, 2013.

d) Provisional Financial Statement of both the companies as on December 31, 2013.

e) Audited financial statement of Accounts of both the Companies for the quarter ended September 30, 2013.

f) Copy of the Valuation Report dated 19 December, 2013 issued by B S R and Associates, Chartered Accountants, Mumbai.

g) Copy of the Fairness Opinion dated January 2, 2014 issued by Tipsons Consultancy Services Private Limited.

h) Copy of the Complaints Report dated March 5, 2014.

i) Copy of the Observation letters dated May 2, 2014 issued by BSE and NSE.

This statement may be treated as the explanatory statement under Section 393 of the Companies Act, 1956. A copy of the Scheme, the valuation report by B S R and Associates, Chartered Accountants, Mumbai, fairness opinion by Tipsons Consultancy Services Private Limited, the observation letters issued by BSE and NSE, the complaints report and this statement may also be obtained free of cost from the registered office of the Applicant Company during ordinary office hours on any working day (except Saturdays, Sundays and Public Holidays) up to 1 (One) day prior to the date of the meeting.

Sd/-
Mrs. Paru M. Jaykrishna
Chairperson appointed for the meeting

Dated 27th day of May, 2014

Registered Office:
167 / 168 Village: Indrad,
Kadi Kalol Road,
Mehsana – 382 727,
Gujarat, India

Enclosures:

I. The abridged financial statements of the Demerged Company and the Resulting Company for last three years are annexed herewith as **Annexure-1.**

Annexure I: Abridged financial statements of the Demerged Company and the Resulting Company for last three years

Asahi Songwon Colors Limited **(Amount in Rs. Crore)**

	As per last Audited financial from 1st April, 2013 to 30th September, 2013	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2012-13	2011-12	2010-11
Equity Paid up Capital	12.27	12.27	12.27	12.27
Reserves and surplus	115.89	108.03	102.70	85.18
Carry forward losses	-	-	-	-
Net Worth	127.91	119.96	113.63	95.08
Miscellaneous Expenditure	0.25	0.34	1.34	2.36
Secured Loans	80.10	70.78	47.47	48.49
Unsecured Loans	-	-	-	-
Fixed Assets	124.29	119.43	95.20	80.53
Income from Operations	140.11	232.17	233.68	183.99
Total Income	140.51	232.63	234.12	184.20
Total Expenditure	128.53	217.53	200.87	161.74
Profit before Tax	11.98	15.10	33.25	22.46
Profit after Tax	7.86	10.36	22.51	20.04
Cash profit	14.32	19.56	30.41	27.89
EPS (Rs. per equity share)	6.40	8.44	18.34	16.33
Book value (Rs. per equity share)	104.23	97.75	92.59	77.48

AksharChem (India) Limited **(Amount in Rs. Crore)**

	As per last Audited financial from 1st April, 2013 to 30th September, 2013	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2012-13	2011-12	2010-11
Equity Paid up Capital	4.95	4.95	4.95	3.40
Reserves and surplus	25.85	12.00	8.50	11.07
Carry forward losses	-	-	-	-
Net Worth	30.80	16.95	13.45	14.47
Miscellaneous Expenditure	-	-	-	-
Secured Loans	4.20	13.12	12.12	10.76
Unsecured Loans	0.09	0.84	1.89	-
Fixed Assets	15.92	15.52	16.53	12.73
Income from Operations	72.85	95.83	51.89	84.56
Total Income	72.91	95.90	51.97	90.43
Total Expenditure	56.25	92.51	56.19	84.21
Profit / (Loss) before Tax	16.66	3.39	(4.22)	6.21
Profit / (Loss) after Tax	13.85	3.79	(3.89)	6.37
Cash profit	17.26	4.57	(3.31)	7.09
EPS (Basic) (Rs. per equity share)	27.97	7.66	(7.85)	18.73
EPS (Diluted) (Rs. per equity share)	27.97	7.66	(8.23)	18.73
Book value (Rs. per equity share)	62.20	34.23	27.15	42.52

SCHEME OF ARRANGEMENT
IN THE NATURE OF DE-MERGER AND TRANSFER OF
DE-MERGED UNDERTAKING
AND
CONSEQUENTIAL RESTRUCTURE OF SHARE CAPITAL OF
ASAHI SONGWON COLORS LIMITED
BETWEEN
ASAHI SONGWON COLORS LIMITED
AND
AKSHARCHEM (INDIA) LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

A. DESCRIPTION OF THE COMPANIES

a) Asahi Songwon Colors Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 on 19th day of December 1990 having its registered office at 167/168 Village : Indrad, Kadi Kalol Road, Mehsana, Gujarat – 382 727. It is engaged in the business of manufacturing pigments which are basically colourants used in printing inks, paints, plastics, textiles, rubber, etc. It is in the manufacturing of the Pigment Green-7, Beta Blue and CPC Blue Crude, exporting substantial production to leading MNCs around the world on account of quality of its products. The Equity Shares of Asahi Songwon Colors Limited are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

b) AksharChem (India) Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 on 4th Day of July 1989 having its registered office at 166/169, Indrad Village, Kadi Kalol Road, Mehsana, Gujarat – 382 727. It is primarily engaged in the business of manufacturing of dyes and intermediaries and is one of the leading manufacturer and exporter of Vinyl Sulphone. The Equity Shares of the AksharChem (India) Limited are listed on BSE Limited ('BSE') and Ahmedabad Stock Exchange Limited ('ASE').

B. RATIONALE AND PURPOSE OF THE SCHEME

This Scheme is presented under Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for demerger of the CPC Green Division of Asahi Songwon Colors Limited ('ASCL') into AksharChem (India) Limited (ACIL') and consequential restructure of its share capital in form of Utilisation of Securities Premium Account of Asahi Songwon Colors Limited ('ASCL').

ASCL has two manufacturing divisions namely CPC Green Division, which is located at Kadi, Mehsana and Pigment Blue division, which is located at Padra, Vadodara, both in the State of Gujarat. With a view to achieving operational efficiencies, site synergies and streamlining its current structure, ASCL has decided to demerge its CPC Green Division into ACIL with primary intention to focus its business synergies on Pigment Blue division.

The transfer and vesting of the CPC Green Division of ASCL to ACIL pursuant to this Scheme is with a view to establishing highest operational standards and also to unlock the economic value of the CPC Green Division.

The re-organization exercise would inter alia achieve the following advantages:

i. Realigning assets to create an integrated business model;

ii. More focused leadership and dedicated management;

iii. Greater visibility on the performance of Pigment Blue Division.

In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed the Scheme of Arrangement in the nature of De-merger and transfer of CPC Green Division of ASCL to ACIL, under the provisions of 391 to 394 read with Section 78 and 100 to 103 of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013.

C. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. Part A which deals with definition, date of taking effect & share capital.

2. PART B which deals with demerger of CPC Green Division of ASCL to ACIL.

3. PART C which deals with Restructure of Share Capital in form of Utilisation of Securities Premium Account.

4. PART D which deals with General terms and conditions.

PART A - DEFINITION, DATE OF TAKING EFFECT & SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1. "Act" or "The Act" means the Companies Act, 1956 and shall include the relevant and corresponding sections under the Companies Act, 2013, as and when the same are made applicable before the effective date of the Scheme.

1.2. "ACIL" or "Resulting Company" means AksharChem (India) Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 166/169, Village: Indrad, Kadi Kalol Road, Mehsana, Gujarat – 382 727.

1.3. "Appointed Date" means 1st day of April, 2014 or such other date as may be fixed or approved by the High Court of Gujarat or any other appropriate authority.

1.4. "ASCL" or "Demerged Company" means Asahi Songwon Colors Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, Gujarat – 382 727.

1.5. "Court" or "High Court" means the High Court of Gujarat and shall include the National Company Law Tribunal, if and when applicable.

1.6. "Demerged Undertaking" shall mean the entire business and undertaking of ASCL relating to its CPC Green division and all and related activities carried on as a going concern basis and shall mean and include (without limitation) the following:

a) All the assets and properties as on the Appointed Date (hereinafter referred to as "the said assets") pertaining to the Demerged Undertaking;

b) All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Demerged Undertaking;

c) Without prejudice to the generality of above, the Demerged Undertaking shall include rights over land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, bills of exchange, letter of intents, loans and advances, investments but other than those forming part of Remaining Undertaking, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever,

provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Undertaking.

d) all permanent employees of CPC Green Division of ASCL engaged in or in relation to the Demerged Undertaking as on the Effective Date.

e) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking.

Explanation A: Whether any particular asset or employee should be included as asset or employee of the Demerged Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of Demerged Company and Resulting Company.

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking of ASCL shall comprise the liabilities, borrowings, debts and loans as agreed between Demerged Company and Resulting Company which will cover:

a) The liabilities, which arise out of the activities or operations of Demerged Undertaking.

b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Demerged Undertaking.

Liabilities other than those referred to in sub-clauses (a) and (b) above and not directly relatable to the Remaining Undertaking of ASCL, being the amounts of general or multipurpose borrowings of ASCL shall be allocated to the Demerged Undertaking of ASCL in the same proportion which the value of the assets transferred under this sub-clause bears to the total value of the assets of Demerged Company immediately before giving effect to this Scheme.

Any question that may arise as to whether a specified liability pertains or does not pertain to the Demerged Undertaking of Demerged Company or whether it arises out of the activities or operations of Demerged Undertaking of Demerged Company shall be decided by mutual agreement between the Board of Directors or any Committee thereof of Demerged Company and Resulting Company.

1.7. "Effective Date" means the last of the date on which the conditions specified in Clause 18 of this Scheme are fulfilled with respect to a particular Part of the Scheme.

1.8. "Record Date" means such date to be mutually fixed by the Board of Directors of ASCL and ACIL or any committee / person duly authorized by the respective Board of Directors, after the Effective Date, to determine the members of ASCL to whom equity shares of ACIL will be allotted pursuant to this Scheme.

1.9. " Remaining Undertaking" means all business and undertaking of the Demerged Company other than the Demerged Undertaking.

1.10." Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form or with any modification(s) as approved or directed by the High Court.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory modifications or re-enactment thereof from time to time.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. **SHARE CAPITAL**

The share capital of ASCL as at 31 March 2013 is as under:

Share Capital	**Amount (in Rs.)**
Authorized Share Capital 2,00,00,000 Equity shares of Rs.10 each	20,00,00,000
TOTAL	20,00,00,000
Issued, subscribed and paid-up Share Capital 1,22,72,262 Equity shares of Rs.10 each	12,27,22,620
TOTAL	12,27,22,620

Subsequent to 31 March 2013 and up to the date of approval of this Scheme by the Board of Directors of ASCL, there has been no change in the capital structure of ASCL.

The share capital of ACIL as at 31 March 2013 is as under

Share Capital	**Amount (in Rs.)**
Authorized Share Capital 50,00,000 Equity shares of Rs.10 each	5,00,00,000
TOTAL	5,00,00,000
Issued, subscribed and paid-up Share Capital 49,52,850 Equity shares of Rs.10 each	4,95,28,500
TOTAL	4,95,28,500

Subsequent to 31 March 2013 and up to the date of approval of this Scheme by the Board of Directors of ACIL, there has been no change in the capital structure of ACIL.

PART B –DEMERGER OF CPC GREEN DIVISION OF ASCL TO ACIL

4. **TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF ASCL**

With effect from the Appointed Date, the Demerged Undertaking of ASCL shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961, stand transferred to and vested in or deemed to be transferred to and vested in Resulting Company, as a going concern and in the following manner:

4.1. With effect from the Appointed Date and upon the Scheme becoming effective, the whole of Demerged Undertaking and its properties, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in Resulting Company so as to vest in Resulting Company all rights, title and interest pertaining to the Demerged Undertaking.

a) All the movable assets pertaining to the Demerged Undertaking, which are capable of being physically transferred including cash on hand, shall be physically handed over by delivery to Resulting Company to the end and intent that the property therein passes to Resulting Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of Demerged Company and Resulting Company;

b) In respect of other assets pertaining to Demerged Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, Demerged Company shall, on being so requested by Resulting Company, issue notices in such form as Resulting Company may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Resulting Company as the person entitled thereto, to the end and intent that the right of Demerged Company to receive, recover or realize the same, stands transferred to Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

c) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clauses (i) to (ii), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.

4.2. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of Demerged Company pertaining to the Demerged Undertaking under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Resulting Company, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.3. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to Resulting Company as if they were originally obtained by Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to Resulting Company on the same terms and conditions as applicable to Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Resulting Company.

4.4. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relatable to the Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the Demerged Undertaking are securities for liabilities of the Remaining Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets retained by Demerged Company and shall cease to operate against any of the assets transferred to Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the Remaining Undertaking are securities for liabilities of the Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets transferred to Resulting Company and shall cease to operate against any of the assets retained in Demerged Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Resulting Company shall continue with respect to such assets or any part thereof of Resulting Company and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in Resulting Company, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by Demerged Company in relation to the Demerged Undertaking which shall vest in Resulting Company by virtue of the vesting of the Demerged Undertaking with Resulting Company and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

Provided further that all the loans, advances and other facilities sanctioned to Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to Resulting Company and the said loans and advances may be drawn and utilized either partly or fully by Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Resulting Company and all the obligations of Demerged Company in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of Resulting Company without any further act or deed on the part of Resulting Company.

4.5. It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Demerged Undertaking which Demerged Company owns or to which Demerged Company is a party and which cannot be transferred to Resulting Company or to its successor in business, for any reason whatsoever, Demerged Company shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resulting Company to which the Demerged Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

5. CONSIDERATION

5.1. Upon this Scheme becoming effective, Resulting Company shall without any further application or deed, issue and allot Shares, credited as fully paid-up, to the extent indicated below to the shareholders of Demerged Company, holding shares in Demerged Company and whose name appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following proportion:

5 (five) fully paid up Equity Shares of Rs. 10/- each of Resulting Company shall be issued and allotted for every 26 (twenty six) fully paid up Equity Shares of Rs. 10/- each held in Demerged Company.

5.2. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank paripassu in all respects with the then existing equity shares of the Resulting Company.

5.3. No fractional certificate(s) shall be issued by the Resulting Company in respect of any fractions which the members of the Demerged Company may be entitled to on issue and allotment of the New Equity Shares as aforesaid by the Company. The Board of Directors of the Resulting Company shall instead, consolidate all such fractional entitlements and allot New Equity Shares in lieu thereof to a Director or an officer of the Resulting Company or such other person(s) as the Board of Directors of the Resulting Company shall appoint in this regard who shall hold the New Equity Shares in trust on behalf of the members entitled to such fractional entitlements with express understanding that such director or officer or person(s) shall sell the same in market at such time(s) (not later than 6 months upon coming into effect of this Scheme) at such price(s) and to such person(s) as it/ he/ they may deem fit, and pay to the Resulting Company the net sale proceeds thereof. Thereupon the Resulting Company shall distribute the net sale proceeds, after deduction of applicable taxes/ duties/ levies, if any, to the members entitled in proportion to their respective fractional entitlements. In case the number of such shares to be allotted to the Director/officer by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in the Resulting Company to such Director/officer.

5.4. Shares to be issued by Resulting Company pursuant to Clause 5.1 in respect of any equity shares held by shareholder of Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by Resulting Company.

5.5. In so far as the issue of equity shares pursuant to Clause 5.1 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity shares in Demerged Company in dematerialized form, in to the account with the Depository Participant in which the equity shares of Demerged Company are held or such other account with the Depository Participant as is intimated by the equity shareholders to Resulting Company before the Record Date. All those equity shareholders of Demerged Company who hold equity shares of Demerged Company in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Resulting Company before the Record Date. In the event that Resulting Company has received notice from any equity shareholder of Demerged Company that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue equity shares of Resulting Company, in accordance with the Demerged Company Share Entitlement Ratio, as the case may be, in physical form to such equity Shareholder.

5.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the board of directors or any committee thereof of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in Demerged Company and in relation to the shares issued by Resulting Company after the effectiveness of this Scheme. The board of directors of Demerged Company and Resulting Company shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account of difficulties faced in the transaction period.

5.7. The equity shares issued by Resulting Company, in terms of Clause 5.1 of this Scheme, will be listed and/or admitted to trading on the stock exchange where the Resulting Company shares are already traded subject to necessary approval to be obtained from regulatory authorities and all necessary applications and compliances will be made in this respect by Resulting Company.

5.8. Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Resulting Company to the equity shareholders of Demerged Company, as provided in this Scheme.

5.9. The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange.

5.10. The equity shares to be issued by Resulting Company shall be subject to the Scheme and the Memorandum and Articles of Association of Resulting Company.

5.11. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Resulting Company of new equity shares to the equity shareholders of the Demerged Company.

5.12. Resulting Company shall comply with the relevant and applicable rules and regulations including provisions of FEMA to enable it to issue shares pursuant to this Scheme.

6. TRANSFER OF AUTHORISED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

A. RESULTING COMPANY

6.1. Capital Clause
Upon the Scheme being effective, the Authorised Share Capital of the Demerged Company amounting to Rs.3,50,00,000/- shall be transferred to the Resulting Company and accordingly the Authorised Share Capital of the Resulting Company shall automatically stand increased by the said amount, as on the effective date, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Resulting Company shall be altered.

6.2. Objects Clause
Clause III A of the Memorandum of Association of the Resulting Company shall be amended to add sub-clause 2 and 3 after sub-clause 1, as mentioned in the Schedule 2, attached herewith, without any further act or deed, to enable the Resulting Company to carry on the business of Demerged Undertaking.

B. DEMERGED COMPANY

6.3. Upon the Scheme being effective, and on the proposed transfer of the Authorised Share Capital of the Demerged Company amounting to Rs.3,50,00,000/- to the Resulting Company, the Authorised Share Capital of the Demerged Company shall automatically stand reduced to the said extent, as on the effective date, without any further act or deed. Clause V of the Memorandum of Association and Article 5 (a) of the Articles of Association of the Demerged Company shall be accordingly altered.

The Demerged Company and the Resulting Company will file necessary forms with concerned Registrar of Companies for increasing / reclassification of Authorised Share Capital.

6.4. Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendments, viz. Change in the Capital Clause of both Demerged Company and Resulting Company as well as Change in the Objects Clause of the Resulting Company shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Demerged Company and the Resulting Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 31, 94, 97 and 149 of the Companies Act, 1956 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

7. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

7.1. Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking at their respective book values.

7.2. Resulting Company shall credit to the Share Capital account in its books of account, the aggregate face value of the shares issued and allotted as per Clause 5.1 of the Scheme to shareholders of Demerged Company.

7.3. The inter-company balances, if any, appearing in the books of accounts of ACIL and the Demerged Undertaking being transferred, will stand cancelled.

7.4. The difference being the excess of the Net Assets Value of the Demerged Undertaking transferred to and recorded by Resulting Company as per Clause 7.1 above and the face value of Shares allotted as per Clause 7.2 above, after considering the adjustments mentioned in Clause 7.3 above, shall be credited to General Reserve of Resulting Company. The shortfall, if any, shall be debited to Goodwill account of Resulting Company. ("Net Assets Value" shall be computed as the value of assets less the value of liabilities, of the Demerged Undertaking transferred to Resulting Company and recorded in Resulting Company in terms of Clause 7.1).

8. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:

8.1. Upon the Scheme becoming effective and from the Appointed Date, Demerged Company shall reduce from its books, the book value of assets and liabilities transferred as part of the Demerged Undertaking to Resulting Company, pursuant to the Scheme.

8.2. The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted entirely against the Securities Premium Account, (as provided in detail in clause 17 hereinbelow).

9. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

9.1. Demerged Company in respect of the Demerged Undertaking, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Resulting Company. Demerged Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

9.2. With effect from the Appointed Date, all the profits or income accruing or arising to Demerged Company in respect of the Demerged Undertaking or expenditure or losses arising to or incurred by Demerged Company in respect of the Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of Resulting Company.

9.3. Demerged Company in respect of the Demerged Undertaking shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Demerged Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Demerged Undertaking or a substantial expansion of the Demerged Undertaking.

9.4. Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of Resulting Company.

10. DECLARATION OF DIVIDEND

10.1. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent Demerged Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.

10.2. Demerged Company shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of Resulting Company.

11. LEGAL PROCEEDINGS

11.1. All legal proceedings of whatsoever nature by or against Demerged Company pending and/or arising before the Effective Date and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against ACIL, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against Demerged Company.

11.2. After the Effective Date, if any proceedings are taken against Demerged Company in respect of the matters referred to in the Clause 11.1 above, it shall defend the same at the cost of Resulting Company and Resulting Company shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.

11.3. Resulting Company undertakes to have all respective legal or other proceedings initiated by or against Demerged Company referred to in Clause 11.1 and/or 11.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company as the case may be, to the exclusion of Demerged Company.

12. CONTRACTS, DEEDS, ETC.

12.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Demerged Undertaking, shall continue in full force and effect against or in favour of Resulting Company and may be enforced effectively by or against Resulting Company as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party thereto.

12.2. Resulting Company, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Demerged Company.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities above and the continuance of proceedings by or against Resulting Company above shall not affect any transaction or proceedings already concluded in Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company, in relation to the Demerged Undertaking in respect thereto as done and executed on their behalf.

14. STAFF, WORKMEN & EMPLOYEES

14.1. Upon the coming into effect of this Scheme, all staff, workmen and employees of Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Effective Date shall become the staff, workmen and employees of Resulting Company from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable

than those on which they are engaged by Demerged Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.

14.2. In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Demerged Company for the employees related to the Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees related to the Demerged Undertaking being transferred to Resulting Company, in terms of the Scheme shall be transferred to Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Resulting Company, either be continued as separate funds of Resulting Company for the benefit of the employees related to the Demerged Undertaking or be transferred to and merged with other similar funds of Resulting Company. In the event that Resulting Company does not have its own funds in respect of any of the above, Resulting Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of Demerged Company, until such time that Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Demerged Undertaking shall be transferred to the funds created by Resulting Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Demerged Company and Resulting Company may decide to continue to make the said contributions to the Funds of Demerged Company. It is clarified that the services of the employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

14.3. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided by the Board of Directors or Committee thereof of Demerged Company.

15. REMAINING UNDERTAKING OF DEMERGED COMPANY

It is clarified that, the Remaining Undertaking of ASCL shall continue with ASCL as follows:

a) The Remaining Undertaking of Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by Demerged Company;

b) All legal and other proceedings by or against Demerged Company under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of Demerged Company in respect of the Remaining Undertaking of Demerged Company) shall be continued and enforced by or against Demerged Company.

With effect from the Appointed Date and including the Effective Date:

a) Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of Demerged Company for and on its own behalf;

b) All profit accruing to Demerged Company thereon or losses arising or incurred by it relating to the Remaining Undertaking of Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of Demerged Company.

16. TAX CREDITS

16.1. Resulting Company will be the successors of Demerged Company vis-à-vis the Demerged Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Demerged Undertaking and the obligations if any for payment of the tax on any assets forming part of the Demerged Undertaking or their erection and / or installation, etc. shall be deemed to have been availed by Resulting Company or as the case may be deemed to be the obligations of Resulting Company. Consequently, and as the Scheme does not contemplate removal of any asset by Resulting Company from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company.

16.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Demerged Company relating to the Demerged Undertaking including all or any

refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of Resulting Company.

16.3. Demerged Company and Resulting Company are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Demerged Undertaking of Demerged Company as vested with Resulting Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

PARTC - RESTRUCTURE OF SHARE CAPITAL OF THE DEMERGED COMPANY

17. RESTRUCTURE OF SHARE CAPITAL OF THE DEMERGED COMPANY IN FORM OF UTILISATION OF ITS SECURITIES PREMIUM ACCOUNT

17.1. Consequent to the demerger of the demerged undertaking of ASCL, the de-merged company, as envisaged under clause 8.2 hereinabove, the amount of difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted entirely against the Securities Premium Account.

17.2. The above referred proposal amounts to reduction of capital under Section 78 as well as 100 to 103 of the Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the Demerged Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 78 and 100 and all other applicable provisions of the Act and the Demerged Company shall not be required to undertake any separate proceedings for the same. The order of the Honorable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Demerged Company shall not be required to separately comply with Section 100 or any other provisions of Act.

17.3. Further, since the above restructure involving the utilization of Securities Premium Account of the company is only deemed reduction under Section 78 read with Section 100 of the Act and there is no actual Reduction of Issued, Subscribed and Paid up Share Capital of the company, the Demerged company shall not be required to add the suffix "and reduced' to its name.

PART D – GENERAL TERMS & CONDITIONS

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

a) The votes being cast by the public shareholders in favour of the proposal are more than the number of votes casts by public shareholders against it of both the Demerged Company and the Resulting Company in terms of the Securities and Exchange Board of India Circular CIR/CFD/DIL/8/2013 dated May 21, 2013 read with Circular CIR/CFD/DIL/5/2013 dated February 4, 2013;

b) The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of Demerged Company and Resulting Company as may be directed by the High Court;

c) The sanction of the High Court under Sections 391 to 394 of the Companies Act, 1956 in favour of Demerged Company and Resulting Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;

d) Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by Demerged Company and Resulting Company as may be applicable;

e) The requisite consent, approval or permission of the Government Authority or any other statutory authority, which by law may be necessary for the implementation of this scheme.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

19.1. Demerged Company and Resulting Company by their respective Board of Directors or any duly authorised committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

19.2. Demerged Company and Resulting Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Hon'ble High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

20. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of Demerged Company and Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

21. COSTS, CHARGES AND EXPENSES

ACIL shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.

SCHEDULE - 1

The statement indicating broad Assets and liabilities of the De-merged Undertaking based on the provisional financial statements as on 30 September 2013

Particulars	As on 30 September 2013
LIABILITIES	
Non-current liabilities	
(a) Long-term borrowings	36,193,769
(b) Deferred tax liabilities (Net)	23,956,605
(c) Long-term provisions	7,248,235
Current liabilities	
(a) Short-term borrowings	172,696,718
(b) Trade payables	103,847,240
(c) Other current liabilities	36,801,495
(d) Short term provisions	9,679,841
ASSETS	
Non-current assets	
Fixed assets	
(i) Tangible assets	272,446,124
(ii) Intangible assets	-
(iii) Capital work-in-progress	59,802,746
(iv) Intangible assets under development	2,026,180
(c) Long-term loans and advances	6,532,316
Current assets	
(a) Inventories	85,657,503
(b) Trade Receivables	148,427,214
(c) Cash and cash equivalents	3,156,617
(d) Short term loans and advances	88,965,622
(e) Other current assets	1,325,555

SCHEDULE - 2

Main objects to be added in Memorandum of Association of AksharChem (India) Limited pursuant to demerger of CPC Green Division of Asahi Songwon Colors Limited with AksharChem (India) Limited

1. To manufacture, make, buy, sell, import, export, distribute, introduce or otherwise deal in decorative boards, laminates sheets, Boards, Wooden Sheets, Plywood and Artificial Leather cloth and similar products in India elsewhere.

2. To carry on the business as manufacturers, importers, exporters, processors, buyers, sellers, dealers, consignors, agent, stockist, suppliers of all kinds, types and nature of pigments, dyes, chemicals, auxiliaries, intermediates, Agro chemicals and chemical products of any nature and kind whatsoever, including heavy chemicals, fine chemicals, organic and inorganic chemicals and allied chemicals.

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
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CIN NO:U67120MH2005PLC155188

BSE
EXPERIENCE THE NEW

DCS/AMAL/LP/24(f)/023/2014-15

May 02, 2014

The Company Secretary
Asahi Songwon Colors Limited
Asahi House, 167/168, Indrad Village,
Kadi Kalol Road,Mehsana ,Gujarat ,382721

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement involving demerger of CPC Green Division of Asahi Songwon Colors Limited into AksharChem (India) Limited.

We are in receipt of draft Scheme of Arrangement involving demerger of CPC Green Division of Asahi Songwon Colors Limited into AksharChem (India) Limited

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated April 30, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***ASCL vide letter dated January 24,2014 and February 03,2014 submitted to BSE has confirmed that the company shall obtain shareholders approval in terms of SEBI circular dated May 21,2013.However,the scheme does not provide for the same.Hence,ASCL may be advised to ensure that the scheme provides for:***
  1. ***The requirement of shareholders approval and***
  2. ***ASCL shall proceed with the scheme only if the votes cast by the public shareholders in favour of the proposal are more that the number of votes cast by public shareholders against it.***

  In terms of SEBI circular dated May 21,2013 read with SEBI circular dated Feb 04,2013

- ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,

Bhuvana Sriram
Deputy Manager

Lalit Phatak
Asst. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/237648-U

May 02, 2014

The Company Secretary
Asahi Songwon Colors Limited
167/168, Indrad Village,
Kadi-Kalol Road,
Dist-Mehsana,
Ahmedabad – 382721.

Kind Attn.: Mr. Saji Joseph

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement involving demerger of CPC Green Division of Ashahi Songown Colors Limited into Aksharchem (India) Limited.

This has reference to draft Scheme of Arrangement in the nature of De-Merger and transfer of De-Merged undertaking and consequential restructure of share capital of Asahi Songwon Colors Limited between Asahi Songwon Colors Limited and AksharChem (India) Limited and their respective shareholders and the creditors submitted to NSE vide your letter dated February March 17, 2014.

Based on our letter reference no Ref: NSE/LIST/232647-J submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated April 30, 2014, has given following comments on the draft Scheme of Amalgamation:

"1. Asahi Songwon Colors Limited vide letter dated January 24, 2014 and February 03, 2014 submitted to BSE has confirmed that the company shall obtain shareholder approval in terms of SEBI circular dated May 21, 2013. However, the scheme does not provide for the same. Hence, Asahi Songwon Colors Limited may be advised to ensure that the scheme provides for:

(i) *The requirements of shareholders' approval and*

(ii) *Asahi Songwon Colors Limited shall proceed with the scheme only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it in terms of SEBI Circular dated May 21, 2013 read with SEBI Circular dated February 04, 2013".*

2. The company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Ref: NSE/LIST/237648-U

May 02, 2014

The validity of this "Observation Letter" shall be six months from May 02, 2014, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Sania Surve
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Surve Sania
Date: Fri, May 2, 2014 17:21:48 IST
Location: NSE

NSE

Tip Sons

Date: January 2, 2014

The Board of Directors
AksharChem (India) Limited
166 / 169, Indrad Village,
Kadi Kalol Road,
Dist. Mehsana, Gujarat – 382 727

And

The Board of Directors
Asahi Songwon Colors Limited
167/168, Indrad Village,
Kadi Kalol Road,
Dist. Mehsana, Gujarat – 382 727

Dear Sirs,

Subject: Fairness Opinion on the Share Exchange Ratio for the Proposed Scheme of Arrangement between AksharChem (India) Limited and Asahi Songwon Colors Limited

1. Background

AksharChem (India) Limited & Asahi Songwon Colors Limited have approached us for issue of a Fairness Opinion Certificate on the Share Exchange Ratio Report issued by M/s. B S R & Associates, Chartered Accountants, Mumbai (referred to in this document as "Valuer"), in respect of Scheme of Arrangement between AksharChem (India) Limited and Asahi Songwon Colors Limited, as required under Clause 24 (h) of the Listing Agreement.

2. Source of Information

For the purpose of issuing Fairness Opinion Certificate, we have relied upon the following documents;

(i) Share Exchange Ratio Report issued by M/s. B S R & Associates, Chartered Accountants, Mumbai dated December 19, 2013.
(ii) Audited Report of AksharChem (India) Limited and Asahi Songwon Colors Limited for the financial year 2010-11, 2011-12 and 2012-13.
(iii) Audited Financials of AksharChem (India) Limited, "Green Division" of Asahi Songwon Colors Limited and Asahi Songwon Colors Limited for the half year ended on September 30, 2013.
(iv) Management Certified Financial Projections of AksharChem (India) Limited and "Green Division" of Asahi Songwon Colors Limited.
(v) Scheme of Arrangement.
(vi) Such other information and explanations that have been provided to us by the management of AksharChem (India) Limited and Asahi Songwon Colors Limited.

3. Exclusions and Limitations

(i) We have relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by AksharChem (India) Limited and Asahi Songwon Colors Limited. We have therefore relied upon all specific information as received and decline any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

(ii) This Fairness Opinion Certificate have been prepared with an objective to give an opinion on Fairness of the share exchange ratio as suggested in the Exchange Ratio Report made out by the Valuer for the purpose of the said scheme of arrangement and, therefore, the values contained in this Report have no relevance for purposes other than those related to the scheme of arrangement.

(iii) We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.

4. Scheme of Arrangement

The Scheme of Arrangement provides for Demerger of "Green Division" of Asahi Songwon Colors Limited into AksharChem (India) Limited.

5. Background of the Companies

a. AksharChem (India) Limited is a public limited listed company, which was incorporated on July 04, 1989 with Company Registration No. 04-012441 (CIN L24110GJ1989PLC012441), having its registered office at 166/169, Indrad Village, Kadi Kalol Road, Mehsana, Gujarat – 382 727. It is primarily engaged in the business of manufacturing of dyes and intermediates. The principle products of the company is vinyl sulphone, which is used in manufacturing of reactive dyes, which has application in color, paint, pigments, rubber, textiles, plastics and leather. The equity shares of the company are listed on BSE Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE).

b. Asahi Songwon Colors Limited is a public limited listed company, which was incorporated on December 19, 1990 with Company Registration No. 04-014789 (CIN L24222GJ1990PLC014789), having its registered office at 167/168, Village Indrad, Kadi Kalol Road, Mehsana, Gujarat – 382 727. The Company is engaged in manufacturing of phthalocyanine pigments. The company's products comprises of Pigment Green – 7, Beta Blue and CPC Blue Crude, The "Green Division" of the company produces Green – 7 product. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.

6. Fairness Opinion on Share Exchange Ratio Report

We have reviewed the methodologies used by the Valuer for providing their opinion on the Share Exchange Ratio and also reviewed the underlying assumptions adopted to arrive at the Share Exchange Ratio. We are of the opinion that, as of the date hereof, the following Share Exchange Ratio is **"Fair"** to the equity shareholders.

"5 (Five) equity shares of AksharChem (India) Limited of INR 10/- each fully paid up for every 26 (Twenty Six) equity shares of Asahi Songwon Colors Limited of INR 10/- each fully paid up".

For, Tipsons Consultancy Services Pvt. Ltd.

Avinash Kothari
VP & Head – Merchant Banking

AsahiSongwon

ANNEXURE -1

Scheme of Arrangement in the nature of Demerger and transfer of demerged undertaking and consequential restructuring of share capital between Asahi Songwon Colors Limited and AksharChem (India) Limited and their respective shareholders and creditors

COMPLAINTS REPORT

For the Period from 10th February, 2014 to 2nd March, 2014

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	**Nil**
2.	Number of complaints forwarded by Stock Exchange	**Nil**
3.	Total Number of complaints/comments received (1+2)	**Nil**
4.	Number of complaints resolved	**Not Applicable**
5.	Number of complaints pending	**Not Applicable**

Part B

Sr. No.	Name of complainant	Date of complaint	Status [Resolved / Pending]
1.	Not Applicable	Not Applicable	Not Applicable
2.	Not Applicable	Not Applicable	Not Applicable

For, ASAHI SONGWON COLORS LTD.

COMPANY SECRETARY

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 134 OF 2014

In the matter of Scheme of Arrangement under Sections 391 to 394 read with Section 78 and 100 to 103 of the Companies Act, 1956;

AND

In the matter of Asahi Songwon Colors Limited A Company incorporated under the Companies Act, 1956 and having its registered office at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727 in the state of Gujarat.

AND

In the matter of Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited and consequential restructure of the share capital of Asahi Songwon Colors Limited.

Asahi Songwon Colors Limited. A Company incorporated under the Companies Act, 1956 and having its registered office at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727 in the state of Gujarat.

.....Applicant De-merged Company

FORM OF PROXY

I/ We, the undersigned, the Equity Shareholder of Asahi Songwon Colors Limited, do hereby appoint Mr./Ms._____ _____ of_____ and failing him/her _____ of _____ as my / our Proxy to act for me at the Court convened meeting of the Equity Shareholders of the Applicant Company to be held on Tuesday, the 1st day of July 2014 at 11.30 a.m. at the registered office at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727 in the State of Gujarat, for the purpose of considering, and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited and consequential restructure of the share capital of Asahi Songwon Colors Limited (the "Scheme of Arrangement"), and at such meeting and any adjournment/adjournments thereof, to vote, for me/us and in my/our name _____ (here, if for insert "for", if against insert "against" and in the latter case, strike out the words below after "Scheme") the said Scheme either with or without modification(s) as my/ our proxy may approve.

Dated this_____ day of_____ 2014

Signature _____

Name : _____

Address: _____

_____

Affix Re. 1 Revenue Stamp

Signature across the stamp

Notes:

1 The Form of proxy must be deposited at the Registered office of the Company at 167/168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727 in the State of Gujarat, not less than 48 (forty eight) hours before the time of holding the aforesaid meeting.

2 If you are a body corporate, as the shareholder, a copy of the Resolution of the Board of Directors or the governing body authorizing such person to act as its representative/proxy at the meeting and certified to be a true copy by a Director, the manager, the secretary or any other authorised officer of such body corporate be lodged with the Applicant Company at its registered office not later than 48 (forty eight) hours before the meeting.

3 A proxy need not be a shareholder of Asahi Songwon Colors Limited.

4 All alterations made in the Form of Proxy should be initialed.

5 In case of multiple proxies, the proxy later in time shall be accepted.

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ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP Id : _____ **Folio No.** : _____

Client Id : _____ **No. of Shares held** : _____

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER / PROXY HOLDER

_____

_____

_____

_____

_____

I/We hereby record my presence at the meeting of the Equity Shareholders of the Company convened pursuant to the Order dated 9th day of May, 2014 of the Hon'ble High Court of Judicature at Gujarat on 1st day of July, 2014 at 11:30 am at the registered office of the Company at 167 / 168, Village: Indrad, Kadi Kalol Road, Mehsana, 382 727, Gujarat, India.

SIGNATURE OF THE EQUITY SHAREHOLDER OR PROXY: _____

Note:
Equity Shareholders who come to attend the meeting are requested to bring with them copy of the Scheme of Arrangement.

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ASAHI SONGWON COLORS LIMITED
Registered Office: 167/168, Village : Indrad,
Tal : Kadi, Dist : Mehsana – 382 727, Gujarat, India.
Tel : +91 2764- 233007-10, Fax : +91- 2764 233 550
email : cs@asahisongwon.com, CIN:L24222GJ1990PLC014789.
www.asahisongwon.com