

o/c

Ref: AKSHAR/ASE/1402/113

February 3, 2014

To,
The Secretary
Ahmedabad Stock Exchange Ltd
Kamdhenu Complex
Opp. Sahajanand College, Panjrapole
Ahmedabad - 380 015



Subject: Application under Clause 24(f) of the Listing Agreement for the proposed Scheme of Arrangement between AksharChem (India) Limited ('the Company') and Asahi Songwon Colors Limited and their respective shareholders and creditors

Ref: COMPANY CODE: 6408

Dear Sir/Madam,

We refer to our letter dated 19th December 2013, informing you about the decision of the Board of Directors of the Company approving the "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" ("Scheme") under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 subject to the requisite approvals of the shareholders and the creditors of the respective companies and the sanction of the Hon'ble High Court of Gujarat or such other competent authority and other necessary statutory approvals.

In continuation of the aforesaid, we are now applying under Clause 24(f) of the Listing Agreement. Enclosed is the checklist duly filled in together with the Annexures thereto relating to the Clause 24(f) application.



Documents required to be submitted for approval under Clause 24(f) of the Listing Agreement, for the Scheme of Arrangement (including reduction in capital, arrangement with creditors, etc) proposed to be filed under sections 391 - 394 and other relevant provisions of the Companies Act, 1956

Sr. No.	Documents submitted alongwith application under Clause 24(f) of the Listing Agreement	Annexure No.	Page No.
1.	Certified copy of the resolution passed by the Board of Directors of the Company at its meeting held on 19 th December, 2013.	1	1-3
2.	Certified copy of the draft Scheme proposed to be filed before the Hon'ble High Court of Gujarat, Ahmedabad.	2	4-34
3.	Valuation report obtained from an Independent Chartered Accountant as per Para 4 of SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 along with related calculation/workings.	3	35-49
4.	Report from Audit Committee of the Company recommending the Draft Scheme taking into consideration, inter alia, the Valuation Report at Sr. No. 3 above.	4	50-53
5.	A fairness opinion obtained from Merchant Banker.	5	54-56
6.	Shareholding pattern of both the Companies pre and post Arrangement as per Clause 35 of the Listing Agreement.	6A, 6B and 7A, 7B	57-96
7.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) in the prescribed format.	8 and 9	97-98
8.	Compliance Report as per clause 49 of the listing agreement in the prescribed format.	10	99-100
9.	Complaint report in the prescribed format. (Will be submitted within 7 days of expiry of 21 days from the date of filing of draft scheme).	-	-
10.	Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 in the prescribed format.	11	101-102
11.	If as per the company, approval from the shareholders through postal ballot and e-voting, as required under Para 5.16(a), is not applicable then as required under Para 5.16 (b), submit the following: a) An undertaking certified by the auditor clearly	Company being Listed, para 5.16(a) requirement shall be	-



Sr. No.	Documents submitted alongwith application under Clause 24(f) of the Listing Agreement	Annexure No.	Page No.
	stating the reasons for non applicability of Para 5.16(a). b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	applicable	
12.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE	12	103-105
13.	Brief details of the transferee/resulting and transferor/demerged companies as per prescribed format	13	106-110
14.	Net worth certificate (excluding Revaluation Reserve) pre and post scheme for the transferee and resulting company	14 and 15	111-114
15.	Capital evolution details of the transferee /resulting and transferor / demerged companies in the prescribed format	16 and 17	115-116
16.	Confirmation by the Joint Managing Director of the company in prescribed format	18	117-118
17.	Statutory Auditor's Certificate confirming the compliance of the accounting treatment as specified in the Clause 24(i) of the listing agreement.	19	119
18.	Annual Reports of the transferee/resulting and transferor/demerged companies for the last financial year and the latest audited financials for the period ended September 30, 2013	20 A, 20B and 21A, 21B	120-303
19.	Name & Designation of the Contact Person Telephone Nos. (landline & mobile) Email ID. Mr. Saji Joseph Compliance Officer Tel.: 079 3982 5000 Mob.: 9099041872 Email id: cs@aksharchemindia.com	22	304



Draft Scheme:

The Scheme proposed to be filed with the High Court is enclosed as per **Annexure - 2**. The Scheme provides for the Demerger of CPC Green Division of Asahi Songwon Colors Limited into AksharChem (India) Limited.

The Scheme also provides for various other matters consequential or otherwise integrally connected therewith including restructuring of Share Capital.

Rationale of the Scheme:

Asahi Songwon Colors Limited 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, Asahi Songwon Colors Limited has decided to demerge its CPC Green Division into AksharChem (India) Limited with primary intention to focus its business synergies on Pigment Blue division.

The transfer and vesting of the CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited 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.



Listing of equity shares of AksharChem (India) Limited:

Post the scheme becoming effective, equity shares proposed to be issued pursuant to the Draft Scheme ~~by AksharChem~~ (India) Limited will be listed on the stock exchange(s) where the shares of the Company are listed, subject to SEBI regulations and other regulations as may be applicable in this behalf.

Applicability of Para 5.16(a) of Circular CIR/CFD/DIL/5/2013 dated 4 February 2013

Para 5.16(a) of circular CIR/CFD/DIL/5/2013 dated February 4, 2013 states that where an application in respect of a Scheme is being made to the Hon'ble High Court and such Scheme of Arrangement involves a listed entity and any other entity involving the promoters / promoter group, then the voting by public shareholders shall be made through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such special resolution. Further, it requires that the Scheme shall be acted upon 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 view, of the above, we understand that the above mentioned provision of the circular is applicable to AksharChem (India) Limited and shall be duly complied with. An undertaking in respect of the same is provided in **Annexure 18 - paragraph (e)**.

Designated Stock Exchange:

We wish you to inform you that the designated stock exchange, for the purpose of coordinating with SEBI, shall be BSE Limited (BSE). A copy of certified board resolution deciding BSE as designated stock exchange has been provided in **Annexure 12**.



We will be pleased to provide any clarification, as you may require in this regard.

We request you to ~~take above~~ on record and oblige. We look forward to a prompt and favourable review of this application and request you to issue an observation letter at the earliest so as to enable us to file the Draft Scheme with the Hon'ble High Court of Gujarat.

Thanking you,

Yours faithfully,
For, **AKSHARCHEM (INDIA) LIMITED**



SAJI JOSEPH
Compliance Officer



Encl: As above