

**AksharChem**<sup>®</sup>

AKSHARCHEM (INDIA) LIMITED  
Annual Report 2018-19



**MOVING AHEAD...**  
WITH CONFIDENCE, CAPACITY AND CONVICTION



## CONTENTS

- 02 Corporate Identity
- 04 Performance Highlights for the Year
- 06 A Message from Chairperson
- 08 Company Strengths
- 16 Business Strategy
- 17 Corporate Social Responsibility
- 18 Board of Directors
- 21 Notice
- 34 Directors' Report
- 58 Management Discussion and Analysis
- 60 Report on Corporate Governance
- 77 Financial Section

### Forward looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

**MOVING AHEAD IS GREAT. MOVING AHEAD SUSTAINABLY IS GRATIFYING. IT NECESSITATES STEADFAST COMMITMENT AND SOLID FOUNDATION. WILLINGNESS TO PUSH BOUNDARIES AND TAKE ON NEW CHALLENGES. UNCOMPROMISING VALUES OF THE PAST AND A CLEAR VISION OF THE FUTURE.**

This is how we have been progressing at AksharChem since inception.

From spreading across multiple geographies to becoming a preferred supplier for leading global companies. From consistently expanding our production capacity to widening our portfolio. From setting new benchmarks of production excellence to adopting world-class sustainability practices.

Powered by our vision to become a leading global player, we have embarked on a strategic growth charter that is devised to benefit from strong foundations and culture of excellence that we have already built. We are continually reinventing ourselves and reinforcing our core capabilities to become more energetic and invigorated entity. We are moving ahead with confidence and capacity with a strong conviction of growing consistently and delivering value to all our stakeholders.

## AKSHARCHEM: AN ORGANISATION ON THE MOVE

Promoted by Mrs. Paru M. Jaykrishna in 1989, AksharChem is a leading dye and pigment manufacturer. The Company is headquartered in the chemical belt of Mehsana (Gujarat) and is a globally recognised brand. Our products are sold across India, Europe, Far East, South East Asia, China, and USA. Our shares are listed in BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE).

### INSPIRING US IN MOVING AHEAD IS...



#### OUR VISION

To emerge as global leader in supply of specialty Chemicals by creating value for our esteemed customers by supplying quality products.



#### OUR MISSION

We are committed to use 'Green' technologies in all our manufacturing operations. We also endeavor that we will protect environment by using cleaner technologies and we are responsible for safety and health protection of our work force.

## Product portfolio

Product	End user industry
Vinyl Sulphone	Textile industry
CPC Green	*Printing ink *Paint *Rubber *Plastics *Leather
H-acid	Textile industry

## Our reputation



## Our scale



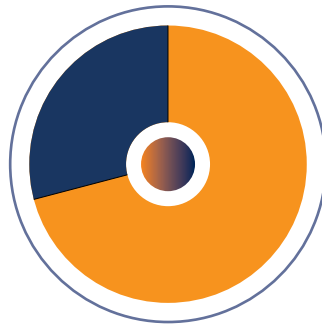
# PERFORMANCE HIGHLIGHTS FOR THE YEAR

**22%**  
Revenue CAGR FY 2013-19

**57%**  
Net worth CAGR FY 2013-19

**83%**  
Share of exports in FY2018-19

FY2018-19: Product-wise revenue break-up



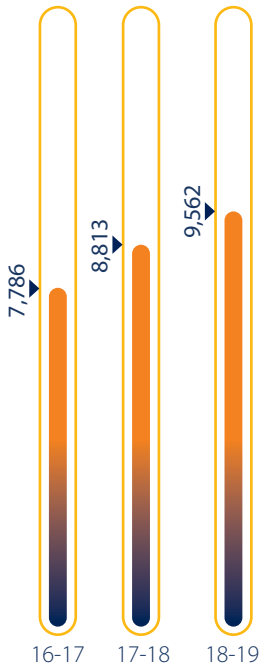
**71%**

Dyes & Intermediates

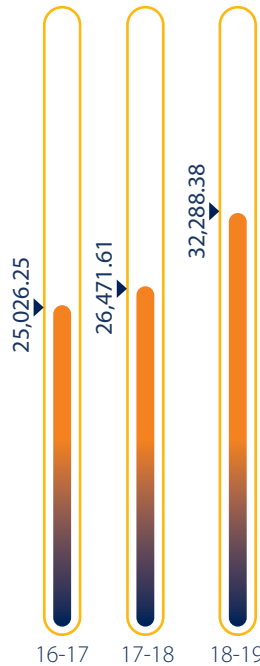
**29%**

Pigment

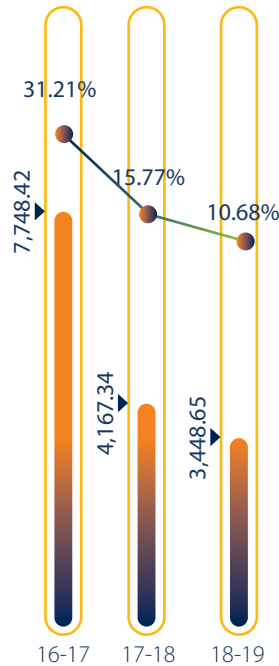
Dyes and pigments volume (metric tonnes)



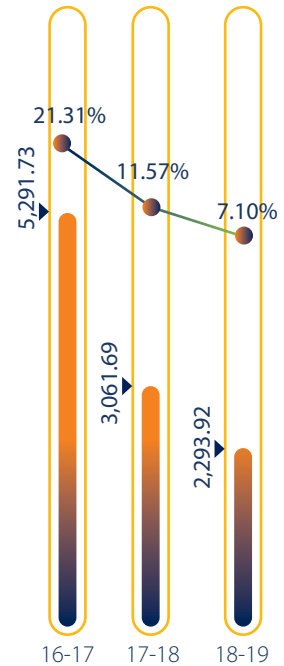
Revenue from operations (₹ lakhs)



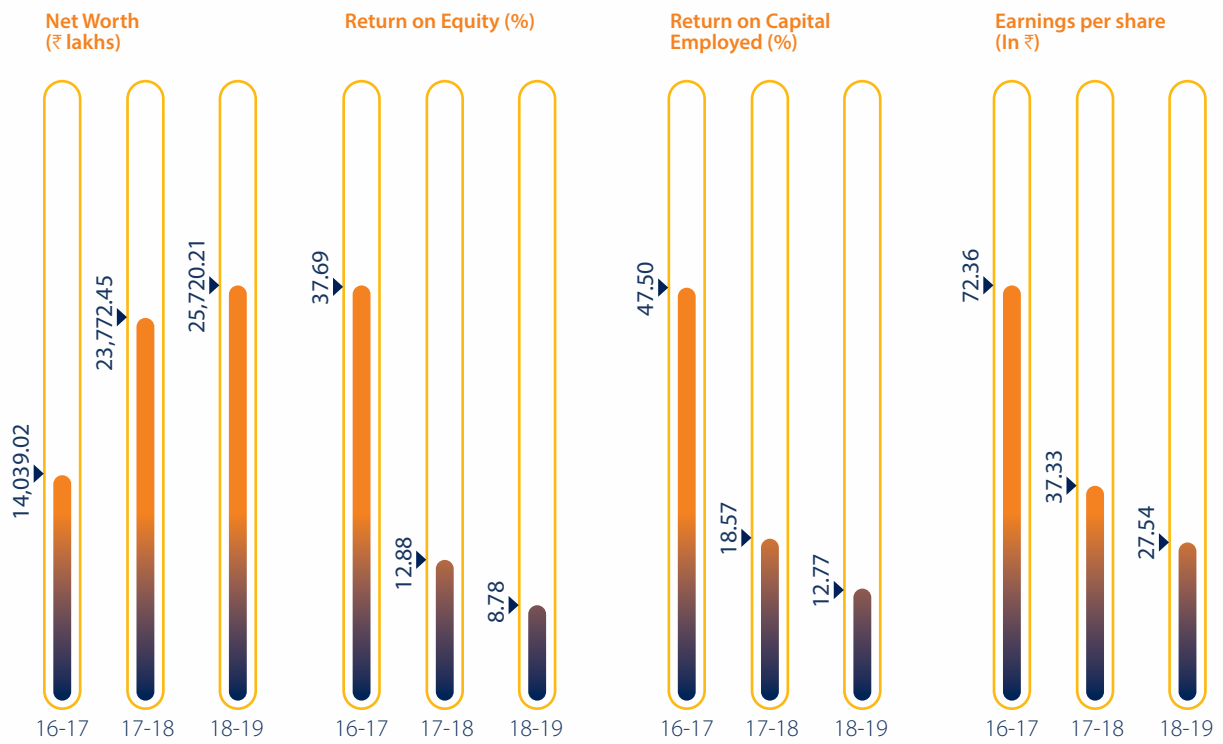
EBITDA (₹ lakhs) & EBITDA margin (%)



PAT (₹ lakhs) & PAT margin (%)



- Our volumes expanded by 9% indicating that the demand for our product continues to be intact and that our business is sustainable
- Our revenue from operations expanded 22% supported by volume growth and higher realisation due to China situation
- Profitability was impacted by higher crude prices, currency fluctuation and increase in expenditure due to new CPC Green and H-acid capacity and initial stabilisation issues in H-acid manufacturing.



A MESSAGE FROM

## CHAIRPERSON

“Character is what you are in the dark. Though these lines were said by Dwight Moody several years ago, they are very much applicable to us. Amidst multiple challenges that we faced in the past two years, we continued to remain firm. Our team displayed grit and determination to counter challenges and move ahead. This is our character.”

### *Dear Shareholders,*

FY 2018-19 was a challenging year for us both due to external context and some internal challenges. Externally high volatility in the crude prices, currency fluctuations and disruption in supply of key raw materials led to surge in costs and impacted our margins. Internally, we faced teething problems in stabilizing the new H-Acid line due to quality and yield issues, leading to one-off loses.

But as always we remained steadfast. We responded with courage and determination to counter the challenges. While the external factors were beyond our control, we put in more efforts to retain our existing clients and focused on expanding geographic footprint and adding new clients. This led to win seven new accounts. Though these new relations have marginal share, we expect to grow business in the future. The impact of our efforts is evident in the 9% surge in our sales volume to 9,562 metric tonnes. This also exemplifies that the demand of our products continues to remain intact. Our revenue growth at 22% to ₹322.9 Crore was higher as China environmental crackdown factor continues to be persist leading to lower supply in the market and hence higher realization. The prices are expected to stabilize in the coming fiscal. Coming to profitability, our EBITDA for the year ended declined 17% to ₹34.5 Crore and PAT declined 26% to ₹22.6 Crores due to the reasons stated above. For price increase, we usually take a lag of one to two quarters to pass it on and hence the margins got impacted.





**We won seven new accounts during the year while retaining all the existing ones**

**Stabilisation of H-Acid plant and its quality acceptance by customers has adds a new revenue stream**

Our performance indicates something fundamental that we possess – strong resolve and persistence. And this are not just words for us. They are reflected in our character across all decisions that we take.

### **Resolving and moving ahead**

Coming to internal factors relating to stabilizing the 1,200 MTPA H-Acid plant. We worked rigorously at this plant and after putting in months of efforts, we have been able to resolve all issues. The production line is now stabilized, and we have achieved the desired customer quality. H-Acid is new product that we have added in the dye intermediates basket to target export market and serve existing customers. I am happy to announce that our samples have been accepted by all our customers and we even received orders from them.

We continued to move at steady pace for all other expansion programs. Our 480 MTPA CPC Green has been completed. With this, our green capacity has now expanded from 1,920 MTPA to 2,400 MTPA. This line will soon be put to utilization and will start contributing from next fiscal onwards. It will enable us to meet the growing demand of our clients and ensure uninterrupted supply. In our specialty chemicals business,

we are progressing well with the 10,000 MTPA greenfield Precipitated Silica project. We expect it to commercialise by FY 2020. It will add another revenue stream for us.

### **Conviction of growing demand**

After the environment crackdown episode in China, globally the chemical industry is witnessing a scenario where demand for quality and environmentally compliant dye and intermediates is surpassing supply. We expect this scenario to persist for sometime. It will contribute to growing demand for products from India which is the most competitive markets in the world owing its low-cost advantage and quality. This is expected to drive export market of domestic dyes industry. The industry will also benefit from rising domestic consumption on the backs of growth in textile industry.

### **Confidence in our capabilities**

Moving ahead, I am sure we will be able to make good of the demand with our best quality reliable products and over two decades strong relationships

with the world's largest dyestuff houses. While on one hand we now have more capacities, on the other we continue to retain competitive advantage in the industry owing to our quality, cost and environmental compliances. We have made sustained investments in environmental technologies over the years including the ₹16 Crores committed in FY 2018-19. We are now probably amongst the world's most environment-friendly chemical companies. And this gives us an edge in a challenging global market marked by tightening environmental regulations.

### **Message to the shareholders**

Your Company is convinced of improving market scenario and confident of capitalising on it. We have taken all right steps to be future ready and it is now a matter of perfect execution. I thank all our stakeholders for being with us through this exciting journey. I also thank our people for bringing in passion to work and contributing to the growth of the Company.

Warm wishes

**Paru M. Jaykrishna**  
Chairperson.



# MOVING FROM STRENGTH TO STRENGTH

## Key business drivers



### Superior product quality

- Products meeting various global quality and environmental compliances
- Zero return track record



### Strong customer relationships

- Long-term contract with leading global customers
- Strong relations with customers



### Technology leadership

- Technology sourced for product innovation
- Modern plant, well-equipped laboratory
- Advanced automation systems



### Environment compliance

- Invested in latest environment management technologies which is key for a chemical company



### Business scalability

- Operations spread across 20+ countries
- Growing global distribution network opens business opportunities and reduces geographic concentration.

## Competitive advantages



### Senior management experience

- Senior management having extensive business knowledge, strong networking and expertise in the leadership and business strategy
- Senior management drive business model sustainability



### Economies of scale

- One of the largest single location manufacturing capacities facilitating effective overhead distribution
- One of lowest cost producers



### Strategically located

- Plants in Gujarat's chemical belt where majority of raw material suppliers are based facilitating faster turnaround and greater business development opportunity
- Robust multimodal connectivity



### Financially strong

- Strong net worth of ₹25,720.21 lakhs and 0.04 net debt:equity
- Track record of zero bad debt
- Highest credit rating from CARE



# MOVING AHEAD WITH CONFIDENCE

**IN** a world, where fast-paced changes are happening and customer need are continuously evolving, sustaining growth is both challenging and complex. In such scenario, we are confident that our competencies, market knowledge, incisive understanding of market dynamics and insightful view of emerging trends will enable us to deliver sustainably.

## **Confidence of delivering the best quality**

Our investment in state-of-the-art manufacturing facility, advanced technologies and talented manpower enable us to deliver the best quality with a track record of zero rejection. This is reinforced by our constant efforts to undertake improvement initiatives and stringent monitoring by quality team right from raw material procurement to finished good. We also have in place standard operating procedures.

## **Confidence of being the preferred supplier**

While we deliver industry best quality on one hand, on the other we ensure industry low costs to deliver unmatched value proposition to our customers. We ensure cost competencies through our advantage of large scale of operations that we effectively manage by achieving high capacity utilisation. This is done through employing best equipment and automation technologies and continuously undertaking shop floor and employee productivity improvement measures.

## **Confidence of being in the right market**

We are confident that our presence in the right markets having strong demand potential which will enable us to ensure consistent growth in topline.

## **Confidence of retaining relations**

We have adopted a zero-tolerance culture within our organisation for product quality and delivery schedule along with ensuring unmatched service standards. This has helped us to build long-term relationships with our customers.







# MOVING AHEAD WITH **CAPACITY**

**GLOBALLY** the dye and pigments industry is increasingly witnessing consolidation in favour of India led by two key developments – rising demand due to surging industrial activity and environmental crackdown in China. The demand is further expected to accelerate on the back of strong growth in the textile market. This has created demand-supply imbalance in the global markets.

At AksharChem, we have prepared to deliver this global demand-supply imbalance by successfully adding new capacities during the year. We are also progressing well with other ongoing capacity expansion program. We believe these capacities would enable us to considerably grow our topline in the coming years.

### **Capacity to meet future demand**

During the year, we have successfully added 480 MTPA of CPC Green to our existing capacity and added new capacity of 1,200 MTPA H-Acid to our production line. While the CPC Green capacity will enable us to consolidate our leadership position for the product, H-Acid will enable us to tap new customers and cross existing ones. We are also progressing well with our other capacity expansion program of 10,000 MTPA precipitated silica which shall further enhance our competitive positioning in the market.

### **Capacity of skilled manpower**

We have added 36 manpower within the organisation and have provided necessary skill development training that shall enable us to effectively operate additional capacities.

### **Capacity of research and development**

We have a strong team of research personnel who continuously work towards improving product quality and optimising production process enabling us to meet the growing expectation of customers.

### **Capacity of distribution network**

We have established strong distribution network across our global markets of presence enabling us to effectively cater existing customers and build relations with new ones.



# MOVING AHEAD WITH **CONVICTION**

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**UNDERTAKING** the right steps and preparing ourselves with necessary capacity, right manpower and presence in right markets, we are now on the right side opportunity. We have conviction in our capabilities, in our values and ethical practices, in what the market has to offer and in our ability to consistently perform.

## **Conviction of positive global chemical market**

With chemical industry in China facing intense regulatory clampdown and India having the advantage of low-cost labour, the country is expected to emerge as one of the most important chemical industry destinations.

## **Conviction in our management**

Our management have deep understanding of the market dynamics. Their knowledge, ability to judge the market and develop right strategies have been crucial for the Company's growth. We have the conviction that the Company will continue to prosper under their guidance.

## **Conviction in our values and ethical practices**

We have high regards for ethical practices. Since inception, we have always believed in being transparent and fair in all our dealings. Our customers globally value our ethical standards and continue to do business with us. Our practices make us one of the trusted global brands.

## **Conviction of expanding market share**

Our processes and automation technologies are one of the best in the industry. Over time it has enabled us to improve efficiency, reduce human error and attain unmatched quality. We have the conviction that this competitive edge will enable us to gain market share in the future.

## **Conviction of growing shareholder value**

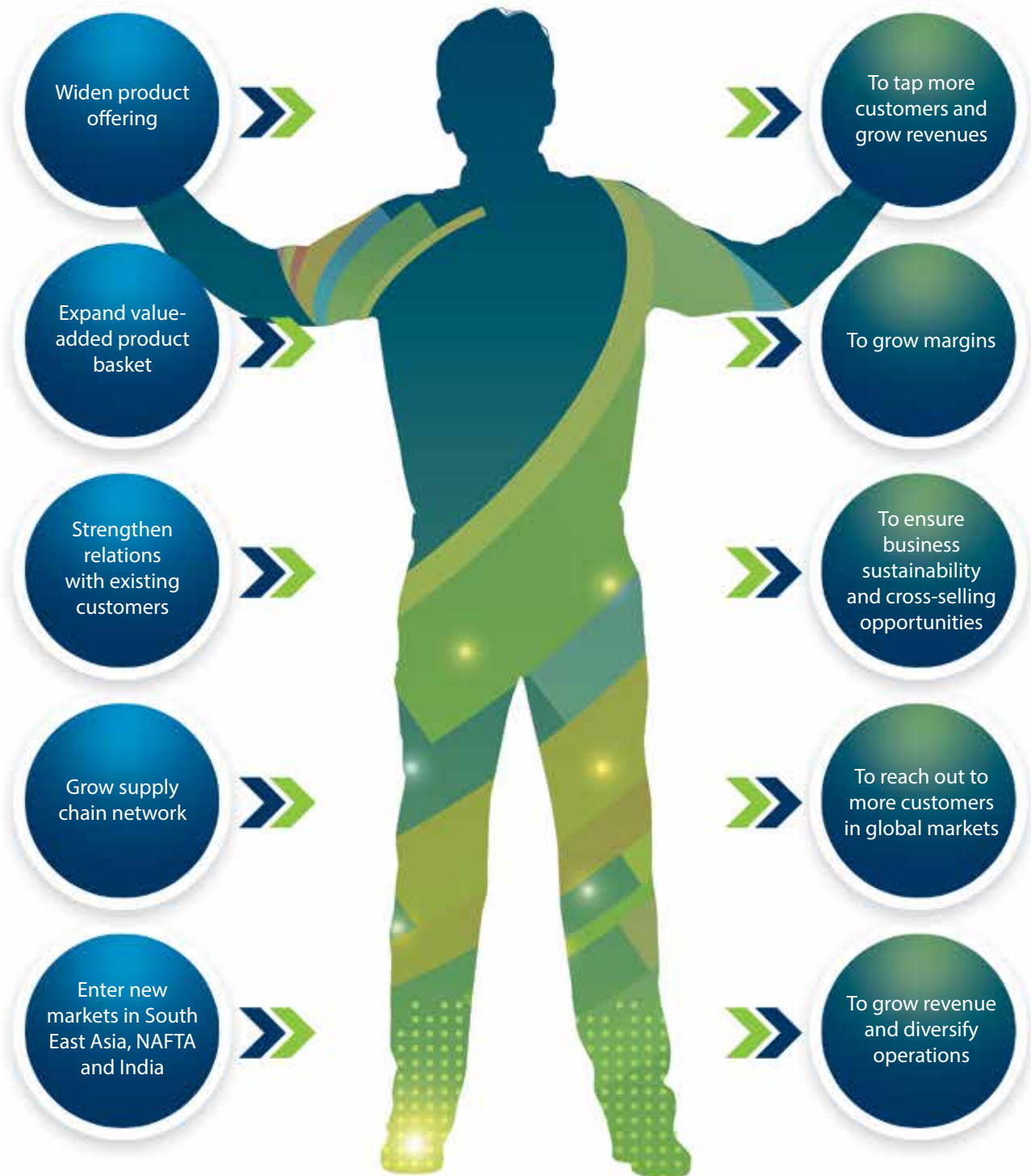
We continue to have strong balance sheet strength on the back of our business model. Our net debt remains almost nil despite undertaking capacity expansion program. Our net worth is strong at ₹25,720.21 lakhs as on March 31, 2019. With our healthy balance sheet and strong demand for our product, we have the conviction of delivering more value to shareholders.





MOVING AHEAD WITH  
**RIGHT STRATEGIES**

With the markets offering great opportunities, we have prepared a blueprint to be able to make most of the opportunity and ensure long-term value creation.



## MOVING AHEAD TO A **SUSTAINABLE FUTURE**

Business success in today's context means creating value for all stakeholders including the society and the environment. Understanding its importance in a tightening regulatory context, we ensure that it forms the cornerstone of our corporate strategy. This makes us one of the most environment-friendly chemical companies globally. We are leveraging this competitive advantage to create more relationships and grow business.

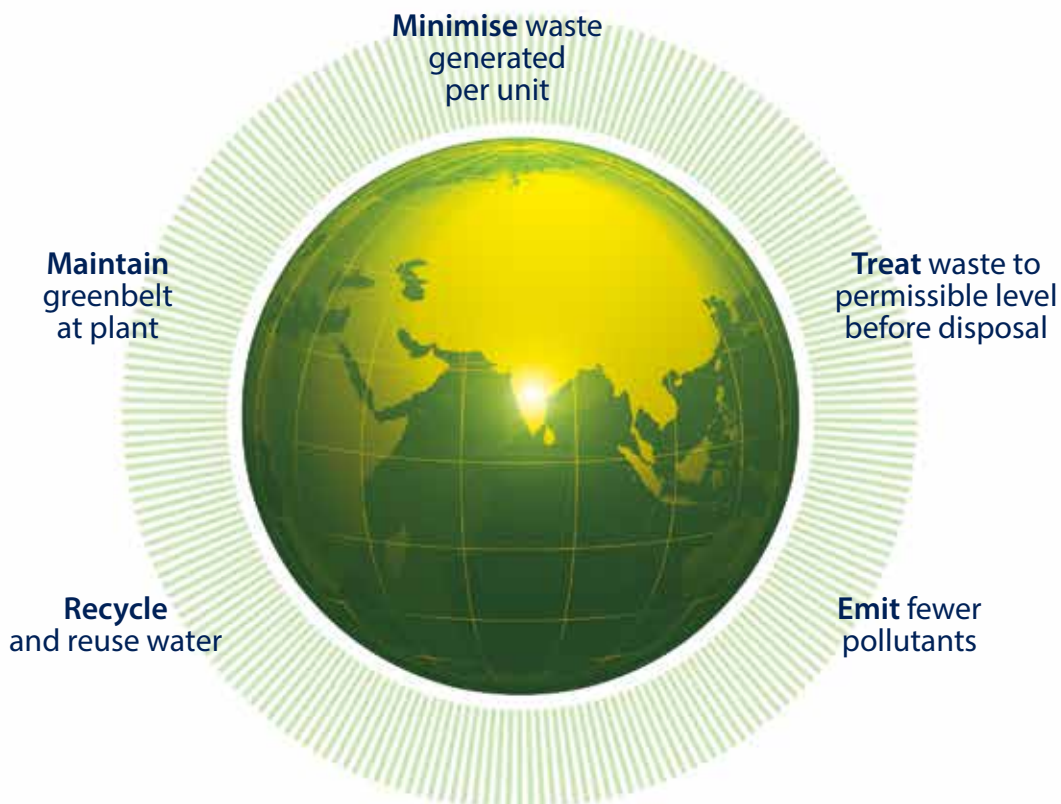
At AksharChem, we continue to proactively invest in environmental technologies to remain ahead of regulations. We have procured internationally recognised processes that enables us to ensure minimum waste generated per unit, treat waste to permissible limits, emit fewer pollutants and recycle and reuse water.

Some of the key environment-related technologies at our plant include:

- Effluent treatment plant
- Water treatment plant



**Spent towards  
environment expenses  
in FY2018-19**



## BOARD OF DIRECTORS

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**Mrs. Paru M. Jaykrishna**  
**Founder, Chairperson & Mg. Director**

She is a Law Graduate and holds Bachelor's degree in Philosophy and Sanskrit & Masters' degree in English Literature. Her role in the organisation is that of a strategic decision maker and policy maker to ensure growth. She is one of the most renowned Women Entrepreneurs of India and was the First Elected Lady as a President of Gujarat Chambers of Commerce and Industry in 65 years. In past she has been Director in Tourism Corporation of Gujarat Ltd. Gujarat State Handloom House Corporation and Small Industries Development Bank of India (SIDBI).



**Mr. Gautam M. Jain**  
**Independent Director**

He is a Science (Chemistry) and law graduate. A renowned industrialist with over 42 years of experience in the Chemical Industry, he is the founder of Metrochem Industries Limited, Chairman of the Gujarat Research and Medical Institute (Rajasthan Hospital) and a member of the Executive Committee of GCCI. He has also been elected as the President of Gujarat Dyestuff Manufacturers Association and Rajasthan Seva Samiti.



**Dr. Pradeep Jha**  
**Independent Director**

He is a well-accomplished mathematician and a research guide at several universities having over 41 years of teaching experience. Authoring over 20 research articles, he has expertise in developing soft skills program for corporate executive. He has authored many books on Mathematics and Operations Research. He has been associated with the Company Since 2002.



**Mr. Jigar M. Patel**  
**Independent Director**

He is graduated with L.L.M. Honors in International Taxation from the prestigious NYU School of Law. He has acquired valuable experience working as an International Tax Attorney with PricewaterhouseCoopers at New York. He is currently the Executive Director of International Tax & Investment Consultants at Ahmedabad. He is Vice-President of the Income Tax Bar Association, Ahmedabad. Ha has addressed several public forums and participated in TV discussions. He was awarded 'Upcoming speaker 2016' by the All India Federation of Tax Practitioners. He has been associated with the Company since 2017.



**Ms. Maitri K. Mehta**  
**Independent Director**

She is Fellow Member of The Institute of Cost Accountants of India (FCMA), MBA (Finance) from KS School of Business Management and Fellow Member of Insurance Institute of India (FIII-Life). She is a Practicing Cost Accountant. She is proficient in the field of Cost and Management Accountancy. She has been associated with the Company since 2019.



**Mr. Gokul M. Jaykrishna**  
**Director**

He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders. He is associated with the Company since 1994.



**Mr. Munjal M. Jaykrishna**  
**Joint Managing Director & CEO**

He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He overlooks the Production, Finance, Marketing, Quality Control and Overall Developments of the Company. He has an experience of working with Bank of California (San Francisco) as Financial Analyst and Paragon Knits, Bethlehem, (USA) as a Consultant.



**Mr. Ashok Barot**  
**Director**

He is Master of Science (M. Sc.) from North Gujarat University. He is Senior Manager-Technical Services of the Company. He has more than 25 years of experience in Chemical field. He is associated with the Company since July 2004. He is currently looking after plant administration as well as technical issues of the Company.



# STATUTORY SECTION



# NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of AKSHARCHEM (INDIA) LIMITED will be held on Monday, 30th day of September, 2019 at the Registered Office of the Company at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat at 2.00 P.M. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend on Equity Shares of the Company for the financial year 2018-19.
3. To appoint a director in place of Mr. Munjal M. Jaykrishna (DIN: 00671693), liable to retire by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### 4. APPOINTMENT OF MS. MAITRI K. MEHTA (DIN: 07549243) AS A DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

**“RESOLVED** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Ms. Maitri K. Mehta (DIN: 07549243), who was appointed as an Additional Non-executive Independent Director of the Company w.e.f. March 28, 2019 and whose term of office expires at this Annual General Meeting (“AGM”) and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from March 28, 2019 and whose period of office shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

### 5. APPOINTMENT OF MR. ASHOK D. BAROT (DIN: 08366687) AS A DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV of the Act, (including any statutory modification(s) or re-enactment

thereof for the time being in force), and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Ashok D. Barot (DIN: 08366687), who was appointed as an Additional Executive Director of the Company w.e.f. March 28, 2019 and whose term of office expires at this Annual General Meeting (“AGM”) and in respect of whom the Company has received a Notice in writing alongwith the deposit of requisite amount from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

### 6. RE-APPOINTMENT OF MR. MUNJAL M. JAYKRISHNA (DIN: 00671693), AS JOINT MANAGING DIRECTOR & CEO OF THE COMPANY

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**“RESOLVED THAT** subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article No. 136 & 165 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Munjal M. Jaykrishna, as Joint Managing Director & CEO of the Company for a period of 5 years with effect from March 24, 2019, as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Munjal M. Jaykrishna.

**RESOLVED FURTHER THAT THAT** pursuant to the second proviso to Sub-Section (1) of Section 197 of the Companies Act, 2013 (“the Act”) as amended vide Companies (Amendment) Act, 2017 effective from September 12, 2018 and all other applicable provisions, if any, of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded for payment of managerial remuneration for the Financial Year 2019-20 and all subsequent Financial Years, in excess of the limits prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act.

**RESOLVED FURTHER THAT** the managerial remuneration payable by the Company to Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO, in respect of any Financial Year shall exceed five per cent (5%) of the net profits of the Company for that Financial Year computed in the manner laid down in Section 198 of the Act except

as may be authorized by the Company in general meeting, subject to the provisions of Schedule V to the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**7. RE-APPOINTMENT OF MR. GAUTAM JAIN (DIN: 00160167) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Mr. Gautam Jain (DIN: 00160167), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires at the ensuing Annual General Meeting, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed there under and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from the August 12, 2019.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

**8. RE-APPOINTMENT OF DR. PRADEEP JHA (DIN: 01539732) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Dr. Pradeep Jha (DIN: 01539732), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires at the ensuing Annual General Meeting, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed there under and Regulation 16(1)(b) of the Listing Regulations and

who has submitted a declaration to that effect, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from the August 12, 2019.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of members of the Company be and is hereby accorded for continuation as Non-Executive Independent Director of the Company beyond November 28, 2020, on account of his attaining the age of 75 years on the said date.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

**9. PAYMENT OF MANAGERIAL REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** partial modification to the resolution passed by the Members at the General Meeting of the Company and pursuant to the second proviso to Sub-Section (1) of Section 197 of the Companies Act, 2013 ("the Act") as amended vide Companies (Amendment) Act, 2017 effective from September 12, 2018 and all other applicable provisions, if any, of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded for payment of managerial remuneration for the Financial Year 2019-20 and all subsequent Financial Years, in excess of the limits prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act as under:

- (a) exceeding five per cent (5%) of net profits of the Company calculated in accordance with Section 198 of the Act ("Net Profits") to any one Managing Director or Whole Time Director or Manager;
- (b) where there is more than one Managing Director or Whole Time Director, exceeding ten per cent (10%) of the Net Profits of the Company to all such Directors and Manager; and
- (c) exceeding one percent (1%) of Net Profits of the Company to all Directors who are neither Managing Director nor Whole Time Director of the Company.

**RESOLVED FURTHER THAT** the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole-time Director, in respect of any Financial Year shall exceed eleven per cent (11%) of the net profits of the Company for that Financial Year computed in the manner laid down in Section 198 of the Act except as may be authorized by the Company in general meeting, subject to the provisions of Schedule V to the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as



it may deem necessary and authorise executives of the Company for the purpose of giving effect to this Resolution.”

#### 10. PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS WHO ARE PROMOTERS OR MEMBER OF PROMOTER GROUP

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to Section 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded for payment of remuneration to the Executive Directors who are Promoters or members of Promoter Group as under:

- (a) annual remuneration to an Executive Director who is a Promoter or member of Promoter Group, exceeding ₹5 Crores or 2.5 per cent (2.5%) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 (“Net Profit”), whichever is higher; or
- (b) aggregate annual remuneration to Executive Directors who are Promoters or members of Promoter Group, where there is more than one such Executive Director, exceeding 5 per cent (5%) of the Net Profit.

**RESOLVED FURTHER THAT** the approval herein granted for payment of remuneration to Executive Directors who are Promoters or members of Promoter Group (“such Executive Directors”) shall be effective for the Financial Year commenced from April 1, 2019 and for subsequent years till the expiry of respective term of such Executive Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorise executives of the Company for the purpose of giving effect to the above Resolution.”

#### 11. PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES AND/OR OTHER DEBT SECURITIES

To consider and if thought fit, to pass the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 framed there under and all other applicable rules, if any, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law for the time being in force (including any

statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other approvals as may be required from regulatory authorities from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) to make offer(s), invitation(s), to subscribe and issue Non-Convertible Debentures (“NCDs”), Bonds, Commercial Papers (“CP”) or any other Debt Securities in one or more series/tranches aggregating upto ₹300 crores (Rupees Three Hundred Crores Only), whether rupee denominated or denominated in foreign currency, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting be held in calendar year 2020, whichever is earlier, on such terms and conditions and at such times and at par or at such premium, as the Board may, from time to time determine and consider proper and most beneficial to the Company including as to when the said Non Convertible Debentures and /or Bonds and/or Commercial Papers or other debt securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents, instruments and writings, and take all such steps as it may in its sole and absolute discretion deem necessary including for the purpose of determining terms of issue of Non-Convertible Debentures and/or Bonds and/or Commercial Papers and/or other debt securities and to settle all questions, difficulties and doubts that may arise in relation thereto.”

For and on behalf of Board of Directors

**MRS. PARU M. JAYKRISHNA**

*Chairperson & Mg. Director*

DIN: 00671721

Place : Indrad, Mehsana

Date : August 12, 2019

**Registered Office :**

166/169, Village Indrad,

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN : L24110GJ1989PLC012441

Phone : +91 2764 233007

Fax: +91 79 2764 233550

Website : [www.aksharchemindia.com](http://www.aksharchemindia.com)

Email id : [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com)

**NOTES:****1. Proxy**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company, either in person or through post, duly completed and signed, not later than forty-eight hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

**2. Explanatory Statement**

The relevant explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") as set out under Item No. 4 to 11 of the Notice, is annexed hereto.

**3. Book Closure**

Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).

**4. Director proposed to be re-appointed**

At the ensuing Annual General Meeting, Mr. Munjal M. Jaykrishna (DIN:00671693), retire by rotation and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in annexure to notice of Annual General Meeting.

5. The Company's Statutory Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from

the conclusion of Twenty Eighth Annual General Meeting till the conclusion of Thirty Third Annual General Meeting of the Company (subject to ratification of such appointment at every Annual General Meeting, if so required under the Companies Act, 2013).

Pursuant to the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from Section 139 of the Companies Act, 2013.

In view of the above, no resolution is proposed for ratification of appointment of the Statutory Auditors. As authorised by the members, at the 28th Annual General Meeting, the Board of Directors (the Board), as recommended by the Audit Committee, has ratified the appointment of the Statutory Auditors for their respective remaining terms, at such remuneration as may be mutually agreed between the Board and the Statutory Auditors, from time to time. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

**6. Payment of Dividend**

The dividend on equity shares for the financial year 2018-19, if declared by the members, will be paid within thirty days of declaration by members:

- (i) in respect of shares held in physical form, to those members whose names appear in the Register of Members of the Company on Monday, September 23, 2019.
- (ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by NSDL and CDSL as at the end of business hours on Monday, September 23, 2019.

The members are hereby informed that the Company is required to transfer the dividends, which remain unclaimed for a period of seven years, to the Investor Education and Protection Fund ("IEPF") constituted by the Central Government.

The Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on the date of last Annual General Meeting i.e. September 28, 2018, on the website of the Ministry of Corporate Affairs. The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2012-13 – Final	27/09/2013	25/10/2020
2013-14 – Interim	12/11/2013	10/12/2020
2013-14 – Second Interim	21/01/2014	18/02/2021
2013-14 - Final	25/09/2014	23/10/2021
2014-15 – Final	29/09/2015	27/10/2022
2015-16 – Interim	14/03/2016	11/04/2023
2016-17 – Interim	16/03/2017	13/04/2024
2017-18 – Final	28/09/2018	26/10/2025

The members are advised to send their requests for payment of unpaid dividend pertaining to the financial years 2012-13 to 2017-18 to our Registrar and Share Transfer Agent for payment before the same becoming due for transfer to IEPF.

#### 7. Transfer of Shares to demat account of IEPF Authority

The members may kindly note that pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has remained unclaimed/unpaid for seven consecutive years or more shall be transferred by the Company to the demat account of Investor Education and Protection Fund Authority ("IEPF Authority").

#### 8. Dispatch of documents through electronic mode / Registration of E-mail addresses

In pursuance of the provisions of the Companies Act, 2013 and the Rules made there under, the Company proposes to send documents like notice of general meeting, Annual Report, etc. to the shareholders through electronic mode. The members who have not registered their e-mail address so far, are requested to register their email address (or change therein, if any) with their Depository Participant (where the shares are held in dematerialized form) or our Registrar and Share Transfer Agent (where the shares are held in physical form) by submitting the E-communication Registration Form.

#### 9. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to members to exercise their right to vote at thirtieth Annual General Meeting by electronic means (e-voting) and the business may be transacted through e-Voting Services.

The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereinafter.

#### Voting Options

- 11.1 The Company has engaged National Securities Depository Limited ("NSDL") to provide the facility of casting the votes by the members using an electronic voting system from a place other than the venue of Annual General Meeting ("Remote E-voting").
- 11.2 The facility for voting through ballot paper shall also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not cast their vote by Remote E-voting shall be able to exercise their right at Annual General Meeting.
- 11.3 The members who have cast their vote by Remote E-voting prior to Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again at Annual General Meeting.
- 11.4 The instructions for remote e-voting are as under:  
How do I vote electronically using NSDL e-voting system?  
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

11.4.1 Details on Step 1 is mentioned below:

11.4.1.1 Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/>

11.4.1.2 Once the home page of Remote E-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

11.4.1.3 A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsd.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically.

#### 11.4.1.4 The User ID details are given below:

Manner of holding shares	User ID
(i) For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
(ii) For members who hold shares in demat account with Central Depository Services (India) Limited ("CDSL")	16 Digit Beneficiary ID For example if your Beneficiary ID is 12*****then your user ID is 12*****
(iii) For members holding shares in Physical Form	EVEN (E-Voting Event Number) of the Company followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- 11.4.1.5 Password details are given below:
- (i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - (ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
    - (a) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. AKHARCHEM.pdf file. Open the AKHARCHEM.pdf file. The password to open the AKHARCHEM.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The AKHARCHEM.pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- 11.4.1.6 If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- 11.4.1.7 After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 11.4.1.8 Now, you will have to click on "Login" button.
- 11.4.1.9 After you click on the "Login" button, Home page of e-Voting will open.
- 11.4.2 Details on Step 2 is given below:
- How to cast your vote electronically on NSDL e-Voting system?
- 11.4.2.1 After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 11.4.2.2 After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 11.4.2.3 Select "EVEN" of AksharChem (India) Limited
- 11.4.2.4 Now you are ready for e-Voting as the Voting page opens.
- 11.4.2.5 Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 11.4.2.6 Upon confirmation, the message "Vote cast successfully" will be displayed.
- 11.4.2.7 You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 11.4.2.8 Once you confirm your vote on the resolution, you will not be allowed to modify your vote
- 11.5 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [makwanabipin577@gmail.com](mailto:makwanabipin577@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 11.6 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 11.7 The Remote E-voting period shall commence at 9.00 a.m. on Friday, September 27, 2019 and ends at 5.00 p.m. on Sunday, September 29, 2019. At the end of the Remote E-voting period, the Remote E-voting facility shall be blocked by NSDL forthwith. The Remote E-voting shall not be allowed after 5.00 p.m. on September 29, 2019.
- 11.8 A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories (in case of shares held in dematerialised form) as on the cut-off date i.e. Monday, September 23, 2019 only shall be entitled to avail the facility of Remote E-voting as well as voting in the Annual General meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- 11.9 The voting rights of the shareholders shall be reckoned in proportion to their shares in the total paid-up equity share capital of the Company as on cut-off date i.e. Monday, September 23, 2019.
- 11.10 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990. In case of any queries/grievances connected with Remote E-voting, the members may contact Ms. Pallavi Mhatre, Assistant Manager, NSDL at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) (Telephone No. 022-24994545) or Mr. Meet J. Joshi, Company Secretary & Compliance Officer at the Registered Office of the Company at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat Phone: 02764-233007. E-mail: [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com).

- 11.11 A person who becomes a member of the Company after dispatch of notice of Annual General Meeting and holding shares as on the cut-off date i.e. September 23, 2019, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com) or call on toll free no. 1800-222-990.
- 11.12 The Board of Directors of the Company has appointed Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) to scrutinise the voting at Annual General Meeting and Remote E-voting process in a fair and transparent manner.
- 11.13 The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through Remote E-voting in the presence of atleast two witnesses not in the employment of the Company.
- 11.14 The Scrutiniser shall make, not later than 48 Hours of conclusion of the Annual General Meeting, a consolidated scrutiniser's report and submit the same to the Chairperson of Annual General Meeting or any other person authorized by Chairperson in writing who shall countersign the same and declare the results of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office (as per details mentioned above). The results declared alongwith scrutiniser's report shall be placed on the Company's website [www.aksharchemindia.com](http://www.aksharchemindia.com) and on the website of NSDL immediately after the results are declared. The results shall also be immediately forwarded to the BSE Limited (BSE), Mumbai, National Stock Exchange of India Limited (NSE), Mumbai and Ahmedabad Stock Exchange Limited (ASE), Ahmedabad.
10. Corporate members, intending to depute their authorised representatives to attend the meeting pursuant to Section 113 of the Act, are requested to send to the Company a duly certified true copy of the Board Resolution / Power of Attorney authorizing their representatives to attend and vote on their behalf at the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. In terms of the amendments to the Listing Regulations, with effect from April 1, 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with the depository, i.e., NSDL and CDSL. Members are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.
13. Attendance slip and proxy form are annexed hereto.
14. Members can send their queries, if any, to reach the Company's Registered Office atleast 10 days before the date of Annual General Meeting so that information can be made available at Annual General Meeting. The members are requested to bring their attendance slip at the meeting.
15. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the Annual General Meeting and other statutory registers shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., on all working days of the Company from the date hereof up to the date of ensuing Annual General Meeting.
16. Members may also note that the Notice of the thirtieth Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website [www.aksharchemindia.com](http://www.aksharchemindia.com) for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.
17. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Private Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
18. A route map showing directions to reach the venue of the 29th Annual General Meeting is given along with this Annual Report as per the requirement of the Secretarial Standards - 2 on General Meetings.

## STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required under section 102 (1) of the Companies Act, 2013, the following Statement set out all the material facts relating to the Special Business mentioned in Item No. 4 to 11 of the accompanying Notice.

### Item No. 4

Ms. Maitri K. Mehta (DIN: 07549243) was appointed as an Additional Director and Non-executive Independent Director of the Company with effect from March 28, 2019 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Ms. Maitri K. Mehta holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing her candidature for the office of Independent Director, to be appointed as such under Section 149 of the Act.

The Company has received a declaration from Ms. Maitri K. Mehta to the effect that she meets the criteria of independence as provided in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Accordingly, it is proposed to appoint Ms. Maitri K. Mehta as Non-Executive Independent Director for a term of 5 (five) consecutive years with effect from March 28, 2019 upto March 27, 2024 pursuant to Section 149, and other applicable provisions of the Act and the Rules made thereunder. She will not be liable to retire by rotation.

Ms. Maitri K. Mehta is Fellow Member of The Institute of Cost Accountants of India (FCMA), MBA (Finance) from KS School of Business Management and Fellow Member of Insurance Institute of India (FIII-Life). She is a Practicing Cost Accountant. She is proficient in the field of Cost and Management Accountancy.

In the opinion of the Board, Ms. Maitri K. Mehta fulfills the conditions specified in the Act and the Rules thereunder and the Listing Regulations and is independent of the Management.

Brief profile of Ms. Maitri K. Mehta and the disclosures required under the Listing Regulations form part of the Notice.

Ms. Maitri K. Mehta is not related to any other Director of the Company.

Except Ms. Maitri K. Mehta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors recommends the passing of the Ordinary Resolution set out at item No. 4 for approval of the members.

### Item No. 5

Mr. Ashok D. Barot (DIN: 08366687) was appointed as an Additional Executive Director of the Company with effect from March 28,

2019 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Ashok D. Barot holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of the Director along with the requisite fees, to be appointed as such under Section 149 of the Act.

Accordingly, it is proposed to appoint Mr. Ashok D. Barot as Executive Director for a term of 5 (five) consecutive years with effect from March 28, 2019 upto March 27, 2024 pursuant to Section 149, and other applicable provisions of the Act and the Rules made thereunder. He will be liable to retire by rotation.

Mr. Ashok Barot is Master of Science (M. Sc.) from North Gujarat University. He is Senior Manager-Technical Services of the Company. He has more than 25 years of experience in Chemical field. He is associated with the Company since July 2004. He is currently looking after plant administration as well as technical issues of the Company.

Brief profile of Mr. Ashok D. Barot and the disclosures required under the Listing Regulations form part of the Notice.

Mr. Ashok D. Barot is not related to any other Director of the Company.

Except Mr. Ashok D. Barot, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the passing of the Ordinary Resolution set out at item No. 5 for approval of the members.

### Item No. 6

Subject to approval of Members and on recommendation of the Nomination and Remuneration Committee, the Board of Directors re-appointed Mr. Munjal M. Jaykrishna, as Joint Managing Director & CEO for a period of five years w.e.f March 24, 2019.

Mr. Munjal M. Jaykrishna, aged 49 years, is Joint Managing Director & CEO of the Company. He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders. He is associated with the Company since 1994.

Brief profile of Mr. Munjal M. Jaykrishna and the disclosures required under the Listing Regulations form part of the Notice.

The terms of re-appointment of Mr. Munjal M. Jaykrishna are in accordance with the applicable provisions of the Companies Act, 2013.

Brief terms and conditions of re-appointment of Mr. Munjal M. Jaykrishna are given below:

1. Remuneration			
	A.	Basic Salary	₹4,00,000/- per month with effect from March 24, 2019 with such revisions as approved by the Board of Directors from time to time.
	B.	Commission	In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 196 and 197 read with Schedule V of the Companies Act, 2013.
2.	<b>Perquisites:</b> In addition to the salary and commission as outlined above, the Joint Managing Director & CEO shall be entitled to perquisites/ allowances as under:		
	Category "A"		
	a.	Housing	<p>i) The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director &amp; CEO, subject to a ceiling of 60% of the salary, over and above 10% payable by the Joint Managing Director &amp; CEO.</p> <p>ii) In case the accommodation is owned by the Company, 10% of the salary of Joint Managing Director &amp; CEO shall be deducted by the Company.</p> <p>iii) In case no accommodation is provided by the Company, Joint Managing Director &amp; CEO shall be entitled to House Rent Allowance not exceeding 60% of his Salary.</p>
	<b>Explanation:</b> The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.		
	b.	Medical Reimbursement	The Company shall reimburse expenses incurred for the Joint Managing Director & CEO for himself and his family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.
	c.	Leave Travel Concession	For the Joint Managing Director & CEO and his family once in a year incurred in accordance with the rules of the Company.
	d.	Insurance	Insurance policy to cover personal effects, personal accident and medical expenses.
	e.	Club Fees	Fees of clubs subject to maximum five clubs. This will include admission or entrance fees and monthly and annual subscriptions.
	f.	Entertainment Expenses	The Company shall reimburse entertainment expense actually incurred in the course of business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.
	Explanation: For the purposes of Category "A" family means the spouse, the dependent children and dependent parents of the Joint Managing Director & CEO.		
	Category "B"		Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration.
	Category "C"		The Company shall provide a car with driver and telephone at residence. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Joint Managing Director & CEO.
3.	Overall Remuneration:		
	The aggregate of salary, perquisites, allowances and commission in any one financial year shall exceed the limits prescribed under Section 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.		
4.	In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Joint Managing Director & CEO, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013. Minimum Remuneration:		

The Board of Directors considers that his guidance and association will continue to benefit the Company. The board of directors recommends the passing of this resolution as a Special Resolution.

Further as per the provisions of Section 197 of the Companies Act, 2013 ("the Act") the overall managerial remuneration to Director shall not exceed 11 per cent (11%) of the net profits of the Company calculated in accordance with Section 198 of the Act ("Net Profit") and should be within the sub-limits as prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act.

As per the amendments made by the Companies (Amendment) Act, 2017 in the second proviso to Sub-Section (1) of Section 197 of the Act, which were made effective from September 12, 2018, with the approval of the Members of the Company by special resolution at the general meeting, pay remuneration to the Managing Director, Whole Time Director or Manager, in excess of 5 per cent (5%) of the Net Profit for a particular financial year and where there is more than one such Directors, in excess of 10 per cent (10%) of the Net Profit to all of them together and to the Non-Executive Directors in excess of 1 per cent (1%) of the Net Profit of the Company.

Accordingly, approval of the Members is being sought for the Special Resolution as set out under Item No. 6 of the Notice for payment of remuneration to Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO in excess of sub-limits prescribed under the provisions of Section 197 of the Act for the Financial Year 2019-20 and subsequent years.

The nature of concern or interest of Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO is that above resolution pertains to his re-appointment and he will be receiving remuneration as stated herein, if approved. Except Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item No. 6.

The Board of Directors recommends the passing of the Special Resolution set out at item No. 6 for approval of the members.

#### **Item No. 7 & 8**

Mr. Gautam Jain (DIN: 00160167), and Dr. Pradeep Jha (DIN : 01539732), were appointed as Independent Directors at the 25th Annual General Meeting held on September 25, 2014, to hold office for a term of five consecutive years till the conclusion of 30th Annual General Meeting.

On the recommendation of Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, the Board of Directors have re-appointed Gautam Jain and Dr. Pradeep Jha as Independent Director(s) of the Company for a second term of 5 (five) consecutive years commencing from August 12, 2019 in accordance with the provisions of the Companies Act, 2013 (Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), subject to approval of members by way of special resolution in the ensuing Annual General Meeting.

Mr. Gautam Jain and Dr. Pradeep Jha have consented to their re-appointment and have confirmed that they do not suffer from any disqualifications which stand in the way of their re-appointment

as the Independent Directors. The Company has also received declarations from the aforesaid Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Company has received a Notice from a member in writing under Section 160 of the Act, proposing their candidature for the office of Independent Directors. In the opinion of the Board, the aforesaid Independent Directors fulfill the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for their re-appointment as Independent Directors of the Company and are independent of the management.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Nomination and Remuneration Committee of the Board discussed the matter and considered continuation of Directorship of Dr. Pradeep Jha, who may attain the age of 75 years during the tenure of reappointment.

The above mentioned Independent Directors are experts in their respective fields and their experience and valuable guidance is beneficial to the Company. The Board based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid independent Directors, has recommended the resolutions for approval of shareholders by way of special resolution.

Brief profile of the aforesaid Independent Directors and the disclosures required under the Listing Regulations forms part of the Notice.

A copy of the letters of their appointment as Independent Directors, setting out the terms and conditions of their appointment are available for inspection by the members at the registered office of the Company on all working days (except Saturday and public holidays) between 11.00 a.m. to 1.00 p.m. and will also be available at the Annual General Meeting.. The Board commends the Special Resolution(s) set out at Item No. 7 and 8 of the Notice for the approval by the Members.

Except Mr. Gautam Jain and Dr. Pradeep Jha and their relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the respective resolutions for their appointment, set out at Item No. 7 & 8 of this Notice.

The Board of Directors recommends the passing of the Special Resolutions set out at item No. 7 & 8 for approval of the members.

#### **Item No. 9**

As per the provisions of Section 197 of the Companies Act, 2013 ("the Act") the overall managerial remuneration to Directors shall not exceed 11 per cent (11%) of the net profits of the Company calculated in accordance with Section 198 of the Act ("Net Profit") and should be within the sub-limits as prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act.



As per the amendments made by the Companies (Amendment) Act, 2017 in the second proviso to Sub-Section (1) of Section 197 of the Act, which were made effective from September 12, 2018, with the approval of the Members of the Company by special resolution at the general meeting, pay remuneration to the Managing Director, Whole Time Director or Manager, in excess of 5 per cent (5%) of the Net Profit for a particular financial year and where there is more than one such Directors, in excess of 10 per cent (10%) of the Net Profit to all of them together and to the Non-Executive Directors in excess of 1 per cent (1%) of the Net Profit of the Company.

Accordingly, approval of the Members is being sought for the Special Resolution as set out under Item No. 9 of the Notice for payment of remuneration to Directors in excess of sub-limits prescribed under the provisions of Section 197 of the Act for the Financial Year 2019-20 and subsequent years.

None of the Key Managerial Personnel of the Company / their relatives, other than the Directors to the extent of remuneration which may be paid to them in accordance with the provisions of Section 197 of the Companies Act, 2013, are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board of Directors recommends the passing of the Special Resolution set out at item No. 9 for approval of the members.

#### **Item No. 10**

As required under Regulation 17 (6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ('Listing Regulations'), inserted by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

- (i) Annual remuneration payable to such executive director exceeds ₹5 Crore or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or
- (ii) Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity. Further, the approval of the shareholders under the said Regulation shall be valid only till the expiry of the terms of such director.

In view of the above and in order to have a flexibility for payment of annual remuneration to the Executive Director(s) who are Promoter(s) or Member(s) of Promoter Group in excess of the limits as mentioned in Regulation 17 (6)(e) of the Listing Regulations from Financial Year 2019-20 and for subsequent years, till the expiry of respective term of such Executive Directors, it is necessary to obtain the approval of shareholders by way of Special Resolution.

None of the Key Managerial Personnel of the Company / their relatives, other than the Directors to the extent of remuneration which may be paid to them in accordance with the provisions of Section 197 of the Companies Act, 2013, are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 10 of the Notice.

The Board of Directors recommends the passing of the Special

Resolution set out at item no. 10 for approval of the members.

#### **Item No. 11**

In order to augment resources inter alia, for financing capital expenditure and / or for general corporate purposes, the Company may offer or invite subscription for secured and / or unsecured, bonds, Commercial Paper ("CP") or any other Debt securities in one or more series / tranches on private placement basis.

Pursuant to the provision of Section 42 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each offer or invitation. Further, the sub rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company shall obtain previous approval of the members by means of special resolution only once in a year for all the offers or invitations for such debentures during the year.

Accordingly, consent of the members is sought for passing a Special Resolution as set out under this item No. 11 of the Notice. This resolution enables the Board of Directors of the Company / its duly authorised Committee to offer or invite subscription for debt securities, including but not limited to non-convertible debentures, commercial paper, bonds, etc., whether in rupee denominated or denominated in foreign currency, in one or more series or tranches aggregating up to ₹300 crores (Rupees Three Hundred Crores Only), as deemed fit, from time to time, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting to be held in calendar year 2020, whichever is earlier within a period of one year within the overall Borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

The Board of Directors recommends the passing of the Special Resolution set out at item No. 11 for approval of the members.

For and on behalf of Board of Directors

**PARU M. JAYKRISHNA**

Place : Indrad, Mehsana

Chairperson and Mg. Director

Date : August 12, 2019

DIN 00671721

#### **Registered Office :**

166/169, Village Indrad,  
Kadi – Kalol Road, Dist : Mehsana  
Gujarat – 382 715 (India)  
CIN : L24110GJ1989PLC012441  
Phone : +91 2764 233007  
Fax: +91 79 2764 233550  
Website : www.aksharchemindia.com  
Email id : cs@aksharchemindia.com

**DISCLOSURE RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2)**

	Appointment	Appointment	Re-Appointment	Re-Appointment	Re-Appointment
Name of the Director	Ms. Maitri K. Mehta	Mr. Ashok Barot	Mr. Munjal M. Jaykrishna	Mr. Gautam Jain	Dr. Pradeep Jha
DIN	07549243	08366687	00671693	00160167	01539732
Date of Birth /Age	17.12.1981 (38 Years)	20.02.1969 (50 Years)	08.04.1970 (49 years)	18.06.1952 (67 Years)	28.11.1945 (74 years)
Date of first appointment to the Board	28.03.2019	28.03.2019	28.06.1995	21.01.2014	28.05.2002
Qualification	FCMA, MBA (Finance), (FIII-Life)	M.Sc.	Major in Finance and Marketing from Lehigh University, USA	B.Sc., LL.B.	M.Sc. (Maths), He holds a degree of doctorate in philosophy of Science
Number of shares held in the Company	0	9	0	0	0
Number of Board meetings attended during the Financial year 2018-2019	1*	1*	5	5	5
List of outside Directorship held in Listed Companies	1. Sintex Industries Limited 2. Dishman Carbogen Amcis Limited 3. Gujarat Ambuja Exports Limited	Nil	1. Asahi Songwon Colors Limited	1. Metroglobal Limited	1. Asahi Songwon Colors Limited
Membership in the Committees of Board of other listed companies	3	N.A.	N.A.	None	2
Membership and Chairman in the Committees of the Board of the Company*	None	N.A.	N.A.	N.A.	1. Audit Committee - Chairman^ 2. Stakeholder Relationship Committee - Chairman^
Terms and conditions of reappointment /appointment alongwith details of remuneration sought to be paid	She was appointed as Non-Executive Independent Director of the Company. As per the terms of appointment, she is not liable to retire by rotation	He was appointed as Executive Non Independent Director of the Company. As per the terms of appointment, he is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offer himself of reappointment. He is entitled for remuneration.	He is Joint Managing Director & CEO of the Company. As per terms of appointment, he is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offer himself of reappointment. He is entitled for remuneration.	He was appointed as Independent Director of the Company for a period of five years effective from September 25, 2014 to ensuing Annual General Meeting. The Board of Directors of the Company recommends reappointment of Mr. Gautam Jain as an Independent Director for second term of five years commencing from August 12, 2019, subject to approval of the member at the ensuing Annual General Meeting.	He was appointed as Independent Director of the Company for a period of five years effective from September 25, 2014 to ensuing Annual General Meeting. The Board of Directors of the Company recommends reappointment of Dr. Pradeep Jha as an Independent Director for second term of five years commencing from August 12, 2019, subject to approval of the member at the ensuing Annual General Meeting.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	Son of Mrs. Paru M. Jaykrishna and Brother of Mr. Gokul M. Jaykrishna	None	None

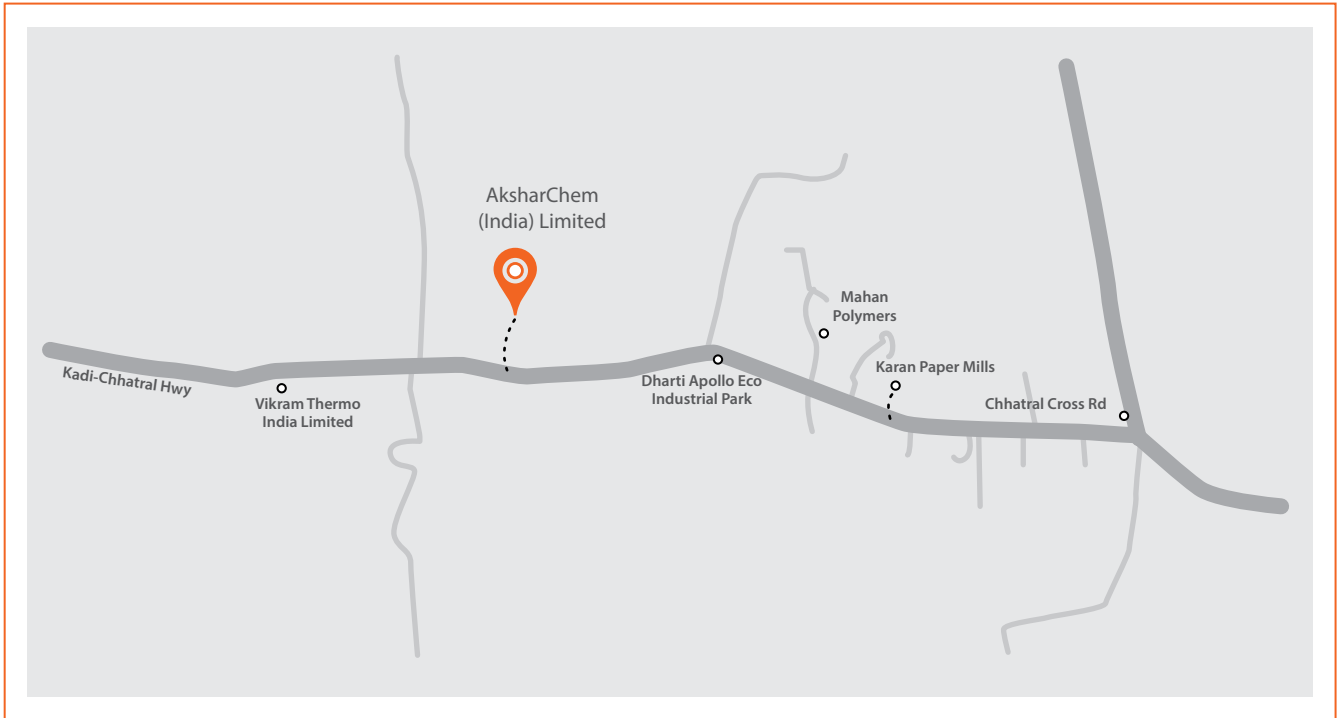
\*Chairmanship and membership of the Audit Committee and the Stakeholders Relationship Committee are considered.

\*Ms. Maitri K. Mehta and Mr. Ashok D. Barot has become a director with effect from March 28, 2019.

^Dr. Pradeep Jha become Chairman of the Audit Committee and Stakeholders Relationship Committee with effect from March 28, 2019.

## CHHATRAL CROSS ROAD TO AKSHARCHEM (INDIA) LIMITED

Route map to AGM



# Directors' report

Dear Shareholders,

Your Directors are pleased to present their Thirtieth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Current Year 2018-19	Previous Year 2017-18
Revenue from operations	32,288.38	26,471.61
Other Income	534.89	706.41
Total Income	32,823.27	27,178.02
Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses	3,983.54	4,865.27
Less: Finance Costs	91.61	148.87
Profit for the year before Depreciation, Exceptional Items and Tax Expenses	3,891.93	4,716.40
Less: Depreciation	551.24	460.15
Profit for the year before Exceptional Items and Tax Expenses	3,340.69	4,256.25
Add/(Less): Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	3,340.69	4,256.25
Less: Current Tax	738.62	1,138.31
Less: Deferred Tax	343.12	(37.27)
Less: Adjustment of tax for earlier years (Net)	Nil	99.07
Net Profit for the year	2,258.95	3,056.14
Add: Balance brought forward from last year	13,385.29	10,323.60
Depreciation Adjustment	Nil	Nil
Deferred tax on Depreciation Adjustment	Nil	Nil
Surplus available for Appropriation	15,644.24	13,379.74
Appropriation		
Other Comprehensive Income	10.13	5.55
Transfer to General Reserve	Nil	Nil
Interim Dividend of ₹ Nil per Equity Share (P. Y. ₹ Nil per Equity Share)	Nil	Nil
Final Dividend of ₹3.50 per Equity Share (P. Y. ₹3.50 per Equity Share)	287.09	Nil
Tax on dividend	59.06	Nil
Balance carried over to Balance Sheet	15,308.22	13,385.29
<b>Total</b>	<b>15,308.22</b>	<b>13,385.29</b>

## **DIVIDEND**

After considering the profitability, cash flow and overall financial performance of the Company, your Board of Directors of the Company are pleased to recommend a final dividend of ₹3.50 per equity share (35% on the face value of ₹10/- each) for the year ended March 31, 2019 subject to approval of the members at the forthcoming Annual General Meeting.

During the previous financial year, the Company has paid final dividend of ₹3.50 per equity share (35% on face value of ₹10 each), and the total outgo was ₹287.09 Lakhs towards dividend and ₹59.01 Lakhs towards dividend distribution tax.

The final dividend, if declared as above would involve a total outgo of ₹287.09 Lakhs towards dividend for the year and ₹59.01 Lakhs towards dividend distribution tax.

## **TRANSFER TO RESERVES**

Your Company has not transferred any amount to General Reserve (Also in Previous Year the Company has not transferred any amount to General Reserve). Your company has retained amount of ₹2258.95 Lakhs in the Statement of Profit and Loss.

## **STATE OF COMPANY'S AFFAIRS**

The highlights of the Company's performance are as under:

### **General**

Financial Year 2019 has ended on a positive note with topline growth of 22% Y-o-Y. Our growth was led by increase in volumes, change in product mix and higher realizations.

On volume front, we have achieved Y-o-Y growth of 9% with a volume of 9,562 metric tonnes. On product mix, we have introduced new products H-Acid along with a change in product mix of Vinyl Sulphone and green. On realisation front, Higher realizations were largely due to environmental situation in China which we expect to stabilize from its peak in the coming financial year, part of which is reflected in our FY2019 realizations.

However, our profitability was impacted due to several internal and external reasons. Our gross profit margins were impacted on back of high volatility of crude prices along with currency fluctuations, which was beyond our control. Also there was disruption in supply of a few of the input raw materials resulting in increased cost of production.

## **Results of Operations**

During the year under review, the turnover of the Company has increased from ₹26,471.61 Lakhs to ₹32,288.38 Lakhs. However, the Profit after Tax (PAT) has decreased from ₹3,056.14 Lakhs to ₹2,258.95 Lakhs.

### **Exports**

The export turnover has increased from ₹22,483.15 Lakhs to ₹26,682.54 Lakhs compared to previous year. Continuous efforts are being taken to increase exports by exploring new markets.

## **INTELLECTUAL PROPERTY RIGHTS**

The Company is having the certificate for registration of trademark from the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. AksharChem and its product Pigment Green 7, i.e. Asaflo.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended March 31, 2019.

## **MATERIAL CHANGES AND COMMITMENT, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There has been no material changes and commitment, affecting the financial position of the Company which has occurred between the end of financial year to which the financial statements relate and the date of the report.

## **AUTHORISED SHARE CAPITAL**

During the year under review, there is no change in the Authorized Share Capital of the Company.

## **SHARE CAPITAL**

During the year under review, the paid up capital of the Company has remained the same.

### **Issue of Shares with differential rights**

During the year under review, the Company has not issued equity shares with differential rights.

### **Issue of Sweat Equity Shares**

During the year under review, the Company has not issued Sweat Equity Shares.

### **Issue of Employee Stock Options**

During the year under review, the Company has not issued any shares under Employee Stock Option.

## **FINANCE AND INSURANCE**

The Company has been financed by State Bank of India.

All insurable interests of the Company, including plant and machinery, building, stocks, vehicles, stores and spares have been adequately insured against various risks and perils.

## **PUBLIC DEPOSITS**

The Company has not accepted deposit from public during the year and there was no deposit outstanding on March 31, 2019.

## **SUBSIDIARY COMPANIES**

During the year under review the Company does not have any subsidiary.

## **CERTIFICATIONS**

During the year under review the Company has upgraded its quality certification with new standard ISO 14001:2015 certification for environment management system of its plants of Vinyl Sulphone and CPC Green at Village Indrad and also have ISO 9001:2015 certification for quality management system.

## **EXPORT HOUSE STATUS**

The Company has the status of "One Star Export House" by Office of Additional Director General of Foreign Trade, Ahmedabad, in accordance with provisions of Foreign Trade Policy 2015-2020. This status is valid till December 21, 2022.

## **AWARDS AND RECOGNITION**

During the year under review the Company has received the following awards

- Trishul Award for the outstanding export performance in Panel I: Dyes and Dye Intermediates (SSM+ME) for the year 2016-17 from CHEMEXCIL
- Second Award for self manufactured direct export of Dye Intermediates during the year 2016-17 from GDMA
- Special Trophy for self manufactured direct export of Dyes of ₹5

Crores and above during the year 2016-17 from GDMA

- Trophy for self manufactured domestic sale of Dye Intermediates between ₹5 Crores to ₹15 Crores during the year 2016-17 from GDMA

## **CREDIT RATING**

The CARE Ratings Limited has reviewed the ratings on the bank facilities of the Company and reaffirmed the rating of the Company as "CARE A+" (Single A Plus) assigned to the long term bank loans/facilities and "CARE A1+" (A One Plus) assigned to the short term bank loans/facilities.

## **LISTING**

The Equity Shares of the Company continue to be listed on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE) and required Listing Fees for the year 2019-20 has been paid.

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

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as "Annexure A" to the Board's report.

## **RISK MANAGEMENT**

We believe that risk management is an integral part of our operations. It is essential to identify and manage risks in order to reduce uncertainties and ensure continuity of business. We have a risk management framework and team that implements the processes specified in the framework. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules framed there under the Company has a Corporate Social Responsibility Committee of Directors which was reconstituted during the year under review.

The composition of the CSR committee, as per the applicable provisions of the Act and Rules, are as follows:

Mrs. Paru M. Jaykrishna - Chairperson  
Mr. Gautam Jain - Member  
Ms. Maitri K. Mehta - Member

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report.

Mrs. Paru M. Jaykrishna - Chairperson, Mr. Gautam Jain and Ms. Maitri K. Mehta has inter alia also formulated a CSR Policy.

The role of the CSR Committee is to review the CSR policy, indicate activities to be undertaken by the Company towards CSR activities and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR initiatives.

The Report on CSR Activities, which forms part of the Directors' Report, is annexed as "Annexure B" to this report.

## **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is put up on the website of the Company at: [www.aksharchemindia.com](http://www.aksharchemindia.com)

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at : [www.aksharchemindia.com](http://www.aksharchemindia.com)

## **DISCLOSURES ON MANAGERIAL REMUNERATION**

Details of Managerial Remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as per "Annexure C" to this report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Appointment of Director**

Upon the recommendation of the Nomination and Remuneration Committee, Ms. Maitri K. Mehta was appointed as an Additional Director (Non-Executive, Independent) and Mr. Ashok D. Barot was appointed as an Additional Director (Executive) w.e.f. March 28, 2019 and they hold office upto the forthcoming AGM of the Company. Necessary Resolution for appointment of Ms. Maitri K. Mehta as an Independent Director and Mr. Ashok D. Barot as Executive Director has been included in the Notice convening the AGM.

The Board of Directors at its meeting held on March 28, 2019 has reappointed Mr. Munjal M. Jaykrishna as Joint Managing Director & CEO of the Company for a further period of 5 years, subject to approval of shareholders at the ensuing Annual General Meeting.

Mr. Gautam Jain will complete his present term as an Independent Director in ensuing Annual General Meeting. The board at the meeting held on August 12, 2019, on the recommendation of the Committee, recommended for the approval of the Members, the re-appointment of Mr. Gautam Jain as an Independent Director of the Company for a period of five years with effect from August 12, 2019.

Dr. Pradeep Jha will complete his present term as an Independent Director on ensuing Annual General Meeting. The board at the meeting held on August 18, 2019, on the recommendation of the Committee, recommended for the approval of the Members, the re-appointment of Mr. Gautam Jain as an Independent Director of the Company for a period of five years with effect from August 12, 2019.

Appropriate resolutions seeking your approval to the above are appearing in the Notice convening the 30th AGM of your Company.

### **Cessation of Director due to death**

Mr. Kirankumar J. Mehta, Non-Executive Independent Director of

the Company ceased to be Director w.e.f. February 16, 2019 due to his death. The Directors place on record their deep appreciation for his valuable guidance and assistance received during the tenure as a Director and Member / Chairman of various committees of the Directors of the Company.

### **Retirement by Rotation**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Munjal M. Jaykrishna (DIN: 00671693) Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment. The Board recommends his reappointment.

### **Key Managerial Personnel**

The following persons are the Key Managerial Personnel: Mrs. Paru M. Jaykrishna, Chairperson & Managing Director  
Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO  
Mr. Meet J. Joshi, Company Secretary  
Mr. Sunil V. Rane, General Manager (Accounts) & CFO

### **Women Director**

The Board of Directors of the Company includes a woman director viz. Mrs. Paru M. Jaykrishna and Ms. Maitri K. Mehta. Accordingly, the Company is in compliance with the requirement of section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### **Independent Directors**

Mr. Gautam M. Jain and Dr. Pradeep Jha Independent directors have been appointed for the term of five consecutive years from the date of Annual General Meeting of the Company held on September 25, 2014 till the date of 30th Annual General Meeting in the year 2019, Mr. Jigar M. Patel was appointed as independent director of the Company for the period of five years w.e.f. December 11, 2017 and Ms. Maitri K. Mehta was appointed as independent director of the Company for the period of five years w.e.f. March 28, 2019. No Independent Directors of the Company except Mr. Gautam M. Jain and Dr. Pradeep Jha are liable to retire during the year under review.

### **Declaration by Independent Directors**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **BOARD EVALUATION**

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act and the Listing Regulations, the

Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. Details of the evaluation mechanism are provided in the Corporate Governance Report.

#### **PARTICULARS OF EMPLOYEES**

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as "Annexure D" to this report.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the financial year 2018-2019, the Board of Directors of the Company, met 5 (Five) times on May 30, 2018, August 08, 2018, October 30, 2018, February 05, 2019, and March 28, 2019.

#### **INDEPENDENT DIRECTORS' MEETING**

A separate Meeting of the Independent Directors of the Company was also held on March 28, 2019, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

#### **AUDIT COMMITTEE**

The Company has reconstituted the Audit Committee of Directors of the Company during the year under review. The composition of the Audit committee, as per the applicable provisions of the Act and Rules, are as follows:

Dr. Pradeep Jha - Chairman  
Mr. Jigar M. Patel - Member  
Ms. Maitri K. Mehta - Member

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have adopted the vigil mechanism/whistle blower policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The Audit Committee oversees the vigil mechanism.

#### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, including but not limited to the prevention and detection of frauds and errors, the safeguarding of its assets, the accuracy and completeness of the accounting records, adherence to the company's policies, periodical review of financial performance of Company and review of the accounts every quarter by Statutory Auditors.

#### **STATUTORY AUDITORS**

The Statutory Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the Company for a term of five years up to the conclusion of the 33rd Annual General Meeting of the Company, if so required under the Law.

M/s. Mahendra N. Shah & Co., Chartered Accountants has expressed their willingness to be appointed as Statutory Auditors of the Company. They further confirmed that it said appointment, if made, would be within prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for appointment.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their appointment would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

M/s. Mahendra N. Shah & Co., Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2018-19, which forms part of the Annual Report 2018-19. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

#### **SECRETARIAL AUDITORS**

Mr. Bipin L. Makawana, Practising Company Secretary (Membership No. A15650), was appointed to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules there under. Secretarial Audit Report for F.Y. 2018-19 forms part of the Annual Report as "Annexure E" to the Board's report.

The Secretarial Auditor has not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

#### **COST AUDITOR**

During the year under review, the provision regarding Cost Audit is not applicable to the Company.

#### **CASH FLOW STATEMENT**

As required under Regulation 34(2) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Cash Flow Statement prepared in accordance with the Indian Accounting Standard 7 (IND AS-7) is attached to the Financial Statement.



## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is appended as "Annexure F" to this report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

Particulars of loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

All Related Party transactions that were entered into during the year under review were in ordinary course of business and were on arm's length basis. There are no materially significant related party transactions made by the Company which may have potential conflict of interest.

Further, there were no material related party transactions which are not in ordinary course of business and are not on arm's length basis and hence there are no information required to be provided under Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 and under Section 188(2) of the Companies Act, 2013.

## SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND / OR THE COMPANY'S OPERATIONS IN FUTURE.

There were no significant or material orders passed by the regulators or Courts or Tribunals impacting the going concern status of the Company and / or the Company's operations in future.

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is appended as "Annexure G" to this Report.

## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. A separate Corporate Governance Report as stipulated under Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as "Annexure H" to this Report together with certificate from Mr. Bipin L. Makawana, Practicing Company Secretary (Membership No. A15650) confirming compliance with the conditions of Corporate Governance.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the management, your directors state that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and

applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review there were no frauds reported by Auditors under section 143 (12).

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

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Our human capital contributes significantly to our business operations and we believe that employees are our valuable asset and core strength. To further support that strength, we have identified skill set building as one of key business drivers, and have focused our employee initiatives in that direction. We periodically organize various trainings for our employees to enhance their knowledge and skills. Our learning and development training programs are governed by quality business management principles adopted by us, which include a principle of in-depth identification of development needs and comprehensive structure of learning and development.

We believe that our human resources initiatives led to positive trends in the production, quality, cost, delivery, safety and morale parameters in manufacturing, a higher level of engagement in workers, better working relationships between sales managers and reportees. We also engage contract labour depending on our

requirements from time to time, particularly at our manufacturing facilities. The attrition rate of the Company is very low as compare to other companies in the concerned sector. Industrial relations remained harmonious with a focus on productivity, quality and safety throughout the year. Your directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

#### **ENVIRONMENT SAFETY AND HEALTH**

Your Company continues to exercise persistent and meticulous efforts towards greener earth and environment conservation. The Company preserves in its efforts to teach safe and environmentally accountable behavior in every employee, as well as its vendors. The Company is committed towards safety, not only of its own men and plant, but also of the society at large.

Solid waste generated at the Works, after treatment of its liquid effluent is shifted to a Gujarat Pollution Control Board (GPCB) approved site.

The Company continues to demonstrate its commitment to a clean and safe environment. The State of the art effluent treatment plant continues to run satisfactorily, so that the treated waste water discharged is well within the stipulated norms set by GPCB.

Your Company has ISO 14001:2015 and ISO 9001:2015 certification for its unit.

#### **APPRECIATION AND ACKNOWLEDGEMENTS**

Your Directors are grateful and pleased to place on record their thanks to Government of India, Government of Gujarat, Electricity supply companies, and Bankers for their excellent support, guidance and continued cooperation.

The Company is thankful to the shareholders for reposing trust in the Company and their unflinching enthusiasm and patronage.

#### **CAUTIONARY STATEMENT**

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statement. Some important factors that could influence the Company's operations comprise of economic developments, pricing, and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of Board of Directors

Place : Ahmedabad

Date : August 12, 2019

#### **Registered Office:**

166-169, Village Indrad,

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN: L24110GJ1989PLC012441

Phone : +91 2764 233007

Fax: +91 79 2764 233550

Website : [www.aksharchemindia.com](http://www.aksharchemindia.com)

Email id : [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com)

**Paru M. Jaykrishna**  
*Chairperson & Mg. Director*  
DIN: 00671721

## ANNEXURE A TO Directors' report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

### A. Conservation of Energy

#### (i) the steps taken or impact on conservation of energy

The Company mainly focuses on the conservation of the energy and its utilization. Main efforts taken by the Company for the same is upgradation and maintenance of machineries of the plant at necessary intervals and the company has put variable frequency drive for major operational equipments for reduction of power consumption. The Company focuses in the area of utility for reduction and optimization of energy.

#### (ii) Steps taken by the Company for utilising alternate sources of energy -

The company has used natural gas and also used solid fuel as a plant fuel. And also the Company has installed solar plant of 16 KW and made it operational for alternate source of power for lighting and office use.

#### (iii) The capital investment on energy conservation equipments

Company will identify various initiative under the energy savings project and subsequently capital investments will be done.

### B. Technology Absorption

#### (i) The efforts made towards technology absorption

For technology absorption company is providing the training to operators of the plant for smooth running and cost effective maintenance of the plants and machineries.

#### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Company has upgraded various systems by way of automisation of machineries for better control over quality and cost.

#### (iii) Information regarding imported technology (Imported during last three years)

a.	Technology imported	:	Nil
b.	Year of Import	:	Not Applicable
c.	Has technology been fully absorbed?	:	Nil
d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	Not Applicable

### (iv) Expenditure incurred on Research and Development

(₹ in Lakhs)

Sr. No.	Particulars	2018-19	2017-18
1	Capital	15.90	Nil
2	Revenue	15.92	10.00
	<b>Total</b>	<b>31.82</b>	<b>10.00</b>
	Total Expenditure as a % of Turnover	0.10%	0.04%

### C. Foreign exchange Earnings and Outgo-

(i) Activities relating to export, initiatives to increase exports, Developments of New export markets for Products and Services and Export Plan.

The Company exports its product to Europe, Far East, South East Asia, China, USA and other countries. The Company has continued to maintain focus and availed export opportunities based on economic situation. During the year under review the Company exported Vinyl Sulphone and CPC Green valuing to ₹26682.54 Lakhs (Previous Year ₹22483.15 Lakhs) to various countries around the World. Continuous efforts are being taken to increase exports by exploring new markets.

(ii) Total Foreign exchange Earned and Used

(₹ in Lakhs)

Particulars	2018-19	2017-18
Foreign Exchange earned in terms of Actual Inflows	26682.54	22483.15
Foreign Exchange outgo in terms of Actual Outflows	591.11	175.95

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programme for welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons. ACIL's CSR Policy is available on the Web site of the Company: [www.aksharchemindia.com](http://www.aksharchemindia.com)

ACIL is committed to remaining a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society. As a responsible corporate entity, ACIL will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:-

- To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well being of the local populace.
  - To serve the socially and economically weak, disadvantaged, underprivileged and destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
  - To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to local areas that have so far not been attended to.
  - To generate, through its CSR initiatives, a community goodwill for ACIL and help reinforce a positive & socially responsible image of ACIL as a corporate entity.
- 2. Composition of the CSR Committee:**  
During the year under review the CSR Committee has reconstituted and below is the Composition of the CSR Committee:
- Mrs. Paru M. Jaykrishna - *Chairperson*
  - Mr. Gautam Jain - *Member*
  - Ms. Maitri K. Mehta - *Member*
- 3. Average net profit of the Company for last three financial years: ₹1736.47 Lakhs**
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹34.73 Lakhs**
- 5. Details of CSR spend for the financial year:**
- a) Total Amount to be spent for the financial year: ₹34.73 Lakhs
  - b) Amount unspent, if any: Not Applicable
  - c) Manner in which the amount spent during the financial year: As per Annexure attached
- 6. Reason for not spending the amount at 5(b):**  
Not Applicable. However, the Company has spent ₹47.15 Lakhs in excess of amount to be spent for the financial year, which is the part of the shortfall from the previous years.
- 7. We state that implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

**Munjal M. Jaykrishna**

*Jt. Managing Director & CEO*

DIN: 00671693

Place : Ahmedabad

Date : August 12, 2019

**Paru M. Jaykrishna**

*Chairperson of the CSR Committee*

(DIN: 00671721)

ANNEXURE B TO  
**Directors' report**  
 Annual Report on CSR Activities

**MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR**

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which Project is covered	Project or Programmes (1) Local area or other (2) Specify the State and District where project or programs was undertaken	Amount outlay (Budget) Project or Programme Wise (₹ in Lakhs)	Amount Spent on the projects or programmes (1) Direct Expenditure on programs (2) Overheads (₹ in Lakhs)	Cumulative Expenditure upto the reporting date	Amount Spent direct or through implementing agency
1.	To provide facility of education to poor and under privileged children	Promotion of Education	Ahmedabad, Gujarat	1.50	1.00	1.00	Implementing Agency
2.	Animal welfare and ecological balance	Environment and Livelihood	Pathmeda, Rajasthan	0.50	0.42	1.42	Direct
3.	To provide facility of education to poor and under privileged children	Promotion of Education	Ahmedabad, Gujarat	75.00	71.00	72.42	Implementing Agency
4.	To build a recharge well in nearby Village	Ensuring Environmental Sustainability	Village-Vamaj, Dist: Mehsana, Gujarat	10.00	9.46	81.88	Direct
<b>Total</b>				<b>87.00</b>	<b>81.88</b>		

ANNEXURE C TO  
**Directors' report**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, are given below::

**i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Executive directors	Ratio to median remuneration
Mrs. Paru M. Jaykrishna	23.81
Mr. Munjal M. Jaykrishna	41.34

Non-executive directors	Ratio to median remuneration
Mr. Gokul M. Jaykrishna	N.A.
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jigar M. Patel	N.A.
Dr. Pradeep J. Jha	N.A.
Mr. Kirankumar J. Mehta*	N.A.
Ms. Maitri K. Mehta <sup>#</sup>	N.A.
Mr. Ashok D. Barot <sup>#</sup>	N.A.

<sup>#</sup> Ms. Maitri K. Mehta is appointed as an Additional Director (Non-Executive - Independent) w.e.f. March 28, 2019.

<sup>#</sup> Mr. Ashok D. Barot is appointed as an Additional Director (Executive) w.e.f. March 28, 2019.

\* Mr. Kirankumar J. Mehta has ceased to be an Independent Director due to death w.e.f. February 16, 2019.

**ii. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mrs. Paru M. Jaykrishna	(17.91)
Mr. Munjal M. Jaykrishna	(10.69)

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jigar M. Patel	N.A.
Dr. Pradeep J. Jha	N.A.
Ms. Maitri K. Mehta	N.A.
Mr. Gokul M. Jaykrishna	Nil
Mr. Ashok D. Barot (w.e.f. March 28, 2019)*	Nil
Mr. Meet J. Joshi, Company Secretary	2.30
Mr. Sunil Rane, Chief Financial Officer	4.50

\*Since this information is for part of the year, the same is not comparable.

**iii. The percentage increase in the median remuneration of employees in the financial year: 1.64%**

**iv. The number of permanent employees on the rolls of Company: 137**

**v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentile increase was of 25.42% for employees other than managerial personnel. In comparison, there was a decline in the aggregate managerial remuneration for the year 2018-19 as Mrs. Paru M. Jaykrishna has not drawn any commission from the Company during the year 2018-19.

**vi. We affirm that the remuneration paid to the Managerial and Non-Managerial Personnel is as per the remuneration policy of the Company.**

ANNEXURE D TO  
**Directors' report**

**Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

List of top 10 employees of the Company employed throughout the financial year 2018-19 and were paid remuneration not less than ₹1 Crore and Two Lakhs per annum:

<b>Name</b>	: Mr. Munjal M. Jaykrishna
<b>Designation</b>	: Joint Managing Director & CEO
<b>Remuneration received (₹ Lakhs)</b>	: 146.56
<b>Nature of Employment</b>	: Contractual
<b>Qualification</b>	: Major in Finance & Marketing
<b>Experience (Years)</b>	: 28
<b>Date of Commencement of employment</b>	: 1995
<b>Age (Years)</b>	: 49
<b>Last Employment</b>	: Bank of California, San Francisco, USA
<b>Percentage of Equity Shares held in the Company as on 31.03.2019</b>	: 16,30,361 Equity Shares held as a trustee(s) of M/s. Munjal M. Jaykrishna Family Trust
<b>Relationship with Directors of the Company</b>	: Son of Mrs. Paru M. Jaykrishna, Chairperson & Managing Director and brother of Mr. Gokul M. Jaykrishna, Director of the Company

Remuneration received includes Salary, Commission, Company's contribution to Provident Fund and Taxable Value of Perquisites.

ANNEXURE E TO  
**Directors' report**

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**AksharChem (India) Limited**  
166/169, Village: Indrad,  
Kadi Kalol Road, Dist: Mehsana: 382715

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by AksharChem (India) Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2019. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; the explanation and clarification given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment and external commercial borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018 (not applicable during the audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014; (not applicable during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations; 2009 (not applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018; (not applicable during the audit period)
- (vi) I further report that with respect to the compliance of below mentioned laws, I have relied on compliance system prevailing in the Company and based on the representation received from the Company.

1. Indian Boiler Act, 1923 and rules made thereunder.
2. Explosive Act, 1984 and rules made thereunder.
3. Applicable Environmental Laws and rules made thereunder and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
4. Applicable Labour Laws and rules made thereunder.

I have also examined compliance with the applicable clauses of the following;;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments.

I report that during the year under audit, the Company has complied with the provisions of the Act, rules, regulations, guidelines etc. as mentioned above.

I further report that based on the information provided by the



Company, its officers there exists adequate systems, process and control commensurate with the size and operation of the Company to monitor and ensure compliance of other laws. I have not reviewed the compliance by the company of applicable financial laws like direct and indirect tax laws as the same has been reviewed by the other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

I further report that during the audit period there were no specific event/action having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc referred to above more specifically related to:

- (i) Public / Right / Preferential Issue of Shares/ debentures/ Sweat equity etc.
- (ii) Redemption/ Buy back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Act.
- (iv) Foreign technical collaboration.

Place : Ahmedabad

Date : 12/08/2019

**Bipin L. Makwana**  
*Company Secretary in Practice*  
ACS 15650/ C. P. No.5265

**Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2019**

To,  
The Members,

**AksharChem (India) Limited**

My Secretarial Audit Report of even date is to be read along with this letter

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are responsibility of management of the Company. My responsibility is to express an opinion on these Secretarial records and compliance based on my audit.
2. I have followed audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in the

secretarial records. I believe that the processes and practices, I followed provide reasonable basis for my opinion.

3. I have not verified correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad  
Date : 12/08/2019

**Bipin L. Makwana**  
*Company Secretary in Practice*  
ACS 15650/ C. P.No.5265

**ANNEXURE F TO**  
**Directors' report**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:		
i)	CIN	: L24110GJ1989PLC012441
ii)	Registration Date	: July 04, 1989
iii)	Name of the Company	: AksharChem (India) Limited
iv)	Category / Sub-Category of the Company	: Company Limited by Shares Indian Non Government Company
v)	Address of the Registered office and contact details	: 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat
vi)	Whether Listed company	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre -1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad-380 006 Phone: (079) 26465179/86/87

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Vinyl Sulphone	20114	71.29
2	CPC Green	20114	28.71

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sr. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	200	-	200	0.002	200	-	200	0.002	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Family Trusts	48,19,180	-	48,19,180	58.752	48,19,180	-	48,19,180	58.752	-
Limited Liability Partnership	3,23,837	-	3,23,837	3.948	3,23,837	-	3,23,837	3.948	-
<b>Sub-total (A) (1):-</b>	<b>51,43,217</b>	<b>-</b>	<b>51,43,217</b>	<b>62.702</b>	<b>51,43,217</b>	<b>-</b>	<b>51,43,217</b>	<b>62.702</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>51,43,217</b>	<b>-</b>	<b>51,43,217</b>	<b>62.702</b>	<b>51,43,217</b>	<b>-</b>	<b>51,43,217</b>	<b>62.702</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	4,08,980	4,500	4,13,480	5.041	5,08,980	4,500	5,13,480	6.260	1.219
b) Banks / FI	4,897	-	4,897	0.060	3,569	-	3,569	0.043	(0.016)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	3,89,548	-	3,89,548	4.749	4,77,210	-	4,77,210	5.817	1.068
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>8,03,425</b>	<b>4,500</b>	<b>8,07,925</b>	<b>9.850</b>	<b>9,96,459</b>	<b>4,500</b>	<b>10,00,959</b>	<b>12.203</b>	<b>2.353</b>
<b>2. Non- Institutions</b>									
a) Bodies Corporate									
i. Indian	1,62,874	1,500	1,64,374	2.004	1,16,153	1,500	1,17,653	1.434	(0.569)
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹1 lakh	12,70,447	3,79,994	16,50,441	20.121	11,64,997	3,43,794	15,08,791	18.394	(1.727)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	55,501	-	55,501	0.677	97,784	-	97,784	1.192	0.515

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	-	-	-	-	-	-	-	-	-
NRI/OBC	97,200	15,600	1,12,800	1.375	60,926	15,600	76,526	0.933	(0.442)
Clearing Member/ House	42,505	-	42,505	0.518	20,254	-	42,505	0.247	(0.271)
Foreign Company	-	1,66,384	1,66,384	2.028	-	1,66,384	1,66,384	2.028	0.000
HUF	52,743	-	52,743	0.643	71,022	-	71,022	0.866	0.228
Trusts	6,700	-	6,700	0.082	-	-	-	-	(0.082)
<b>Sub-total (B)(2):-</b>	<b>16,87,970</b>	<b>5,63,478</b>	<b>22,51,448</b>	<b>27.448</b>	<b>15,31,136</b>	<b>5,27,278</b>	<b>20,58,414</b>	<b>25.094</b>	<b>(2.353)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>24,91,395</b>	<b>5,67,978</b>	<b>30,59,373</b>	<b>37.298</b>	<b>25,27,595</b>	<b>5,31,778</b>	<b>30,59,373</b>	<b>37.298</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>76,34,612</b>	<b>5,67,978</b>	<b>82,02,590</b>	<b>100.000</b>	<b>76,70,812</b>	<b>5,31,778</b>	<b>82,02,590</b>	<b>100.000</b>	<b>-</b>

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrugesh Jaykrishna Family Trust-2	31,88,819	38.88	-	31,88,819	38.88	-	-
2	Munjali M. Jaykrishna Family Trust	16,30,361	19.88	-	16,30,361	19.88	-	-
3	Chelsea Marketing LLP (Formerly known as Intercon Finance Pvt. Ltd.)	3,23,837	3.95	-	3,23,837	3.95	-	-
4	Skyjet Aviation Private Limited	200	0.00	-	200	0.00	-	-
	<b>Total</b>	<b>51,43,217</b>	<b>62.70</b>	<b>-</b>	<b>51,43,217</b>	<b>62.70</b>	<b>-</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrugesh Jaykrishna Family Trust-2					
	At the beginning of the year	01/04/2018	31,88,819	38.88	31,88,819	38.88
	At the end of the year	31/03/2019	-	-	31,88,819	38.88
2	Munjal M. Jaykrishna Family Trust					
	At the beginning of the year	01/04/2018	16,30,361	19.88	16,30,361	19.88
	At the end of the year	31/03/2019	-	-	16,30,361	19.88
3	Chelsea Marketing LLP (Formerly known as Intercon Finance Pvt. Ltd.)					
	At the beginning of the year	01/04/2018	3,23,837	3.95	3,23,837	3.95
	At the end of the year	31/03/2019	-	-	3,23,837	3.95
4	Skyjet Aviation Private Limited					
	At the beginning of the year	01/04/2018	200	0.00	200	0.00
	At the end of the year	31/03/2019	-	-	200	0.00

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>L &amp; T Mutual Fund Trustee Limited</b>					
	At the beginning of the year	01/04/2018	4,08,980	4.99	4,08,980	4.99
	Transfer	01/06/2018	49,606	0.60	4,58,586	5.59
	Transfer	08/06/2018	50,394	0.61	5,08,980	6.21
	At the end of the year	31/03/2019	-	-	5,08,980	6.21
2	<b>Ubs Principal Capital Asia Ltd.</b>					
	At the beginning of the year	01/04/2018	-	-	-	-
	Transfer	20/07/2018	2,25,257	2.75	2,25,257	2.75
	At the end of the year	31/03/2019	-	-	2,25,257	2.75
3	<b>DIC Corporation</b>					
	At the beginning of the year	01/04/2018	1,66,384	2.03	1,66,384	2.03
	At the end of the year	31/03/2019	-	-	1,66,384	2.03
4	<b>Societe Generale</b>					
	At the beginning of the year	01/04/2018	-	-	-	-
	Transfer	20/07/2018	1,18,000	1.44	1,18,000	1.44
	At the end of the year	31/03/2019	-	-	1,18,000	1.44
5	<b>Gymkhana Partners L.P.</b>					
	At the beginning of the year	01/04/2018	23,150	0.28	23,150	0.28

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer	25/05/2018	6,630	0.08	29,780	0.36
	Transfer	30/06/2018	3,220	0.04	33,000	0.40
	Transfer	20/07/2018	3,800	0.05	36,800	0.45
	Transfer	27/07/2018	4,000	0.05	40,800	0.50
	Transfer	24/08/2018	6,600	0.08	47,400	0.58
	Transfer	07/09/2018	4,450	0.05	51,850	0.63
	Transfer	29/09/2018	4,450	0.05	56,300	0.69
	Transfer	05/10/2018	8,250	0.10	64,550	0.79
	Transfer	12/10/2018	4,350	0.05	68,900	0.84
	Transfer	26/10/2018	1,520	0.02	70,420	0.86
	Transfer	02/11/2018	4,130	0.05	74,550	0.91
	Transfer	09/11/2018	1,690	0.02	76,240	0.93
	Transfer	30/11/2018	6,302	0.08	82,542	1.01
	Transfer	14/12/2018	4,758	0.06	87,300	1.06
	Transfer	28/12/2018	2,602	0.03	89,902	1.10
	Transfer	11/01/2019	4,548	0.06	94,450	1.15
	Transfer	18/01/2019	4,600	0.06	99,050	1.21
	Transfer	25/01/2019	4,715	0.06	1,03,765	1.27
	Transfer	01/02/2019	3,104	0.04	1,06,869	1.30
	Transfer	08/02/2019	4,449	0.05	1,11,318	1.36
	Transfer	29/03/2019	5,035	0.06	1,16,353	1.42
	At the end of the year	31/03/2019	-	-	1,16,353	1.42
<b>6</b>	<b>D Srimathi</b>					
	At the beginning of the year	01/04/2018	31,884	0.39	31,884	0.39
	At the end of the year	31/03/2019	-	-	31,884	0.39
<b>7</b>	<b>Murugu Selvan K</b>					
	At the beginning of the year	01/04/2018	-	-	-	-
	Transfer	15/02/2019	12,502	0.15	12,502	0.15
	Transfer	22/02/2019	10,698	0.13	23,200	0.28
	Transfer	01/03/2019	3,800	0.05	27,000	0.33
	Transfer	08/03/2019	5,770	0.07	32,770	0.40
	Transfer	15/03/2019	630	0.01	33,400	0.41
	Transfer	29/03/2019	(5,700)	(0.07)	27,700	0.34
	At the end of the year	31/03/2019	-	-	27,700	0.34
<b>8</b>	<b>Gaurang Navinchandra Shah</b>					
	At the beginning of the year	01/04/2018	5,000	0.06	5,000	0.06

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer	06/04/2018	15,000	0.18	20,000	0.24
	Transfer	27/04/2018	5,000	0.06	25,000	0.30
	At the end of the year	31/03/2019	-	-	25,000	0.30
<b>9</b>	<b>Rural Engineering Co. Pvt. Ltd.</b>					
	At the beginning of the year	01/04/2018	18,653	0.23	18,653	0.23
	At the end of the year	31/03/2019	-	-	18,653	0.23
<b>10</b>	<b>Passage to India Master Fund Limited</b>					
	At the beginning of the year	01/04/2018	-	-	-	-
	Transfer	18/05/2018	7,500	0.09	7,500	0.09
	Transfer	13/07/2018	4,100	0.05	11,600	0.14
	Transfer	19/10/2018	6,000	0.07	17,600	0.21
	At the end of the year	31/03/2019	-	-	17,600	0.21

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrs. Paru M. Jaykrishna®					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
2	Mr. Munjal M. Jaykrishna <sup>§</sup>					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
3	Mr. Gokul M. Jaykrishna					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
4	Mr. Gautamkumar Mithalal Jain					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
5	Mr. Jigar M. Patel					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
6	Dr. Pradeep J. Jha					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
7	Mr. Kirankumar J. Mehta*					
	At the beginning of the year	01/04/2018	-	-	-	-



Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	16/02/2019				
7	Ms. Maitri K. Mehta <sup>#</sup>					
	At the beginning of the year	28/03/2019	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
8	Mr. Ashok D. Barot <sup>#</sup>					
	At the beginning of the year	28/03/2019	9	0.00	9	0.00
	At the end of the year	31/03/2019	-	-	9	0.00
9	Mr. Meet Joshi					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-
10	Mr. Sunil V. Rane					
	At the beginning of the year	01/04/2018	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	-

<sup>@</sup> Mrs. Paru M. Jaykrishna holds 31,88,819 Equity Shares as a trustee(s) of M/s. Mrugesh Jaykrishna Family Trust-2

<sup>§</sup> Mr. Munjal M. Jaykrishna holds 16,30,361 Equity Shares as a trustee(s) of M/s. Munjal M. Jaykrishna Family Trust

<sup>\*</sup> Mr. Kirankumar J. Mehta, Non-Executive Independent Director of the Company ceased to be Director w.e.f. February 16, 2019 due to his death.

<sup>#</sup> Ms. Maitri K. Mehta is appointed as an Additional Director (Non-Executive - Independent) w.e.f. March 28, 2019.

<sup>#</sup> Mr. Ashok D. Barot is appointed as an Additional Director (Executive Director) w.e.f. March 28, 2019.

None of the Independent Directors, Company Secretary and Chief Financial Officer holds shares in the Company during the financial year ended on March 31, 2018.

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	1152.57	-	-	1152.57
• Reduction	-	-	-	-
<b>Net Change</b>	<b>1152.57</b>	-	-	<b>1152.57</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	1152.57	-	-	1152.57
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1152.57</b>	-	-	<b>1152.57</b>

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mrs. Paru M. Jaykrishna (CMD)	Mr. Munjal M. Jaykrishna (JMD & CEO)	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.10	76.80	157.90
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others ...	-	64.00	64.00
5.	Others (Provident Fund)	8.64	5.76	14.40
	<b>Total</b>	<b>89.74</b>	<b>146.56</b>	<b>236.30</b>
	Ceiling as per the Act	₹324.97 Lakhs (being 10% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)		

### B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Kirankumar J. Mehta	Dr. Pradeep Jha	Ms. Maitri K. Mehta <sup>#</sup>	Mr. Ashok Barot <sup>#</sup>	
1	<b>Gross salary</b>	-	-	-	0.14	0.14
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-	-
	Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	<b>0.14</b>	<b>0.14</b>
2	<b>Independent Directors</b>					
	• Fee for attending board/ committee meetings	0.14	0.11	0.015	-	0.265
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>0.14</b>	<b>0.11</b>	<b>0.015</b>	<b>0.14</b>	<b>0.265</b>
3	<b>Other Non-Executive Directors</b>					
	• Fee for attending board/ committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (3)</b>	-	-	-	-	-
3	<b>Total (3)=(1+2)</b>	<b>0.14</b>	<b>0.11</b>	<b>0.015</b>	<b>0.14</b>	<b>0.405</b>
	<b>Total Managerial Remuneration</b>	<b>0.14</b>	<b>0.11</b>	<b>0.015</b>	<b>0.14</b>	<b>0.405</b>

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Kirankumar J. Mehta	Dr. Pradeep Jha	Ms. Maitri K. Mehta <sup>#</sup>	Mr. Ashok Barot <sup>#</sup>	
	Overall Ceiling as per the Act	₹32.50 Lakhs (being 1% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)				

<sup>#</sup>Ms. Maitri K. Mehta is appointed as an Additional Director (Non-Executive - Independent) w.e.f. March 28, 2019.

<sup>#</sup>Mr. Ashok D. Barot is appointed as an Additional Director (Executive Director) w.e.f. March 28, 2019.

#### C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Meet Joshi (Company Secretary)	Mr. Sunil Rane (Chief Financial Officer)	
1.	Gross salary			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.21	17.18	22.39
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others ...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>5.21</b>	<b>17.18</b>	<b>22.39</b>

#### VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no instances of any penalties/punishment/compounding of offences for the year ended March 31, 2019.

**OVERVIEW**

AksharChem (India) Limited is one of the leading organic chemicals manufacturing company based in India with a focus on exports to over 20 countries. Our product offerings fall into two categories being dyes and pigments, within the organic chemical spectrum. We are specialised in manufacturing Vinyl Sulphone and CPC Green which have multiple applications in textile, inks, rubber, plastics, paints and leather industries. For both these products, we are one of the key manufacturers and have been recognised as Star Export House by the Government of India. We believe that we have built strong reputation in our markets, over 28 years of experience that has translated to a customer base. Further the Company has added new product namely H Acid in its products portfolio.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Our manufacturing facility is located in Gujarat, with installed manufacturing capacity of 10,200 MTPA, as of March 31, 2019. Our facility is fully integrated and equipped to manage products from the stage of chemical treatment to dispatch, lending us competitive advantages such as cost effectiveness and maintenance of quality standards. Our facility includes automated and cost-efficient systems and quality control and quality assurance laboratories, among others.

There has been strict enforcement of environment regulations in India. Also globally the environmental laws are only getting stricter. We being one of the most environmental friendly company stand a better chance in this market. Our company puts a lot of efforts and adheres to the environmental norms pertaining to effluent treatment expenses. We have been consistently spending on the pollution treatment expenses. We have spent ₹16 Crores towards pollution treatment expenses for the FY2019.

The recent incident in Jiangsu in China has led to implementation of strict environmental regulations. This has caused temporary disruption in many segments with both prices and supply being impacted. It is not expected that this will continue for long, but gradually companies will adhere to higher levels of safety norms and production may come back on stream. For Q4 FY19, Our topline increased by 5% YoY with a volume growth of 4%. We have achieved 12% volume growth Q-o-Q, with 2,643 metric tonnes. Increase in volumes is on back of new product addition and increase in capacity utilization. It gives us confidence that the demand for the product is intact and we were able to get the business because of our best quality reliable products and over two decades of relationship with the biggest dyestuff houses in the world.

**OPPORTUNITIES AND THREATS**

To service our clients on a continuous basis, we have strengthened our capabilities through capacity expansion. Our expansion of CPC green of 480 MTPA was completed in the first half of financial year 2019, this has resulted in an increase of our green capacity from 1920 to 2,400 MTPA. CPC green contributed 29% of our revenues in

FY2019. In this business, there is no China factor. As a result, the price and margins generally tend to be stable.

We had started manufacturing of H Acid in Q3 FY2019 when we faced some teething trouble in terms of quality and yield. During Q4 FY19, we have been partially successful to resolve the issues and production has normalized. Our main objective to setup H-Acid plant is to target export market and to serve our existing customers. To achieve the quality standard of our customers, we worked rigorously and took two and a half months to achieve the quality as per the customers' requirement.

**OUTLOOK AND STRATEGY**

Our growth was led by increase in volumes, change in product mix and higher realizations. On volume front, we have achieved Y-o-Y growth of 9% with a volume of 9,562 metric tonnes. On product mix, we have introduced new products H-Acid along with a change in product mix of Vinyl Sulphone and green. On realisation front, Higher realizations were largely due to environmental situation in China which we expect to stabilize from its peak in the coming financial year, part of which is reflected in our FY2019 realizations.

We have been successful to get orders from the prestigious customers for H Acid. Going ahead, we expect a little higher utilization of the capacity.

**RISKS AND CONCERNS**

Our profitability was impacted due to several internal and external reasons. Our gross profit margins were impacted on back of high volatility of crude prices along with currency fluctuations, which was beyond our control. Also there was disruption in supply of a few of the input raw materials resulting in increased cost of production.

Our EBITDA levels were impacted due to higher expenditure due to new capacity addition of H Acid. Our company started manufacturing of H-Acid where initially we faced teething troubles with quality and yield. This led to one-off losses. However, now we have been successful to resolve these issues and it has stabilized. Our company has been continuously putting efforts and are focused on expanding geographic footprint, adding new clients. We have developed seven new relationships. Though as of now they are negligible to our wallet share, we expect to leverage our relationship in the long run by providing them our quality products. Going ahead, we expect good business from them.

**FINANCIAL AND OPERATIONAL PERFORMANCE**

The financial performance of the year 2018-19 was affected largely because of several internal and external reasons. Our gross profit margins were impacted on back of high volatility of crude prices along with currency fluctuations, which was beyond our control. Also there was disruption in supply of a few of the input raw materials resulting in increased cost of production. The overall performance of the Company is satisfactory. Below are the Financial Figures for the financial year 2018-19.

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from operations	32,288.38	26,471.61
Other Income	534.89	706.41
Total Income	32,823.27	27,178.02
Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses	3,983.54	4,865.27
Less: Finance Costs	91.61	148.87
Profit for the year before Depreciation, Exceptional Items and Tax Expenses	3,891.93	4,716.40
Less: Depreciation	551.24	460.15
Profit for the year before Exceptional Items and Tax Expenses	3,340.69	4,256.25
Add/(Less): Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	3,340.69	4,256.25
Less: Current Tax	738.62	1,138.31
Less: Deferred Tax	343.12	(37.27)
Less: Adjustment of tax for earlier years (Net)	Nil	99.07
Net Profit for the year	2,258.95	3,056.14

The certification of ISO 9001:2015 and ISO 14001:2015 is a testimony to the Company's commitment towards quality, safety and sustainable environment friendly approach. Further, The Company is having the certificate for registration of trademark from the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. AksharChem and its product Pigment Green 7, i.e. Asaflo.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, including but not limited to the prevention and detection of frauds and errors, the safeguarding of its assets, the accuracy and completeness of the accounting records, adherence to the company's policies, periodical review of financial performance of Company and review of the accounts every quarter by Statutory Auditors.

#### HUMAN RESOURCES DEVELOPMENT

The Management of the Company is driven by the mission to help the employees realize their potential to develop, grow and achieve their purpose, to build the right culture and capabilities to enable us to delight our customers.

There is no change in the attrition rate. Further as the expansion phase is going on, the process for new recruitments has also been started. During the year under review Thirty Six (36) employees were appointed by the Company. The Company has 137 employees as on year ended March 31, 2019.

The Board of Directors had admired the efforts put in by all employees to achieve good performance and looks forward to its continuation.

## ANNEXURE H TO **Directors' report**

### REPORT ON CORPORATE GOVERNANCE

The Directors present a detail report on Corporate Governance for the financial year ended March 31, 2019 as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 1. Company's Philosophy on Corporate Governance

AksharChem (India) Limited is committed to doing business in an efficient, responsible and ethical manner. Corporate Governance practice ensures transparency, integrity and accountability in its functioning. The Company constantly endeavor for the best corporate governance and for complete satisfaction of all its shareholders.

Our governance practice is to build the trusts between the Company and its stakeholder's viz. shareholders, customers, suppliers and employees. The Company believes that Corporate Governance is a prerequisite for attaining sustained growth in this competitive world. In line with this philosophy, your company continuously strives for excellence through timely compliances and maximum disclosure of information to investors.

#### 2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. The Board also provides strategic guidance and independent view to the Company's senior management which discharging its fiduciary responsibilities. As at March 31, 2019, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with two women director and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and half of the board of directors is comprised of Independent Directors. The Board meets at least four times a year. In addition to the above, the Board also meets as and when necessary to address specific issued concerning to business of your Company. During the financial year 2018-19, the time gap between two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Chairperson & Managing Director and Joint Managing Director & CEO of the Company looks after the day-to-day business affairs of the Company, the Board of Directors reviews the overall business operations at least once in quarter based on updates on the Company's performance provided by the Chairperson & Managing Director/Joint Managing Director & CEO.

##### 2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2019, the total strength of the Board of

Directors of the Company was Eight (8) members including three executive directors and five non executive directors and four of them are independent directors. There are three directors in whole time employment of the Company.

Mr. Gokul M. Jaykrishna is the Non-Executive – Non Independent director of the Company.

#### Independent Directors

Mr. Gautam M. Jain, Mr. Jigar M. Patel, Dr. Pradeep Jha and Ms. Maitri K. Mehta are independent directors of the Company. One of the Independent Director Ms. Maitri K, Mehta was appointed as an additional director w.e.f. March 28, 2019. Mr. Kirankumar J. Mehta ceased to be Director w.e.f. February 16, 2019 due to his death. The Directors place on record their deep appreciation for his valuable guidance and assistance received during the tenure as a Director and Member / Chairman of various committees of the Directors of the Company.

The independent directors on the Board are senior, competent and highly respected persons from their respective fields. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than five committees across all companies in which they are directors. The necessary disclosures regarding compliance have been made by the directors.

The Board does not have any Nominee Director representing any institution.

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013.

As at March 31, 2019, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of the Director	Promoter/ Non-Promoter	Category
1.	Mrs. Paru M. Jaykrishna	Promoter	Executive Chairperson and Managing Director
2.	Mr. Munjal M. Jaykrishna		Executive Joint Managing Director & CEO
3.	Mr. Gokul M. Jaykrishna		Non-Executive Director
4.	Mr. Gautam M. Jain	Non-Promoter	Independent Director
5.	Mr. Jigar M. Patel		Independent Director
6.	Dr. Pradeep Jha		Independent Director
7.	Ms. Maitri K. Mehta (w.e.f. March 28, 2019)		Independent Director
8.	Mr. Ashok D. Barot (w.e.f. March 28, 2019)		Executive Director

## 2.2 Details of Attendance of each director at the meeting of Board of Directors

Sr. No.	Date of Board Meeting	Place	Number of Directors Present
1.	30.05.2018	Indrad, Mehsana	7
2.	08.08.2018	Indrad, Mehsana	7
3.	30.10.2018	Indrad, Mehsana	7
4.	05.02.2019	Indrad, Mehsana	6
5.	28.03.2019	Indrad, Mehsana	8

Ms. Maitri K. Mehta and Mr. Ashok D. Barot were appointed as an additional director w.e.f. March 28, 2019.

## 2.3 Details of Number of other Board of Directors or Committees in which a Director is a Member or Chairperson and their attendance in last Annual General Meeting

Name of the Director	No. of Outside Directorship Held		No. of Outside Committee Positions Held		Attendance in AGM 28.09.2018
	Public	Private	Public	Private	
Mrs. Paru M. Jaykrishna	1	4	2	-	Yes
Mr. Munjal M. Jaykrishna	1	6	-	-	Yes
Mr. Gokul M. Jaykrishna	2	5	-	-	Yes
Mr. Gautam M. Jain	2	7	1	-	No
Mr. Jigar M. Patel	-	2	-	-	Yes
Dr. Pradeep Jha	1	-	4	-	Yes
Mr. Kirankumar J. Mehta*	-	1	-	-	Yes
Ms. Maitri K. Mehta#	2	-	2	-	N.A.
Mr. Ashok D. Barot#	-	-	-	-	N.A.

# Ms. Maitri K. Mehta was appointed as an Additional Director - Independent w.e.f. March 28, 2019.

\*Mr. Ashok Barot was appointed as an Additional Director w.e.f. March 28, 2019.

\*Mr. Kirankumar J. Mehta ceased to be Director w.e.f. February 16, 2019 due to his death.

## 2.4 Number of Meetings of the Board of Directors held and dates on which held:

During the financial year 2018-19, Five (5) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/ Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

## Board Procedures

The dates for meetings of the Board of Directors and its Committees are scheduled in advance and published as a part of the Annual Report. The Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards.

The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Regular updates provided to the Board, inter alia, include:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material defaults in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problem involving human resource management;
- Sale of a material nature, or of investments, subsidiaries and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non payment of dividend, delay in share transfer; and
- Any other information which is relevant for decision making by the Board.

## 2.5 Recording minutes of proceeding of Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting or in the next Board Meeting.

## 2.6 Post Meeting Follow-up

The Important decisions taken at Board/ Committee meetings are

communicated promptly to the concerned departments. Action taken report on decisions of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for noting.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s) ensure to adhere to all applicable laws and regulations including the Companies Act, 2013 read with rules there under and Secretarial Standard issued by the Institute of Company Secretaries of India.

#### **2.7 Disclosure of relationships between Directors inter-se:**

Mrs. Paru M. Jaykrishna, Chairperson & Managing Director of the Company is the mother of Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO of the Company and Mr. Gokul M. Jaykrishna, Non Executive Director of the Company. Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO and Mr. Gokul M. Jaykrishna, Non Executive Director are brothers. Other than Mrs. Paru M. Jaykrishna, Mr. Munjal M. Jaykrishna and Mr. Gokul M. Jaykrishna, none of the directors are related to any other directors.

#### **2.8 Reappointment of Director liable to retire by rotation**

Mr. Munjal M. Jaykrishna shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible is considered for reappointment. His brief resume is annexed to the notice of the Annual General Meeting.

#### **2.9 Director's Profile**

The brief resume of the directors proposes to be appointed /re-appointed is given in the explanatory statement annexed to the notice of convening the Annual General Meeting.

#### **2.10 Familiarisation Programme:**

Your Company has put in place a well structured induction and familiarisation programme for all its directors including independent directors of the Company. They are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively. The details regarding Independent Directors' Familiarisation Programme is available on Company's website.

#### **2.11 Evaluation of Board**

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. A structured evaluation was carried out based on various parameters

such as skills and experience to perform the role, level of participation, contribution to strategy, degree of oversight, professional conduct and independence.

#### **2.12 Code of Conduct**

The Board has formulated Code of Conduct for all Board members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board member and senior level employees for the financial year 2018-19. Annual Declaration by the Chairperson & Managing Director to this effect is annexed at the end of this report.

#### **2.13 Separate Meeting of Independent Directors**

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years from the date of their appointment. During the reporting financial year, a separate Meeting of the Independent Directors of the company was held on March 28, 2019, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) Review of performance of Non-Independent Directors and the Board as a whole;
- b) Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- c) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **3. RELATED PARTY DISCLOSURE**

Transactions with related parties are disclosed in the notes to Accounts in the Annual Report. All transactions with related parties are at arms' length.

The Register of Contracts containing the transactions, in which directors are interested, is placed before the Board regularly. All Related Party Transactions are entered into by the Company only after the prior approval of the Audit Committee and/or Board of Directors.

In terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The policy is placed on the Company's website at [www.aksharchemindia.com](http://www.aksharchemindia.com).

### **4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report is annexed to the Directors Report and forms part of this Annual Report.

### **5. DISCLOSURE OF ACCOUNTING TREATMENT**

The Company had adopted Ind AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. The Company has published Ind AS Financials for the year ended March 31, 2019 along with comparable for the year ended March 31, 2018.



## 6. SUBSIDIARIES

During the year under review, your Company does not have any Subsidiary Company.

The policy for determining Material Subsidiary as approved by the Board may be accessed on the Company's website at [www.aksharchemindia.com](http://www.aksharchemindia.com).

## 7. COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board as a part of good corporate governance practice. The Board supervises these committees and minutes of the all the committees are placed before the board for review. Currently there are Four (4) committees of the Board.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility (CSR) Committee

### 7.1. Audit Committee

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors, Internal Auditors and Secretarial Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Directors, CFO, Company Secretary, Vice President – Finance, Statutory Auditor and Internal Auditor to attend the meetings of the Committee.

The Audit Committee meets the Statutory Auditors and the Internal Auditor independently without the management at least once in a year.

#### A. Brief description of terms of reference:

The terms of reference of the Audit Committee are as per the governing provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II). The brief of terms of reference of the Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference

to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Considering such other matters the Board may specify;
21. Reviewing other areas that may be brought under the preview of role of Audit Committee as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### B. Composition, Name of Members and Chairman

The Audit Committee comprises of three Non Executive Directors as members. All of the members are independent directors. All members of the Audit Committee are financially literate and a majority having accounting or financial management expertise. During the year under review the Audit Committee has been re-constituted.

The Committee comprises of following directors:

1.	Dr. Pradeep Jha <sup>#</sup>	Chairman
3.	Mr. Jigar M. Patel	Member
4.	Ms. Maitri K. Mehta (w.e.f. March 28, 2019)	Member

Late Mr. Kirankumar J. Mehta, was Chairman of the Audit Committee upto February 16, 2019 and ceased to be a Chairman due to his death who has attended the last Annual General Meeting (AGM).

<sup>#</sup>Dr. Pradeep Jha was appointed as Chairman of the Committee w.e.f. March 28, 2019.

#### C. Secretary

The Company Secretary acts as secretary to the committee.

#### D. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Audit Committee Meetings held on			
		30.05.2018	08.08.2018	30.10.2018	05.02.2019
1.	Mr. Kirankumar J. Mehta (upto February 16, 2019)	✓	✓	✓	✗
2.	Dr. Pradeep Jha	✓	✓	✓	✓
3.	Mr. Jigar M. Patel	✓	✓	✓	✓
4.	Ms. Maitri K. Mehta (w.e.f. March 28, 2019)	N.A.	N.A.	N.A.	N.A.

#### 7.2. Nomination and Remuneration Committee

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### A. Brief description of terms of reference:

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Director and the Board of Directors;
3. Devising a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/ Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
6. To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
7. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company; and
8. Undertake any other matters as the Board may decide from time to time.

##### B. Composition, Name of Members and Chairman

The members of the Nomination and Remuneration Committee are three (3) Non-Executive Independent Directors: During the year

under review the Nomination and Remuneration Committee has been re-constituted.

The Committee comprises of following directors:

1.	Dr. Pradeep Jha <sup>#</sup>	Chairman
3.	Mr. Jigar M. Patel	Member
4.	Ms. Maitri K. Mehta (w.e.f. March 28, 2019)	Member

Late Mr. Kirankumar J. Mehta, was Chairman of the Nomination and Remuneration Committee upto February 16, 2019 and ceased to be a Chairman due to his death who has attended the last Annual General Meeting (AGM).

<sup>#</sup>Dr. Pradeep Jha was appointed as Chairman of the Committee w.e.f. March 28, 2019.

### C. Secretary

The Company Secretary acts as secretary to the committee.

### D. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Nomination and Remuneration Committee Meetings held on				
		30.05.2018	08.08.2018	30.10.2018	05.02.2019	28.03.2019
1.	Mr. Kirankumar J. Mehta (upto February 16, 2019)	✓	✓	✓	✗	N.A.
2.	Dr. Pradeep Jha	✓	✓	✓	✓	✓
3.	Mr. Jigar M. Patel	✓	✓	✓	✓	✓
4.	Ms. Maitri K. Mehta (w.e.f. March 28, 2019)	N.A.	N.A.	N.A.	N.A.	N.A.

### E. Performance Evaluation of Directors

A performance evaluation of each independent director of the Company was done by the Board of Directors. The attendance, participation and contribution of each independent directors during the proceedings of meeting was considered. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth.

### F. Remuneration policy, details of remuneration and other terms of appointment of directors

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a period basis.

### G. Details of remuneration paid to Executive Directors

Mrs. Paru M. Jaykrishna, Chairperson & Managing Director of the Company and Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO of the Company are the Executive Directors on the Board. Further Mr. Ashok Barot has been appointed as Executive Director on the board of the Company w.e.f. March 28, 2019. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to them within the ceiling fixed by the shareholders as per the Resolution passed at the General Meeting. Nomination and Remuneration Committee has paid the commission to Mr. Munjal M. Jaykrishna.

Details of the remuneration paid to the Managing Directors are as below:

Directors	Business relationship with the Company	Remuneration during the year 2018-19 (inclusive of P. F. Contribution, Perquisites and Commission) (₹ in Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	89.74
Mr. Munjal M. Jaykrishna	Joint Managing Director & CEO	146.56
Mr. Ashok Barot (w.e.f. March 28, 2019)	Executive Director	0.14
<b>Total</b>		<b>236.44</b>

### H. Service Contract, Severance Fees and Notice Period:

The appointment of the Managing Director & Executive Director is governed by Articles of Association of the Company and the resolution passed by Board of Directors and the members of the Company. These cover terms and condition of such appointment. No separate service contract is entered into by the Company with Managing Directors & Executive Director. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors & Executive Director.

### I. Stock Option details, if any

The Company does not have any stock option plan for the Executive Directors.

### J. Non Executive Directors

Non-Executive Directors were paid sitting fees for attending the Board Meeting and Committee Meetings, except to Mr. Gautam M. Jain, Mr. Jigar M. Patel who has voluntarily consented not to avail any benefits including sitting fees from the Company.

### K. Shareholding of Non-Executive Directors

None of the Non-Executive Directors of the Company are holding any shares in the Company as on March 31, 2019.

### 7.3. Stakeholders Relationship Committee

The constitution and terms of reference of Stakeholder Relationship Committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015.

The terms of reference and other details of the committee is as follows:

#### A. Terms of Reference

The Committee approves the matters relating to:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of investors' / shareholders' / security holders' grievances.
3. Oversee the performance of the Company's Registrar and Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.
5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Compliance Officer is entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the Stakeholders' Relationship Committee.

#### B. Composition of the Committee

During the year under review the Stakeholders' Relationship Committee has been re-constituted.

The Committee comprises of following directors:

1.	Dr. Pradeep Jha*	Chairman
3.	Mr. Jigar M. Patel	Member
4.	Ms. Maitri K. Mehta	Member

Late Mr. Kirankumar J. Mehta, was Chairman of the Stakeholders' Relationship Committee upto February 16, 2019 and ceased to be a Chairman due to his death who has attended the last Annual General Meeting (AGM).

\*Dr. Pradeep Jha was appointed as Chairman of the Committee w.e.f. March 28, 2019.

#### C. Secretary

The Company Secretary acts as secretary to the committee.

#### D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is either two members

#### E. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Stakeholders Relationship Committee Meetings held on			
		30.05.2018	08.08.2018	30.10.2018	05.02.2019
1.	Mr. Kirankumar J. Mehta (upto February 16, 2019)	✓	✓	✓	✗
2.	Dr. Pradeep Jha	✓	✓	✓	✓
3.	Mr. Jigar M. Patel	✓	✓	✓	✓
4.	Ms. Maitri K. Mehta (w.e.f. March 28, 2019)	N.A.	N.A.	N.A.	N.A.

#### F. Details of Shareholders Complaints

Number of complaints received and resolved to the satisfaction of Stakeholders Relationship Committee during the year under review is below:

Number of complaints at the beginning of the Year	:	4
Number of complaints received during the year	:	89
Number of complaints solved during the year	:	87
Number of pending complaints at the end of the year	:	6

#### G. Compliance Officer

Mr. Meet J. Joshi, Company Secretary & Compliance Officer is entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the Stakeholder's Relationship Committee.

#### 7.4. Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility Committee as required under section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### A. Terms of Reference

The Committee looks into the matters relating to:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on CSR activities; and
3. To monitor the implementation of framework of CSR policy.
4. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may applicable or as may be necessary or appropriate for performance of its duties.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company. The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

## B. Composition of the Committee

During the year under review the Corporate Social Responsibility Committee has been re-constituted.

The Committee comprises of following directors:

1.	Mrs. Paru M. Jaykrishna	Chairperson
2.	Mr. Gautam M. Jain	Member
3.	Mr. Kirankumar J. Mehta (upto February 16, 2019)	Member
4.	Ms. Maitri K. Mehta (w.e.f. March 31, 2019)	Member

## c. Secretary

The Company Secretary acts as secretary to the committee.

## E. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Corporate Social Responsibility Committee Meetings held on			
		30.05.2018	08.08.2018	30.10.2018	05.02.2019
1.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓
2.	Mr. Gautam M. Jain	✓	✓	✓	✓
3.	Mr. Kirankumar J. Mehta (upto February 16, 2019)	✓	✓	✓	✗
4.	Ms. Maitri K. Mehta (w.e.f. March 28, 2019)	N.A.	N.A.	N.A.	N.A.

## 8. MANAGEMENT

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company.

## 9. CEO/CFO CERTIFICATION

The Joint Managing Director & CEO and General Manager (Accounts) & CFO of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Regulations.

## 10. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees which in possession of unpublished price sensitive information in relation to the Company. The Company Secretary is responsible for implementation of the Code.

## 11. ANNUAL GENERAL MEETINGS

11.1 Details of location, time and date of last three Annual General Meeting are given below:

Financial Year	Location	Date	Time
2015-16	At the Registered Office at 166/169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	26.09.2016	3.15 p.m
2016-17	At the Registered Office at 166/169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	14.09.2017	10.30 a.m

2017-18	At the Registered Office at 166/169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	28.09.2018	11.00 a.m.
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## 11.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2018-19.

## 11.3 Special Resolutions passed in the last three years at the Annual General Meetings

At the Annual General held on September 14, 2017 following Special Resolution was passed.

1. Private Placement of Non-Convertible Debentures and/or Other Debt Securities

At the Annual General held on September 28, 2018 following Special Resolution was passed.

1. Private Placement of Non-Convertible Debentures and/or Other Debt Securities

## 11.4 Resolution passed with requisite majority in last year through Postal Ballot

No resolution was passed through Postal Ballot in the Financial Year 2018-19.

## 11.5 Special Resolution proposed to be conducted through postal ballot

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at the ensuing Annual General Meeting.

## 12. MEANS OF COMMUNICATION

- i. Financial Results: The Company publishes limited reviewed un-audited financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial

results for the complete financial year. They are normally published in widely circulating national and local dailies such as "Business Standard" in English and "Jaihind" in Gujarati. The shareholding pattern, financial results, corporate governance report, other announcements are also filed electronically on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE).

ii. Website, where displayed

The Annual Report of the Company as well as the quarterly/ half yearly and annual results are posted on the website of the Company at [www.aksharchemindia.com](http://www.aksharchemindia.com) and can be downloaded by the shareholders.

iii. The Company's website contains separate dedicated section for investors, where shareholder information is available.

iv. The Company intimates to the Stock Exchanges all the price sensitive matter which in its opinion are material and of relevance to the shareholders.

v. Corporate presentations made to institution investors or to analyst are posted on the Company's website.

vi. Filing with BSE " Listing Centre"

Pursuant to Regulation 10 (1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with Stock Exchanges by Listed Entities. Accordingly, the Company have been electronically filing Shareholding Pattern, Financial Results, Corporate Governance Report, Reconciliation of Share Capital Audit in XBRL mode with Exchange Listing Centre.

vii. NSE Electronic Application Processing System (NEAPS)

The Shareholding Pattern, Financial Results, Corporate Governance Report and various submissions/disclosure documents are filed by the Company electronically on NEAPS.

viii. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### 13. GENERAL SHAREHOLDER'S INFORMATION

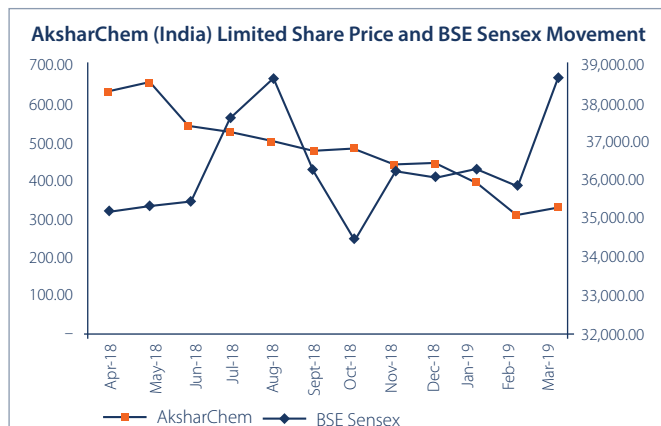
13.1.	<b>Annual General Meeting</b> Day, Date, Time & Venue	Monday, September 30, 2019 at 2.00 P.M. at the Registered Office of the Company situated at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana - 382 715.	
13.2.	<b>Financial Year Calendar (2019-20) (Tentative)</b>	Financial Year	April 1, 2019 to March 31, 2020
		Annual General Meeting	August/ September, 2020
		First Quarter Results	On or before August 14, 2019
		Half Yearly Results	On or before November 14, 2019
		Third Quarter Results	On or before February 14, 2020
		Audited Results for the year 2018-19	On or before May 30, 2020
13.3.	<b>Date of Book Closure</b>		
	Closure of Register of Members and Share Transfer Books	September 24, 2019 to September 30, 2019 (both days inclusive).	
13.4	<b>Electronic Voting</b>	Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended by the companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015 members have been provided the facility to exercise their right to vote at the 30th Annual General Meeting by electronic voting through services provided by NSDL. The electronic voting period will be from 9.00 a.m. IST on September 27, 2019 to 5.00 p.m. IST September 29, 2019, both days inclusive.	
13.5	<b>Scrutiniser for electronic voting</b>	Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. ACS15650) has been appointed as the Scrutinizer to scrutinize the electronic voting process in a fair and transparent manner and to give his report to the Chairperson.	
13.6	<b>Dividend payment date</b>	Final Dividend of ₹3.50 per share (35%) for the Financial Year 2018-19 is proposed. The dividend on equity shares for the financial year ended March 31, 2019, if declared by the members, will be paid within thirty days of declaration by members.	
		(i) to all those shareholders holding shares in physical and whose names appear in Company' Register of Members as on September 23, 2019.	

		(ii) to all those beneficial owners holding shares in electronic mode, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on September 23, 2019.
		<p><b>Payment of dividend through Automated Clearing House (ACH)</b></p> <p>The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not made available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.</p>
		<p><b>Unclaimed Dividends</b></p> <p>Pursuant to provision Section 125A of Companies Act, 2013, There is no amount of unpaid or unclaimed amount required to be transferred to the Investor Education and Protection Fund administered by the Central Government.</p>
13.7	Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s)	The Equity Shares of the Company are listed at BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE).
		<p><b>Name and Address of Stock Exchange</b></p> <p><b>BSE Limited</b> Floor 25, P. J. Towers Dalal Street, Fort, Mumbai - 400 001</p> <p><b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051</p> <p><b>Ahmedabad Stock Exchange Limited</b> Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad-380 015</p> <p>The Required Annual Listing Fees for the Financial Year 2019-20 have been paid to the stock exchanges within the stipulated time.</p>
13.8	Stock Code	524598 (BSE) AKSHARCHEM (NSE) 06408 (ASE)
13.9	Corporate identification Number (CIN) of the Company	The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India is L24110GJ1989PLC012441.
13.10	International Securities Identification Number (ISIN)	<p>The Company's scrip form part of Securities Exchange Board of India (SEBI) compulsory demat segment bearing ISIN No. INE542B01011. The name address of depositories are:</p> <p><b>National Securities Depository Limited</b> Trade World, 4th Floor, "A" Wing Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.</p> <p><b>Central Depository Services (India) Limited</b> 25th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013</p> <p>The Annual Custodial fees for the financial year 2019-20 have been paid to National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL).</p>
13.11	Market Price Data –high, low during each month in last financial year	The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2018-19 on BSE Limited and National Stock Exchange of India Limited are given below:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
Apr-18	662.20	589.15	20,502	667.00	589.65	30,430
May-18	665.80	560.35	40,262	664.00	562.00	54,188
Jun-18	651.10	511.65	15,596	652.00	511.20	19,275
Jul-18	602.95	469.50	1,97,328	584.95	470.05	97,905
Aug-18	565.50	486.00	15,611	576.70	491.10	13,062
Sep-18	548.00	470.00	9,951	535.00	469.95	9,288
Oct-18	549.00	424.00	12,984	515.00	401.00	13,281
Nov-18	492.00	426.70	7,516	492.00	425.60	8,690
Dec-18	469.00	419.00	3,923	461.00	415.00	6,689
Jan-19	461.45	383.05	11,980	454.90	391.95	11,393
Feb-19	413.10	305.00	16,969	415.00	302.25	29,554
Mar-19	358.80	317.25	9,285	355.00	316.95	14,756

### Performance of the Company' Equity Share vis-a-vis BSE Sensex during 2018-19

The chart below provides the relative movement of the closing price of the Company's share and the BSE Sensex. The period covered is April 1, 2018 to March 31, 2019. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



### 13.12. In case the securities are suspended from trading the Directors Report shall explain the reason thereof:

Not Applicable

### 13.13. Registrar and Transfer Agent

Link Intime India Private Limited  
UNIT : AKSHARCHEM (INDIA) LIMITED  
Mumbai Office

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400 083  
Tel : 022-49186000

E-mail id : rnt.helpdesk@linkintime.co.in  
Website : www.linkintime.co.in

### Ahmedabad Branch Office

506-508, Amarnath Business Centre -1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad-380 006  
Tel: 079-26465179/86/87

E-mail id : ahmedabad@linkintime.co.in

Website : www.linkintime.co.in

### 13.14. Share Transfer System

#### (i) Share Transfer System

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialised form. Transfers of these shares are done through the depositories with no involvement of the Company. The Registrar and Transfer Agent deal with Share Transfer both in Physical and dematerialised Mode.

The transfers with respect to shares held in physical form are executed within 15 days from the receipt of documents, provided documents are valid and complete in all respects. Securities Exchange Board of India vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, effective from April 1, 2019, has discontinued transfer of shares in physical mode and hence, the Company is not required to process any transfer request on or after April 1, 2019. The Company holds Stakeholders' Relationship Committee Meetings for approving dematerialization, requests for transmission and rematerialization of equity shares. The Committee also reviews request for issue of duplicate share certificate, if any, received from shareholders. The Company obtains from a Company Secretary in Practice a half yearly certificate of compliance with the share transfer formalities as required under the Regulation 40 (9) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

#### (ii) Correspondence regarding change of address:

Shareholders are requested to ensure that any correspondence of Change of Address, change of Bank Mandates should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they opened Demat Account.

#### (iii) Green Initiative for Paperless Communication:

The Ministry of Corporate Affairs (MCA) has taken a "Green



Initiative in Corporate Governance” by allowing service of documents by a Company to its members through electronic mode. The move of the ministry allows public at large to contribute to the green movement. Keeping in view the underlying theme, the Company will continue to send various communication and documents in electronic form in the email address provided by the members to the Depositories or to the Company.

(iv) Pending Investors’ Grievances:

Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered office of the Company with a copy of earlier correspondence.

### 13.15 Distribution of shareholding

The distribution of shareholding as on March 31, 2019 is as under:

#### a. Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	12,427	96.07	10,87,080	13.25
501-1000	301	2.33	2,33,323	2.84
1001-2000	121	0.94	1,78,959	2.18
2001-3000	40	0.31	97,225	1.19
3001-4000	10	0.08	36,296	0.44
4001-5000	8	0.06	36,337	0.44
5001-10000	9	0.07	69,393	0.85
10001 and above	20	0.15	64,63,977	78.80
<b>Total</b>	<b>12,936</b>	<b>100.00</b>	<b>82,02,590</b>	<b>100.00</b>

#### b. Shareholding Pattern as at March 31, 2019 (Category wise)

Sr. No.	Category	No. of Holders	No. of Shares	% of Shareholding
<b>A.</b>	<b>Promoters</b>			
1.	Indian Promoters			
	Individuals	-	-	-
	Bodies Corporate	1	200	0.00
	Family Trust	2	48,19,180	58.75
	Others – LLP	1	3,23,837	3.95
2.	Foreign Promoters	-	-	-
	<b>Total Promoters Holding</b>	<b>4</b>	<b>51,43,217</b>	<b>62.70</b>
<b>B.</b>	<b>Non Promoters</b>			
1.	Institutional Investors	-	-	-
a.	Mutual Funds	2	5,13,480	6.21
b.	Banks, Financial Institutions, Insurance Companies	2	3,569	0.04
c.	Foreign Portfolio Investors	4	4,77,210	5.82
	<b>Sub Total</b>	<b>8</b>	<b>10,00,959</b>	<b>12.20</b>
2.	Others			
a.	Bodies Corporate	144	1,17,653	1.43
b.	Indian Public	11,855	16,06,575	19.59
c.	NRIs/OCBs	309	76,526	0.93
d.	Clearing Members	58	20,254	0.25
e.	HUF	322	71,022	0.87
f.	Foreign Bodies Corporate	1	1,66,384	2.02
	<b>Sub Total</b>	<b>12,689</b>	<b>20,58,414</b>	<b>25.09</b>
	<b>Grand Total</b>	<b>12,701</b>	<b>82,02,590</b>	<b>100.00</b>

### List of top 10 Shareholders other than Promoters as at March 31, 2019

Sr. No.	Name of the Shareholder	No. of Shares held	% of Total Holding
1.	L & T Mutual Fund Trustee Limited	5,08,980	6.21
2.	UBS Principal Capital Asia Ltd	2,25,257	2.75
3.	DIC Corporation	1,66,384	2.03
4.	Societe Generale	1,18,000	1.44
5.	Gymkhana Partners L.P.	1,16,353	1.42
6.	D Srimathi	31,884	0.39
7.	Murugu Selvan K	27,700	0.34
8.	Gaurang Navinchandra Shah	25,000	0.30
9.	Rural engineering Co. Pvt. Ltd	18,653	0.23
10.	Passage To India Master Fund Limited	17,600	0.21
	<b>Total</b>	<b>12,55,811</b>	<b>15.31</b>

13.16 Dematerialization of Shares and Liquidity The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE542B01011. Nearly 93.52% of total listed Equity Shares have been dematerialised as on March 31, 2019. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE and NSE.

### Details of Dematerialised Shares as at March 31, 2019

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	20,46,726	24.95	19,77,560	24.11
CDSL	56,24,086	68.57	56,57,052	68.97
Shares in Physical Form	5,31,778	6.48	5,67,978	6.91
<b>Total</b>	<b>82,02,590</b>	<b>100.00</b>	<b>82,02,590</b>	<b>100.00</b>

### 13.17 Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity

There are no Global Depository Receipts or American Depository Receipts or Warrants outstanding as on March 31, 2019.

### 13.18 Plant Locations:

166-169, Village Intrad, Kadi-Kalol Road, Dist. Mehsana, Gujarat – 382 715 (India)

### 13.19 Address for correspondence with the Company

The Company Secretary  
AksharChem (India) Limited

166/169, Village Intrad, Kadi - Kalol Road, Dist : Mehsana - 382 715, Gujarat.

Tel : (02764) 233007 to 10, Fax: (02764) 233550

Email: [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com), Website: [www.aksharchemindia.com](http://www.aksharchemindia.com)

### Address for correspondence with the Registrar and Transfer Agent

Link Intime India Private Limited

506-508, Amarnath Business Centre -1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad-380 006

Tel : 079-26465179/86/87

E-mail id : [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

Website : [www.linkintime.co.in](http://www.linkintime.co.in)

## 14. Other Disclosures

### a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company

During the financial year 2018-19, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board has approved a policy on related party transaction. The Register of Contracts/Statement of related party transactions is placed before the Board / Audit Committee regularly. Transactions with the related parties as per requirements of Ind AS 24 are disclosed in Note 42 to the Financial Statements in the Annual Report and they are not in conflict with the interest of the Company at large.

### b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

A Statement of Compliance with all Laws and Regulations as certified by the Joint Managing Director and Company Secretary is placed at periodic intervals for review by the Board.

There were no instances of non-compliance, penalty or strictures imposed on the Company by the Stock Exchange(s) or Securities Exchange Board of India (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years.

### c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee

The Company has established a Whistle Blower policy and has established necessary mechanism to enable directors and employees to report concerns about ethical behaviour, actual or suspected fraud or violation of the Companies code of conduct. The policy offer appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel is denied the opportunity to meet the Audit Committee members of the Company. A copy of the Whistle Blower Policy is also available on the website of the Company.

The ombudsman had not received any complaint during the financial year ended March 31, 2019.

### d. Details of compliance with mandatory requirements and adoption of the non mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

### e. Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies' in the 'Investors Relation' section and can be accessed at [www.aksharchemindia.com](http://www.aksharchemindia.com).

### f. Web link where policy on dealing with related party transactions is disclosed

The policy on dealing with related party transactions is available on the website of the Company under 'Policies' in the 'Investors Relation' section and can be accessed at [www.aksharchemindia.com](http://www.aksharchemindia.com).

### g. Total Fees paid to the Statutory Auditors

Total Fees paid to Statutory Auditors is ₹2.65 lakhs for the financial year 2018-19.

## 15. Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

1. The Company has an Executive Chairperson.
2. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
3. The Company's financial statements for the financial year 2018-19 do not contain any audit qualification.
4. The internal auditors report to the Audit Committee.

## 16. Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management

The Company has obtained affirmation from Chairperson and Managing Director that all the members of the board and senior managerial personnel have complied with the Code of Conduct for Board members and Senior Managerial Personnel for the year ended March 31, 2019.

## 17. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance

The Certificate from the Practising Company Secretary regarding compliance of conditions of corporate governance is annexed with the Directors' Report and forms an integral part of the Annual Report.

## 18. Disclosures with respect to demat suspense account/unclaimed suspense account

The disclosure as required under schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

a) Aggregate number of shareholders and the outstanding share in the suspense account lying at the beginning of the year: Nil

b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil

c) Number of shareholders to whom shares were transferred from suspense account during the year : Nil

d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : Nil

e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares : NA

**19. Reconciliation of Share Capital Audit Report**

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and also submitted to the Stock Exchanges where the shares of the Company are listed.

For and on behalf of Board of Directors

**PARU M. JAYKRISHNA**  
*Chairperson & Mg. Director*  
DIN: 00671721

Place : Ahmedabad  
Date : August 12, 2019

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,

AksharChem (India) Limited

I have examined the compliance of conditions of Corporate Governance by AksharChem (India) Limited ("the Company"), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations") (applicable criteria).

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on

the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Bipin L. Makwana**

*Company Secretary in Practice*

Membership No. 15650

C. P. No. 5265

Place: Ahmedabad

Date: August 12, 2019

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

AksharChem (India) Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AksharChem (India) Limited having CIN -L24110GJ1989PLC012441 and having registered office at 166/169, Indrad Village, KadiKalol Road, Mehsana: 382715, Gujarat (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and amendments.

In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment
1	Mrs. Paru Mrugesh Jaykrishna	00671721	04/07/1989
2	Mr. Gautamkumar Mithalal Jain	00160167	21/01/2014
3	Mr. Gokul Mrugesh Jaykrishna	00671652	01/01/1994
4	Mr. Munjal Mrugesh Jaykrishna	00671693	28/06/1995
5	Mr. Pradeepbhai Jasubhai Jha	01539732	28/05/2002
6	Mr. Jigar Mukesh Patel	05291605	11/12/2017
7	Ms. Maitri Kiran kumar Mehta	07549243	28/03/2019
8	Mr. Ashok Dolatsinh Barot	08366687	28/03/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Bipin L. Makwana**

*Company Secretary in Practice*

Membership No. 15650

C. P. No. 5265

Place: Ahmedabad

Date: August 12, 2019

## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended March 31, 2019.

Place : Ahmedabad  
Date : August 12, 2019

For, **AksharChem (India) Limited**  
**Paru M. Jaykrishna**  
*Chairperson & Mg. Director*  
**DIN: 00671721**

## CERTIFICATE BY CEO AND CFO PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Board of Directors  
AksharChem (India) Limited

We, the undersigned, in our respective capacities as Joint Managing Director & CEO and General Manager (Accounts) & CFO of AksharChem (India) Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of AksharChem (India) Limited for the year ended March 31, 2019 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such

internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit Committee:
  - a. that there have been no significant changes in internal control over financial reporting during the year ended March 31, 2019;
  - b. that there have been no significant changes in accounting policies during the year ended March 31, 2019 and that the same have been disclosed in the notes to the financial statements; and
  - c. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For, **AksharChem (India) Limited**  
**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693  
**Sunil V. Rane**  
General Manager (Accounts) & CFO

Place : Ahmedabad  
Date : May 14, 2019

# Financial Section

# Independent Auditor's Report

To the Members of AksharChem (India) Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of AksharChem (India) Limited (the 'Company') which comprise the Balance Sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

Key Audit Matter	Response to Key Audit Matter
<p><b>Property, Plant &amp; Equipment</b></p> <p>The value of property, plant &amp; equipment and capital work-in-progress amounted to ₹15686.92 Lakhs (i.e. 49.64% of total assets) at the Balance Sheet Date (i.e. March 31, 2019).</p> <p>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment and capital work-in-progress and their respective depreciation profiles. These include :</p> <ul style="list-style-type: none"><li>- the decision to capitalize or expense costs;</li><li>- review of estimated useful lives of assets</li><li>- the timeliness of transfers to property, plant &amp; equipment from capital work-in-progress.</li></ul>	<p>We tested controls in place over the property, plant &amp; equipment cycle, evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalized and assessed the timeliness of capitalization on capital work-in-progress. We also reviewed the appropriateness of estimated useful lives applied in the calculation of depreciation.</p>

### Information other than Financial Statements & Auditors Report thereon.

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion & Analysis, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the



Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the

reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our

information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements (Refer Note 36 to the financial statements);
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For, **Mahendra N. Shah & Co.,**  
*Chartered Accountants*  
Firm Registration  
No. 105775W

**Chirag M. Shah**  
Partner  
Membership No. 045706

Date: May 14, 2019

Place: Ahmedabad

**“Annexure A” to  
the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has regular programme of physical verification of fixed assets by which all fixed assets are verified in phased manner over period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its business. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
2. According to information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such physical verification during the year.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect

of investments. The Company has not granted loan or given guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company and hence not commented upon.
6. The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records :
  - (a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
  - (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Goods & Service Tax and Customs Duty which have not been deposited with the appropriate authorities on account of any dispute, except following :

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the account relates	Forum where the dispute is pending
Gujarat VAT Act, 2003	Sales Tax	18.03	2004-05	Ahmedabad VAT Tribunal
Income Tax Act, 1961	Income Tax	44.27	2003-04	High Court of Gujarat

8. According to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, bank, Government or dues to debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt

instruments and term loans during the year under audit.

10. According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given by the

management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the management, the company has not entered into any non-cash

transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For, Mahendra N. Shah & Co.,

**Chartered Accountants**

Firm Registration  
No. 105775W

**Chirag M. Shah**

*Partner*  
Membership No.  
045706

Date: May 14, 2019

Place: Ahmedabad

## **“Annexure B” to the Independent Auditors’ Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of AksharChem (India) Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles , and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

**For, Mahendra N. Shah & Co.,**  
Chartered Accountants  
Firm Registration No. 105775W

**Chirag M. Shah**  
*Partner*  
Membership No. 045706

Date: May 14, 2019  
Place: Ahmedabad

## BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	3	12,604.60	8,603.04
(b) Capital Work-in-Progress		3,082.32	2,582.39
(c) Other Intangible Assets	4	2.86	10.87
(d) Intangible Assets under Development		21.99	15.16
(e) Financial Assets			
(i) Investments	5	2,097.97	3,155.90
(ii) Loans	6	18.00	23.11
(iii) Other Assets	7	186.51	153.62
(f) Other Non-current Assets	8	1,475.22	1,280.82
<b>Total Non-current Assets</b>		<b>19,489.47</b>	<b>15,824.91</b>
<b>2 Current Assets</b>			
(a) Inventories	9	3,655.00	2,965.23
(b) Financial Assets			
(i) Investments	10	-	4,556.67
(ii) Trade Receivables	11	3,813.19	2,753.11
(iii) Cash and Cash Equivalents	12	24.23	383.19
(iv) Bank balances other than Cash and Cash Equivalents	13	197.20	82.06
(v) Loans	14	11.17	6.73
(vi) Other Financial Assets	15	5.70	10.37
(c) Current Tax Assets (Net)	16	228.20	64.10
(d) Other Current Assets	17	4,177.31	3,275.52
<b>Total Current Assets</b>		<b>12,112.00</b>	<b>14,096.98</b>
<b>TOTAL ASSETS</b>		<b>31,601.47</b>	<b>29,921.89</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	18	820.26	820.26
(b) Other Equity	19	24,899.95	22,952.19
<b>Total Equity</b>		<b>25,720.21</b>	<b>23,772.45</b>
<b>2 Liabilities</b>			
Non-current Liabilities			
(a) Deferred Tax Liabilities (Net)	20	1,515.91	1,162.18
<b>Total Non-current Liabilities</b>		<b>1,515.91</b>	<b>1,162.18</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	1,152.57	-
(ii) Trade Payables	22		
- Total outstanding dues of micro and small enterprises		247.60	110.58
- Total outstanding dues of trade payables other than micro and small enterprises"		2,491.34	2,975.82
(iii) Other Financial Liabilities	23	57.20	47.06
(b) Other Current Liabilities	24	399.12	1,833.08
(c) Provisions	25	17.52	20.72
<b>Total Current Liabilities</b>		<b>4,365.35</b>	<b>4,987.26</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,601.47</b>	<b>29,921.89</b>
Significant Accounting Policies	2		
The accompanying notes are an integral part of financial statements	3 - 47		

As per our Report of even date attached.

For and on behalf of the Board of Directors  
**AksharChem (India) Limited**

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
Firm Registration No. 105775W

**Sunil V. Rane**  
General Manager (Accounts) & CFO

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
DIN: 00671721

**Chirag M. Shah**  
(Partner)  
Membership No. 045706  
Place : Ahmedabad  
Date: May 14, 2019

**Meet J. Joshi**  
Company Secretary

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693

Place : Indrad, Mehsana  
Date: May 14, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lakhs)

Particulars	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
I Revenue from Operations	26	32,288.38	26,471.61
II Other Income	27	534.89	706.40
<b>III Total Income (I+II)</b>		<b>32,823.27</b>	<b>27,178.01</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	28	19,374.47	14,058.32
Purchase of Stock-in-Trade		1,616.38	1,543.48
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in -Trade	29	(536.39)	425.21
Excise Duty on Sale of Goods		-	45.74
Employee Benefits Expense	30	967.35	839.78
Finance Costs	31	91.61	148.87
Depreciation and Amortization Expenses	32	551.24	460.15
Other Expenses	33	7,417.92	5,400.21
<b>Total Expenses (IV)</b>		<b>29,482.58</b>	<b>22,921.76</b>
<b>V Profit before Exceptional Items and Tax (III-IV)</b>		<b>3,340.69</b>	<b>4,256.25</b>
<b>VI Exceptional Items</b>		<b>-</b>	<b>-</b>
<b>VII Profit before Tax (V-VI)</b>		<b>3,340.69</b>	<b>4,256.25</b>
<b>VIII Tax Expenses</b>			
Current Tax		738.62	1,138.31
Deferred Tax		343.12	(37.27)
Adjustment of Tax for Earlier Years		-	99.07
<b>Total Tax Expenses (VIII)</b>		<b>1,081.74</b>	<b>1,200.11</b>
<b>IX Profit for the Year (VII-VIII)</b>		<b>2,258.95</b>	<b>3,056.14</b>
<b>X Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		15.57	8.48
- Equity instruments through other comprehensive income		30.45	-
Income tax related to above items		(10.76)	(2.93)
B. Items that will be reclassified to profit or loss			
- Effective portion of gains / (losses) in cash flow hedges		(0.45)	-
- Income tax related to above items		0.16	-
<b>Other Comprehensive Income for the year (X)</b>		<b>34.97</b>	<b>5.55</b>
<b>XI Total Comprehensive Income for the year (IX + X)</b>		<b>2,293.92</b>	<b>3,061.69</b>
<b>XII Earning per Equity Share (Face Value of ₹10 Each)</b>	<b>34</b>		
Basic		27.54	37.26
Diluted		27.54	37.26
Significant Accounting Policies	2		
The accompanying notes are an integral part of financial statements	3 - 47		

As per our Report of even date attached.

 For and on behalf of the Board of Directors  
**AksharChem (India) Limited**
**For, Mahendra N. Shah & Co.**  
 Chartered Accountants  
 Firm Registration No. 105775W

**Sunil V. Rane**  
 General Manager (Accounts) & CFO

**Paru M. Jaykrishna**  
 Chairperson & Mg. Director  
 DIN: 00671721

**Chirag M. Shah**  
 (Partner)  
 Membership No. 045706  
 Place : Ahmedabad  
 Date: May 14, 2019

**Meet J. Joshi**  
 Company Secretary

**Munjal M. Jaykrishna**  
 Jt. Managing Director & CEO  
 DIN: 00671693

 Place : Indrad, Mehsana  
 Date: May 14, 2019

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lakhs)

**A. Equity Share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares of ₹10 each (Fully Paid up)</b>				
Balance at the beginning of the year	82,02,590	820.26	82,02,590	820.26
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	82,02,590	820.26	82,02,590	820.26

**B. Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Components of Equity		Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	
Balance as at April 1, 2017	239.77	2,744.36	10,323.60	-	-	13,307.73
Profit for the year	-	-	3,056.14	-	-	3,056.14
Other comprehensive income	-	-	5.55	-	-	5.55
<b>Total comprehensive income for the year</b>	-	-	<b>3,061.69</b>	-	-	<b>3,061.69</b>
Share issued at premium	6,582.77	-	-	-	-	6,582.77
Balance as at March 31, 2018	6,822.54	2,744.36	13,385.29	-	-	22,952.19
Balance as at April 1, 2018	6,822.54	2,744.36	13,385.29	-	-	22,952.19
Profit for the year	-	-	2,258.95	-	-	2,258.95
Other comprehensive income	-	-	10.13	25.13	(0.29)	34.97
<b>Total comprehensive income for the year</b>	-	-	<b>2,269.08</b>	<b>25.13</b>	<b>(0.29)</b>	<b>2,293.91</b>
Dividend paid (including tax thereon)	-	-	(346.15)	-	-	(346.15)
Balance as at March 31, 2019	6,822.54	2,744.36	15,308.22	25.13	(0.29)	24,899.95

As per our Report of even date attached.

 For and on behalf of the Board of Directors  
**AksharChem (India) Limited**
**For, Mahendra N. Shah & Co.**  
 Chartered Accountants  
 Firm Registration No. 105775W

**Sunil V. Rane**  
 General Manager (Accounts) & CFO

**Paru M. Jaykrishna**  
 Chairperson & Mg. Director  
 DIN: 00671721

**Chirag M. Shah**  
 (Partner)  
 Membership No. 045706  
 Place : Ahmedabad  
 Date: May 14, 2019

**Meet J. Joshi**  
 Company Secretary

**Munjal M. Jaykrishna**  
 Jt. Managing Director & CEO  
 DIN: 00671693

 Place : Indrad, Mehsana  
 Date: May 14, 2019



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>A. Cash Flow from Operating Activities</b>				
Profit Before Tax		3,340.69		4,256.25
Adjustments for :				
Depreciation and Amortisation Expenses		551.24		460.15
Finance Cost		91.61		148.87
(Profit)/ Loss on sales of Property, Plant and Equipment		(0.55)		0.37
Interest Received		(69.02)		(18.17)
(Profit) / Loss from sale of Investments		(257.15)		(176.50)
Net Gain arising on financial assets measured at fair value through Profit or Loss (FVTPL)		(136.74)		(303.79)
Dividend Income		(67.51)	111.88	(207.59)
Operating Profit Before Working Capital Changes		3,452.57		4,159.58
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade & Other receivables		(2,293.94)		(1,700.46)
(Increase)/Decrease Inventories		(689.78)		252.06
Increase/ (Decrease) Trade & other payables		(443.91)	(3,427.63)	1,522.24
				73.84
Net Cash Flow Generated from Operating Activities		24.94		4,233.42
Direct taxes paid (Net)		(902.70)		(1,240.51)
<b>Net Cash Flow from Operating Activities</b>		<b>(877.76)</b>		<b>2,992.91</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Property, Plant & Equipment		(5,076.96)		(4,445.94)
Proceeds from sale of Property, Plant & Equipment		0.55		2.55
Sales/(Purchase) of Investments (Net)		4,739.20		(2,125.24)
Interest Income Received		73.68		18.17
Dividend Income		67.51		207.59
<b>Net Cash Flow from Investing Activities</b>		<b>(196.01)</b>		<b>(6,342.87)</b>
<b>C. Cash Flow from Financing Activities</b>				
Availment/(Repayment) of borrowings		1,152.57		(3,192.37)
Proceeds from Issue of Equity Shares		-		6,671.74
Interest Paid		(91.61)		(148.87)
Dividend Paid (including tax on dividend)		(346.15)		-
<b>Net Cash Flow from Financing Activities</b>		<b>714.81</b>		<b>3,330.50</b>
Net increase / (decrease) in cash and cash equivalents		(358.96)		(19.46)
Cash and cash equivalent at the beginning of the year		383.19		402.65
Cash and cash equivalent at the end of the year		24.23		383.19

**Notes to Cash Flow Statement:**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

2. Components of cash and cash equivalents:

Cash on hand	9.38		7.99	
Balance with banks in current accounts	14.85	24.23	375.20	383.19

3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.

As per our Report of even date attached.

**For, Mahendra N. Shah & Co.**

Chartered Accountants  
Firm Registration No. 105775W

**Chirag M. Shah**

(Partner)  
Membership No. 045706  
Place : Ahmedabad  
Date: May 14, 2019

**Sunil V. Rane**

General Manager (Accounts) & CFO

**Meet J. Joshi**

Company Secretary

For and on behalf of the Board of Directors  
**AksharChem (India) Limited**

**Paru M. Jaykrishna**

Chairperson & Mg. Director  
DIN: 00671721

**Munjal M. Jaykrishna**

Jt. Managing Director & CEO  
DIN: 00671693

Place : Indrad, Mehsana  
Date: May 14, 2019

## NOTES

### 1. Company Information

AksharChem (India) Limited (the 'Company') is a public limited Company domiciled in India with its registered office at 166/169, Village Indrad, KadiKalol Road, Dist. Mehsana, Gujarat - 382 715 (India). The equity shares of the Company are listed on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Ltd. (ASE).

The Company is principally engaged in the business of manufacturing & export of Dyes and Pigments.

The financial statements as at March 31, 2019 present the financial position of the Company.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 14, 2019.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial Statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

##### (i) Compliance with Ind-AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### (ii) Basis of Preparation and presentation

The financial statements have been prepared and presented on the going concern basis and at historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- b) Any other item as specifically stated in the accounting policy.

##### (iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

##### (iv) Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time

lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

##### (iv) Rounding off amounts

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 1,00,000) as per the requirement of Schedule III, unless otherwise stated.

### 2.2 Key accounting estimates & judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

#### 2.2.1 Critical accounting estimates

- a. Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

- b. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

- c. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

- d. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not

recognised.

### 2.3 Property, Plant and Equipment (PPE) (IND AS 16)

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount/rebate, import duties, non-refundable taxes, Net of GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year.

#### De-recognised upon disposal

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.

#### Treatment of Expenditure during Construction Period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under

“Other Non-Current Assets”.

### Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:-

Asset Class	Useful Life
Factory Building	30 years
Non-Factory Building	60 years
Road, Fencing, Borewell, etc.	5/10 years
Plant & Equipment	15/20 years
Lab Equipment	10 years
Electric Installation	10 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers	3 years

The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold Land is amortised over the primary period of the lease.

### 2.4 Intangible assets (IND AS 38)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of

any changes in estimate being accounted for on a prospective basis.

### **Computer Software**

Computer software are amortized over period of 3 years.

### **Internally Generated Intangible Assets - Research and Development Expenditure:**

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

## **2.5 Leases (IND AS 17)**

At the inception of a lease, the lease arrangements is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### **As a Lessee:**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowing or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from lessor) are charged to profit or loss on straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **As a Lessor:**

Lease income from operating leases where the Company is a lessor is recognised in other income on straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### **Deposits provided to Lessor:**

The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors.

Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of deposit is recognised as lease prepayments. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortised cost using the effective interest method with carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognised as interest income. The lease repayment is amortised on straight-line basis over the lease term as lease rentals expense.

## **2.6 Inventories (IND AS 2)**

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis and is net of credits under GST.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## **2.7 Borrowing Cost (IND AS 23)**

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## **2.8 Impairment of Assets (IND AS 36)**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable

amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

## 2.9 Government Grants (IND AS 20)

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

## 2.10 Taxes (IND AS 12)

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

### b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed

depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### c) Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

## 2.11 Employees Benefits (IND AS 19)

### a) Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

### b) Post-employment obligations

The Company operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity and;
- (ii) Defined contribution plans such as provident fund.
- (i) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries

using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **(ii) Defined contribution plans**

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

### **2.12 Provisions, Contingent Liability and Contingent Assets (IND AS 37)**

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise, GST etc.) pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized but disclosed by way of notes to accounts.

### **2.13 Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### **2.14 Revenue Recognition (IND AS 18)**

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers", which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue". The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc.

#### **Sale of Goods**

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from sales excludes GST. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### **Rendering of Services**

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

#### **Dividend Income**

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

#### **Interest Income**

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

#### **Other Income**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

### **2.15 Cash Flows and Cash and Cash Equivalents (IND AS 7)**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the IND AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation

## 2.16 Earnings per share (IND AS 33)

### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.17 Segment Reporting (IND AS 108)

Based on "Management Approach" as defined in IND AS 108 – Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## 2.18 Foreign Currency Transactions(IND AS21)

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

## 2.19 Events occurring after the balance sheet date (IND AS 10)

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since

no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

## 2.20 Financial Instruments (IND AS 109)

### i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

## **De-recognition**

### **Financial assets**

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

### **Financial liabilities**

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company

currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **2.21 Cash Dividend to Equity Holders of the Company:**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **2.22 Research and Development**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

### **2.23 Goods and Service Tax / Service Tax input Credit:**

Goods and Service tax / Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.



## NOTES

### 3. Property, plant and equipment

(₹ in Lakhs)

Particular	Land	Leasehold Land	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Total
<b>I. Gross Block</b>								
Balance as at April 1, 2018	508.43	-	1,422.92	6,975.74	121.55	258.07	182.66	9,469.36
Additions	376.29	1,532.97	106.63	498.18	-	86.85	4.85	2,605.76
Deduction & Adjustment	-	-	-	-	-	(14.14)	-	(14.14)
Reclassification as held for sale	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>884.72</b>	<b>1,532.97</b>	<b>1,529.55</b>	<b>7,473.91</b>	<b>121.55</b>	<b>330.78</b>	<b>187.51</b>	<b>12,060.98</b>
Additions	175.78	-	779.86	3,493.89	9.90	102.71	8.00	4,570.13
Deduction & Adjustment	-	(25.41)	-	-	-	-	-	(25.41)
Reclassification as held for sale	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1,060.49</b>	<b>1,507.55</b>	<b>2,309.41</b>	<b>10,967.80</b>	<b>131.45</b>	<b>433.48</b>	<b>195.51</b>	<b>16,605.69</b>
<b>II. Accumulated Depreciation</b>								
Balance as at April 1, 2018	-	-	334.88	2,317.24	80.76	129.46	154.18	3,016.52
Depreciation for the period	-	2.64	79.03	306.20	25.89	29.19	9.69	452.63
Deduction & Adjustment	-	-	-	-	-	(11.22)	-	(11.22)
Reclassification as held for sale	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>2.64</b>	<b>413.91</b>	<b>2,623.44</b>	<b>106.64</b>	<b>147.43</b>	<b>163.87</b>	<b>3,457.93</b>
Depreciation for the period	-	-	81.41	405.14	4.78	41.74	10.09	543.16
Deduction & Adjustment	-	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>2.64</b>	<b>495.32</b>	<b>3,028.58</b>	<b>111.42</b>	<b>189.17</b>	<b>173.95</b>	<b>4,001.09</b>
<b>III. Net carrying amount</b>								
Balance as at March 31, 2018	884.72	1,530.33	1,115.64	4,850.47	14.90	183.34	23.64	8,603.04
Balance as at March 31, 2019	1,060.49	1,504.91	1,814.09	7,939.22	20.03	244.31	21.55	12,604.60

## NOTES

### 4. Other Intangible Assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Computer Software & ERP System		
<b>I. Gross Block</b>		
Opening Balance	31.03	30.34
Additions	0.07	0.69
Closing Balance	31.10	31.03
<b>II. Accumulated Amortization</b>		
Opening Balance	20.16	12.64
Amortization for the period	8.08	7.52
Closing Balance	28.24	20.16
<b>III. Net carrying amount</b>	<b>2.86</b>	<b>10.87</b>

### 5. Non-Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>A. Investments in Equity Instruments at Fair Value Through Profit &amp; Loss Quoted, Fully Paid Up</b>				
<b>Quoted, Fully Paid Up</b>				
Equity Shares of ₹2 each of AIA Engineering Limited	5,000	89.50	5,000	71.35
Equity Shares of ₹5 each of Ashoka Buildcon Limited	17,250	22.24	11,500	28.32
Equity Shares of ₹2 each of Bajaj Finance Limited	27,650	836.37	34,850	616.76
Equity Shares of ₹5 each of Bajaj Finserv Limited	700	49.25	700	36.25
Equity Shares of ₹10 each of Bharat Financial Inclusion Limited	14,000	158.46	14,000	153.66
Equity Shares of ₹10 each of Capital First Limited	-	-	1,500	9.27
Equity Shares of ₹5 each of Castrol India Limited	11,900	19.81	11,900	24.41
Equity Shares of ₹10 each of DCB Bank Limited	-	-	26,000	41.96
Equity Shares of ₹10 each of Dewan Housing Finance Corporation Limited	-	-	26,674	136.01
Equity Shares of ₹10 each of Eclerx Services Limited	10,676	122.93	10,676	128.45
Equity Shares of ₹10 each of Equitas Holdings Limited	24,000	32.81	24,000	34.49
Equity Shares of ₹10 each of Futura Polysters Limited	2,700	0.27	2,700	0.27
Equity Shares of ₹10 each of IDFC Bank Limited	-	-	64,000	30.30
Equity Shares of ₹10 each of IDFC Limited	20,850	11.51	59,000	28.70
Equity Shares of ₹10 each of IRB Infrastructure Developers Limited	-	-	19,000	42.38
Equity Shares of ₹10 each of Indian Oil Corporation Limited	36,500	59.39	36,500	64.35
Equity Shares of ₹1 each of Madhucon Projects Limited	-	-	15,000	2.84
Equity Shares of ₹10 each of MBL Infrastructures Limited	-	-	50,144	9.68
Equity Shares of ₹10 each of Mindtree Limited	-	-	12,000	92.88
Equity Shares of ₹5 each of Mahindra & Mahindra	7,300	49.04	7,300	54.03
Equity Shares of ₹1 each of Nectar Lifescience Limited	42,000	7.18	42,000	11.11
Equity Shares of ₹1 each of PidiLite Industries Ltd.	1,972	24.50	1,972	18.11
Equity Shares of ₹10 each of Shriram Transport Finance Co. Ltd.	7,000	89.14	7,000	100.84
Equity Shares of ₹10 each of Bihar Sponge Iron Ltd.#	1,500	0.01	1,500	0.03
Equity Shares of ₹10 each of DCL Finance Ltd.*#	400	0.00	400	0.00
Equity Shares of ₹10 each of Hindustan Unilever Ltd.#	1,000	17.08	1,000	13.36
Equity Shares of ₹10 each of Huges Software Ltd.*#	100	0.00	100	0.00
Equity Shares of ₹10 each of Tata Sponge Iron Ltd.#	600	4.57	600	5.54
Equity Shares of ₹10 each of Moser Baer (I) Ltd.*#	50	0.00	50	0.00
Equity Shares of ₹10 each of Nath Seeds Ltd.#	1,500	0.02	1,500	0.02

## NOTES

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹10 each of Raymond Synthetic Ltd.*#	150	0.00	150	0.00
Equity Shares of ₹10 each of Tata Chemicals Ltd.#	100	0.59	100	0.68
* Amounts are less than ₹0.01 Lakh				
# The company is in process of obtaining duplicate certificates/dematerialisation and hence not available for physical verification.				
<b>Total of Investments in Equity Instruments at FVTPL (A)</b>		<b>1,594.65</b>		<b>1,756.06</b>
<b>B. Investments in Equity Instruments at Fair Value Through Other Comprehensive Income</b>				
<b>Quoted , Fully paid</b>				
Equity Shares of ₹10 each of Bajaj Auto Limited	8,492	247.54	-	-
Equity Shares of ₹2 each of Bodal Chemicals Limited	44,000	55.77	-	-
Equity Shares of ₹10 each of Interglobe Aviation Limited	7,000	99.90	-	-
<b>Total of Investments in Equity Instruments at FVOCI (B)</b>		<b>403.21</b>		
<b>C. Investments measured at Amortized Cost</b>				
<b>Unquoted, Fully Paid Up</b>				
<b>(i) In Equity Shares of Structured Entities (in which key management personnel or their relatives have significant influence):</b>				
Fully Paid Equity Shares of ₹10 each of Asahi Powertech Pvt. Ltd.	1,000	0.10	1,000	0.10
Fully Paid Equity Shares of ₹10 each of Akshar Silica Pvt. Ltd.	100.00	0.01	100.00	0.01
		<b>0.11</b>		<b>0.11</b>
<b>(ii) In Redeemable Preference Shares of Structured Entities (in which key management personnel or their relatives have significant influence):</b>				
Fully Paid Redeemable Preference Shares of ₹100 each of Akshar Silica Pvt. Ltd.*	-	-	16,85,000	1,299.73
Fully Paid Redeemable Preference Shares of ₹10 each of Chhatral Environment Management Systems Pvt. Ltd.	10,00,000	100.00	10,00,000	100.00
		100.00		1,399.73
<b>Total of Investments measured at Amortized Cost (C)</b>		<b>100.11</b>		<b>1,399.84</b>
<b>Total Non Current Investments (A + B + C)</b>		<b>2,097.97</b>		<b>3,155.90</b>
* Extinguished against payable for leasehold land at Dahej				
Aggregate amount of quoted investments		1,997.86		1,756.06
Aggregate market value of quoted investments		1,997.86		1,756.06
Aggregate amount of unquoted investments		100.11		1,399.84
Aggregate amount of impairment in value of investments		-		-

### 6. Non-current Loans (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Security Deposits	18.00	23.11
<b>Total</b>	<b>18.00</b>	<b>23.11</b>

### 7. Other Non-current Financial Assets (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Security Deposits	186.51	153.62
<b>Total</b>	<b>186.51</b>	<b>153.62</b>

### 8. Other Non current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Capital Advances	829.39	522.91
b. Balance with Government Authorities	645.83	757.91
<b>Total</b>	<b>1,475.22</b>	<b>1,280.82</b>

## NOTES

### 9. Inventories (Valued at lower of cost or net realized value)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Raw materials	563.04	566.02
b. Raw materials - in Transit	82.49	9.45
c. Work in progress	626.12	532.27
d. Finished goods	1,627.46	645.74
e. Finished Goods- in Transit	352.39	831.90
f. Stock in Trade	136.42	133.60
g. Stock in Trade - in Transit	-	62.50
h. Stores and spares	198.79	133.23
i. Packing Material	43.05	31.89
j. Fuel & Oil	25.24	18.63
<b>Total</b>	<b>3,655.00</b>	<b>2,965.23</b>

### 10. Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
<b>Investments measured at Fair Value Through Profit &amp; Loss</b>				
<b>In Mutual Funds - Quoted</b>				
Avendus Absolute Return Fund	-	-	-	521.51
Aditya Birla Sunlife Cash Plus - Growth - Regular Plan	-	-	2,16,182	601.49
Edelweiss Liquid Fund - Regular Plan Daily Dividend	-	-	1,86,912	1,875.44
ICICI Prudential Liquid Plan - Growth	-	-	2,01,407	516.38
Kotak Liquid Regular Plan - Growth	-	-	14,747	518.04
Reliance Liquid Fund - Growth Plan	-	-	12,406	523.81
<b>Total of Investments measured at Fair Value Through Profit &amp; Loss</b>		-		<b>4,556.67</b>
<b>In Mutual Funds - Unquoted</b>	-	-	-	-
<b>Total Current Investments</b>		-		<b>4,556.67</b>
Aggregate amount of quoted investments		-		4,556.67
Aggregate market value of quoted investments		-		4,556.67
Aggregate amount of unquoted investments		-		-
Aggregate amount of impairment in value of investments		-		-

### 11. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Unsecured, considered good	3,813.19	2,753.11
<b>Total</b>	<b>3,813.19</b>	<b>2,753.11</b>

### 12. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Balances with banks in current accounts*	14.85	375.20
b. Cash on hand	9.38	7.99
<b>Total</b>	<b>24.23</b>	<b>383.19</b>

\* Two bank accounts having balance of ₹0.77 Lakhs (P.Y. ₹0.78 Lakhs) are held in name of Asahi Songwong Ltd. and the company is in process of transferring these bank accounts in company's name pursuant to scheme of demerger.

### 13. Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Earmarked balance for unpaid dividend	57.20	47.06
b. Term deposits with bank held as margin money against letters of credit, bank guarantees and collateral security for working capital facilities	140.00	35.00
<b>Total</b>	<b>197.20</b>	<b>82.06</b>

## NOTES

### 14. Current Loans (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Loans & Advances to Employees	11.17	6.73
<b>Total</b>	<b>11.17</b>	<b>6.73</b>

### 15. Other Current Financial Asset

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Interest receivable	5.70	10.37
<b>Total</b>	<b>5.70</b>	<b>10.37</b>

### 16. Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Advance payment of tax (Net of provision)	228.20	64.10
<b>Total</b>	<b>228.20</b>	<b>64.10</b>

### 17. Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Balance with Government Authorities	3,275.83	2,684.47
b. Prepaid Expenses	40.59	27.59
c. Advances other than capital advances	571.64	368.99
d. Export Incentive Receivable	289.25	194.47
<b>Total</b>	<b>4,177.31</b>	<b>3,275.52</b>

### 18. Share capital

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital :</b>				
Equity Shares of ₹10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
<b>Issued, Subscribed &amp; Fully Paid Up:</b>				
Equity Shares of ₹10 each	82,02,590	820.26	82,02,590	820.26
<b>Total</b>	<b>82,02,590</b>	<b>820.26</b>	<b>82,02,590</b>	<b>820.26</b>

### 18.1 The reconciliation of the no. of shares outstanding is set out below :

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares</b>				
At Beginning of the period	82,02,590	820.26	73,12,900	731.29
Add : Issued during the year	-	-	8,89,690	88.97
<b>Outstanding at the end of the period</b>	<b>82,02,590</b>	<b>820.26</b>	<b>82,02,590</b>	<b>820.26</b>

18.2

The Company has issued only one class of equity shares having a par value of ₹10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

18.3. Shares held by holding / ultimate holding company / or their subsidiaries / associates : **Not Applicable**

## NOTES

### 18.4 Details of shareholders holding more than 5% shares

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Mrugesh Jaykrishna Family Trust-2	31,88,819	38.88	31,88,819	38.88
Munjal M. Jaykrishna Family Trust	16,30,361	19.88	16,30,361	19.88
L & T Mutual Fund Trustee Limited	5,08,980	6.21	4,08,980	4.99

**18.5** Shares Reserved for Issued under options & contracts or commitments for the sale of shares or disinvestment, including terms of amounts : **Nil**

### 18.6

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: **Nil**
- Aggregate number and class of shares allotted as fully paid by way of Bonus Shares : **Nil**
- Aggregate number and class of shares bought back : **Nil**

**18.7** Securities which are convertible into Equity Shares: **NIL**

**18.8** Aggregate Value of Calls unpaid by directors and officers : **NIL**

### 19. Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Securities Premium</b>		
Balance at the beginning of the Year	6,822.54	239.77
Add : Securities premium credited on Share issue	-	6,582.77
Balance at the end of the Year	6,822.54	6,822.54
<b>General Reserve</b>		
Balance at the beginning of the Year	2,744.36	2,744.36
Add: Appropriations From Current year's Profit	-	-
Balance at the end of the Year	2,744.36	2,744.36
<b>Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the Year	13,385.29	10,323.60
Add : Net Profit for the Year	2,258.95	3,056.14
Add : Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)	10.13	5.55
Less : Dividend (including tax)	(346.15)	-
Balance at the end of the Year	15,308.22	13,385.29
<b>Other Comprehensive Income</b>		
- Fair value gains/(loss) on Equity Instruments	25.13	-
- Effective portion of cash flow hedge	(0.29)	-
<b>Total</b>	<b>24,899.95</b>	<b>22,952.19</b>

#### Securities Premium :

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

#### General Reserve :

General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### Retained Earnings:

Retained earnings are the profits that the Company has earned till date including effect of remeasurement of defined benefit obligations less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

## NOTES

### Equity Instruments through Other Comprehensive Income:

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

### Effective portion of Cash Flow Hedges:

This Reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

20. Deferred Tax Liabilities (Net)			(₹ in Lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
Opening Balance	1,162.18	1,196.52	
Add/(Less): Liability/(Assets) for the year	353.73	(34.34)	
<b>Total</b>	<b>1,515.91</b>	<b>1,162.18</b>	

20.1. Component of Deferred Tax Liabilities (Net)			(₹ in Lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
a. Depreciation	1,598.75	1,213.29	
b. Employee Benefits	(5.83)	(5.24)	
c. MAT Credit	(85.47)	-	
d. Other Timing Differences	8.46	(45.87)	
<b>Total</b>	<b>1,515.91</b>	<b>1,162.18</b>	

21. Current Borrowings			(₹ in Lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
a. Secured			
Loan repayable on demand - Cash Credit/Working Capital Borrowings			
From State Bank of India	1,152.57	-	
<b>Total</b>	<b>1,152.57</b>	<b>-</b>	

### 21.1 Details of security for working capital facilities from State Bank of India

#### Primary Security:

First charge by way of hypothecation over entire present and future current assets of the company.

#### Collateral Security:

- First charge in favour of State Bank of India, by way of Equitable Mortgage and Hypothecation over land, building, plant & Machinery and other fixed assets situated at Survey Nos. 166 & 169, of Mouje Indrad Village, Kadi-Kalol Road, Chhatral, Talika Kadi, Dist. Mehsana, Gujarat.
- Extension of First Charge by way of Equitable Mortgage and Hypothecation over land, building, plant & machinery and other fixed assets situated at Survey Nos. 167 & 168, Mouje Indrad Village, Kadi-Kalol Road, Chhatral, Taluka Kadi, Dist. Mehsana, Gujarat.
- Lien over TDR worth ₹25 Lakhs in lieu of waiver of ECGC policy.

22. Current Trade Payables			(₹ in Lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
a. Micro Enterprises and Small Enterprises	247.60	110.58	
b. Others	2,491.34	2,975.82	
<b>Total</b>	<b>2,738.94</b>	<b>3,086.40</b>	

22.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006			(₹ in Lakhs)
Particulars	As at March 31, 2019	As at March 31, 2018	
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	247.60	110.58	
b. Interest due and remaining unpaid to any supplier as at the end of accounting year	-	-	
c. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-	
d. Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act, 2006	-	-	

## NOTES

Particulars	As at March 31, 2019	As at March 31, 2018
e. Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

### 23. Other Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Unpaid dividends*	57.20	47.06
<b>Total</b>	<b>57.20</b>	<b>47.06</b>

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

### 24. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Payable for Fixed Assets Supplier	227.37	1,654.05
b. Statutory Dues	34.18	59.99
c. Other Payables	137.57	119.04
<b>Total</b>	<b>399.12</b>	<b>1,833.08</b>

### 25. Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Gratuity	17.52	20.72
<b>Total</b>	<b>17.52</b>	<b>20.72</b>

### 26. Revenue from Operations.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Sale of Products</b>		
Export Sales	26,839.81	22,542.22
Domestic Sales (Including Excise Duty)*	4,126.70	2,961.86
	30,966.51	25,504.08
Other operating revenues	1,321.87	967.53
<b>Total</b>	<b>32,288.38</b>	<b>26,471.61</b>

\*Effective from July 1, 2017, the Government of India has introduced Goods and Service Tax (GST) whereby sales are recorded net of GST, whereas earlier sales were recorded gross of excise duty which formed part of expenses.

#### 26.1. Other Operating Revenue

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
MEIS Income	582.55	381.94
Export incentives	385.03	285.47
Exchange Rate differences	354.29	300.12
<b>Total - Other Operating revenue</b>	<b>1,321.87</b>	<b>967.53</b>

### 27. Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
a. Interest income	69.02	18.17
b. Dividend income	67.51	207.59
c. Net gain on sale of Investments	257.15	176.50
d. Net gain on fair valuation of Investments through Profit & Loss	136.74	303.79
e. Net gain on sale of fixed assets	0.55	-
f. Other miscellaneous income	3.92	0.35
<b>Total</b>	<b>534.89</b>	<b>706.40</b>



## NOTES

### 28. Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Stock	575.48	417.92
Add : Purchases	19,444.52	14,215.88
<b>Sub Total</b>	<b>20,020.00</b>	<b>14,633.80</b>
Less : Closing Stock	645.53	575.48
<b>Total</b>	<b>19,374.47</b>	<b>14,058.32</b>

### 29. Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in -Trade

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>a. Closing Stock</b>		-
Stock-in-Trade	136.42	196.10
Finished goods	1,979.86	1,477.64
Work-in-process	626.12	532.27
<b>Total</b>	<b>2,742.40</b>	<b>2,206.01</b>
<b>b. Opening Stock</b>		
Stock-in-Trade	196.10	59.69
Finished goods	1,477.64	2,241.59
Work-in-process	532.27	329.94
<b>Total</b>	<b>2,206.01</b>	<b>2,631.22</b>
<b>Total (Increase) / Decrease In Stock</b>	<b>(536.39)</b>	<b>425.21</b>

### 30. Employee benefit expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
a. Salaries and wages	676.19	534.15
b. Managerial remuneration including perquisites and commission	221.90	255.60
c. Contribution to provident & other funds	35.29	32.27
d. Staff welfare expenses	33.97	17.76
<b>Total</b>	<b>967.35</b>	<b>839.78</b>

### 31. Finance Costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
a. Interest on term loan	-	32.88
b. Interest on working capital facilities from bank	34.54	73.63
c. Other borrowing costs	57.07	42.36
<b>Total</b>	<b>91.61</b>	<b>148.87</b>

### 32. Depreciation and Amortisation Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
a. Depreciation on property, plant & equipment	543.16	450.00
b. Amortization on intangible assets	8.08	7.52
c. Amortization of Lease hold Land	-	2.63
<b>Total</b>	<b>551.24</b>	<b>460.15</b>

### 33. Other Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
a. Consumption of Stores & Spares	375.36	274.31
b. Power and Fuel	2,668.84	2,005.12

## NOTES

c. Repairs to Building	27.03	17.55
d. Repairs to Machinery	187.12	157.70
e. Other Repairs	5.86	3.66
f. Pollution Treatment Expenses	1,600.31	1,163.02
g. Labour Charges	815.24	571.86
h. Rent	7.86	3.51
i. Rates & Taxes (excluding taxes on income)	1.47	1.62
j. Insurance	19.85	17.16
k. Consumption of Packing Material	171.99	126.71
l. Net Loss on sale of Fixed Assets	-	0.37
m. Expenditure incurred on CSR activities (Refer Note No. 41)	81.88	39.48
n. Freight, Handling ,Transportation & other Expenses	81.05	22.99
o. Other Selling and Distribution Expenses	831.11	616.03
p. Travelling, Conveyance & Vehicle Expenses	270.49	162.54
q. Donation	4.79	5.27
r. Directors Sitting Fees	0.27	0.57
s. Legal & Professional Expenses	198.59	89.50
t. Auditors Remuneration	2.25	2.25
u. General Expenses	66.56	119.00
<b>Total</b>	<b>7,417.92</b>	<b>5,400.21</b>

### 33.1. Auditor Remuneration & others

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
As auditor :		
Audit fee	2.00	2.25
Tax audit fee	0.25	-
Reimbursement of expenses (included in miscellaneous expenses)	0.40	0.24
<b>Total</b>	<b>2.65</b>	<b>2.49</b>

### 34. Earning Per Share

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Profit for the year attributable to Equity Shareholders (₹ in Lakhs)	2,258.95	3,056.14
Weighted Average number of Equity Shares outstanding of Face Value of ₹10 each.	82,02,590	82,02,590
Number of Equity Shares for Basic EPS	82,02,590	82,02,590
Number of Equity Shares for Diluted EPS	82,02,590	82,02,590
Nominal Value Per Share (₹)	10	10
Basic Earning Per Share (₹)	27.54	37.26
Diluted Earning Per Share (₹)	27.54	37.26

### 35. Income Taxes

(₹ in Lakhs)

## NOTES

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
The major components of income tax expense for the year as under:		
<b>a. Current tax</b>	738.62	1,138.31
<b>b. Deferred tax</b>		
In respect of Accumulated Depreciation	385.46	16.78
In respect of Investments and other timing differences	53.75	(51.12)
MAT Credit	(85.47)	-
<b>Total deferred tax</b>	<b>353.74</b>	<b>(34.34)</b>
<b>c. Adjustment of tax for earlier years</b>	-	99.07
<b>Total tax expenses charged to statement of Profit and Loss</b>	<b>1,092.36</b>	<b>1,203.04</b>

### 35.1 Reconciliation of Effective Tax Rate

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Applicable Tax Rate	34.94%	34.61%
Profit before tax	3,340.69	4,256.25
Income not considered for tax purpose	(461.94)	(1,012.63)
Expenses not allowed for tax purpose	86.69	105.46
Adjustment for depreciation	(1,064.23)	(47.43)
Others	(34.46)	(34.17)
Net Taxable income for the year	1,866.75	3,267.48
Effective Tax for the year	652.32	1,130.81
Additional Tax Liability due to MAT	85.47	-
Total current tax calculated for the year	737.79	1,130.81
Excess provision	0.83	7.50
Effective current tax rate for the year	22.08%	26.57%

### 36. Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	2018-19	2017-18
<b>Contingent Liabilities</b>		
a. Appellate order passed by Dy. Commissioner of Commercial Taxes, Appeals-3 at Gandhinagar for the year 2004-05 and Subsequently applied for Appeal at commercial tax commissioner Ahmedabad (VAT Tribunal).	18.03	18.03
b. The commissioner of Income Tax-1 Ahmedabad has filed an appeal in the high court of gujarat, Ahmedabad for the Asst. Year 2003- 04	44.27	44.27
c. Bills discounted under Export/Inland Letter of Credit	130.04	367.61
d. Outstanding bank guarantees for contract demand	165.68	69.00
<b>Commitments</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,412.29	2,115.13
b. Other commitments	-	-

**37.** The Company operates in a single segment and in line with Ind AS - 108 - "Operating Segments", the operation of the Company fall under Chemical Business which is considered to be the only reportable business segment.

### 38. Related Party Disclosures

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:

## NOTES

### Related Parties and Nature of Relationship

#### 38.1 Name of the Related Parties and Nature of Relationship:

##### A. Enterprises own or significantly influenced by key managerial personnel or their relatives

Asahi Songwon Colors Limited

Skyways

Skyjet Aviation Private Limited

Akshar Silica Private Limited

Chhatral Environment Management System Private Limited

Munjal M. Jaykrishna HUF

##### B. Key Managerial Personnel:

Mrs. Paru M. Jaykrishna - Chairperson & Managing Director

Mr. Munjal M. Jaykrishna - Jt. Managing Director

Mr. Meet Joshi - Company Secretary

Mr. Sunil Rane - General Manager (Accounts) & CFO

##### C. Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna

Ms. Namrata Jaykrishna

#### 38.2 Details of Transactions carried out with related parties referred to in note 38.1 above in the ordinary course of business

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A. Enterprises own or significantly influenced by key managerial personnel or their relatives</b>		
<b>Asahi Songwon Colors Limited</b>		
Purchase of Goods	340.50	201.33
Sales of Goods	3.15	-
<b>Skyways</b>		
Rent Paid	1.86	1.86
<b>Skyjet Aviation Private Limited</b>		
Air Tickets booking services	75.59	40.64
<b>Akshar Silica Private Limited</b>		
Acquisition of lease hold land	-	1,325.14
<b>Chhatral Environment Management System Private Limited</b>		
Effluent Treatment Service Availed	436.05	-
Rent Income	4.13	-
Scrap Sales	3.82	-
<b>Munjal M. Jaykrishna HUF</b>		
Rent Paid	6.00	1.50
<b>B. Key Managerial Personnel and their relatives</b>		
<b>Mrs. Paru M. Jaykrishna</b>		
Remuneration and Allowances	81.10	98.80
Provident Fund Contribution	8.64	8.40
<b>Mr. Munjal M. Jaykrishna</b>		
Remuneration and Allowances	76.80	76.80
Perquisites	-	0.85
Provident Fund Contribution	5.76	5.76
Commission	64.00	80.00
<b>Mr. Mrugesh Jaykrishna</b>		

## NOTES

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Consultancy	24.84	4.80
<b>Ms. Namrata Jaykrishna</b>		
Salary and allowances	10.56	2.61
<b>Mr. Meet Joshi</b>		
Salary and allowances	5.21	4.82
<b>Mr. Sunil Rane</b>		
Salary and allowances	17.18	2.06

### 38.3 Outstanding Balance with Related Parties

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Payables</b>		
Asahi Songwon Colors Limited	44.96	91.15
Akshar Silica Private Limited.	-	1,325.14
Skyways	0.14	0.14
Skyjet Aviation Pvt. Ltd.	2.78	0.58
Chhatral Environment Mgt Sysytems Pvt. Ltd.	26.49	-
Munjaj M. Jaykrishna H.U.F.	0.45	0.50
Mrs. Paru M. Jaykrishna	-	1.97
Mr. Munjal M. Jaykrishna	14.30	6.76
Mr. Mrugesh Jaykrishna	1.86	0.36
Ms. Namrata Jaykrishna	0.72	0.85
Mr. Sunil Rane	1.08	1.02
Mr. Meet Joshi	0.36	0.38

39. As at March 31, 2019, the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

### 39.1 Dividend

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Dividend on equity shares paid during the year</b>		
Proposed Final dividend for the Financial Year 2018-2019 ₹3.50 (Previous Year ₹3.50) per equity shares of ₹10/- each)	287.09	287.09
Dividend distribution tax on final (Prevoius year final) dividend	59.01	59.01

### 39.2 Proposed Dividend

The Board of Directors at its meeting held on May 14, 2019 have recommended a payment of final dividend of ₹3.50 per equity shares of face value of ₹10/- each for the financial year ended March 31, 2019. The same amounts to ₹346.10 Lakhs including dividend distribution tax of ₹59.01 Lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

### 40. Disclosures as Required by Indian Accounting Standard (Ind-AS) 19 "Employee Benefits"

#### (a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under :

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Employer's contribution to Provident & other Fund	35.29	29.96

#### (b) Defined benefit plan

Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :

##### i) Change in the Defined Benefit Obligation

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Define Benefit Obligation at the beginning	226.02	205.92
Current Service Cost	14.52	13.08
Interest Cost	17.97	16.44
Benefits Paid	(2.80)	(0.92)
Actuarial (Loss)/Gain on Obligation	16.19	(8.49)
Define Benefit Obligation at the end	239.52	226.02

##### ii) Change in the fair value of Plan Assets

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Fair Value of plan assets at the beginning	220.45	197.54
Expected Return on Plan Assets	17.75	15.46
Employer Contributions	5.57	8.37
Benefits paid	(2.80)	(0.92)
Actuarial Gain/(Loss) on the Plan Assets	(0.62)	-
Fair Value of plan assets at the end	240.34	220.45

##### iii) Net Liability/(Asset) recognized in Balance Sheet

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Present value of funded defined benefit obligation at the year end	239.52	226.02
Fair Value of plan assets at the year end	240.34	220.45
Amount recognized in Balance Sheet	(0.82)	5.57

##### iv) Expenses recognised in Statement of Profit & Loss

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Current Service Cost	14.52	13.08
Interest Cost on Obligation	17.97	16.44
Expected Return on Plan Asset	(17.75)	(15.46)
Defined Benefit Cost included in Statement of Profit & Loss	14.74	14.06

##### v) Amount recognised in Other Comprehensive Income for the year

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Remeasurements due to experience adjustments	16.19	8.49
Return on plan assets	(0.62)	-
Total remeasurements in OCI	15.57	8.49

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

### vi) Actuarial Assumptions

(i) Financial/Demographic Assumptions :

Particulars	March 31, 2019	March 31, 2018
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability Rate (as % of mortality Rate)	0.00%	5.00%
Withdrawal Rate	2.00%	2.00%
Discount Rate (Per Annum)	8.00%	8.00%
Expected rate of return on plan assets (per Annum)	8.00%	8.00%
Salary Growth Rate (Per Annum)	8.00%	8.00%

### vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis on defined benefit obligation is given below :

Particulars	March 31, 2019	March 31, 2018
<b>Sensitivity Level - Discount Rate</b>		
1% Increase	-5.60%	-5.56%
1% Decrease	6.50%	6.47%
<b>Sensitivity Level - Salary Escalation</b>		
1% Increase	7.30%	7.21%
1% Decrease	-6.40%	-6.34%
<b>Sensitivity Level - Employee Turnover</b>		
1% Increase	-0.10%	-0.10%
1% Decrease	0.11%	0.11%

### viii) Major Categories of Plan Assets

Particulars	March 31, 2019	March 31, 2018
Insurance policies	100%	100%

### ix) Expected contribution to the defined benefit plan for the next reporting period - ₹0.41 Lakhs.

#### 41. Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under:

a. Gross amount required to be spent by the Company during the year: ₹34.73 Lakhs (Previous year ₹47.71 Lakhs)

b. Amount spent and utilized during the year on:

(₹ in Lakhs)

Sr. No.	Particulars	Current Year			Previous Year		
		In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	-	-	-	8.23	-	8.23
(ii)	On purpose other than (i) above	81.88	-	81.88	35.26	-	35.26
	<b>Total</b>	<b>81.88</b>	<b>-</b>	<b>81.88</b>	<b>43.49</b>	<b>-</b>	<b>43.49</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

### 42. Financial Risk Management - Objectives and Policies

The Company's financial liabilities comprise other than derivatives mainly of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, other balances with banks, loans, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities are exposed to Credit risk, Liquidity Risk and Market risk.

The Board of directors of the Company are overall responsible for the establishment and oversight of the company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### 42.1 Credit Risk Management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

##### Trade Receivables and Loans

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the company.

The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days for customers. More than 85% of the company's customers have been transacting with the company for over four years, and none of these customers' balances are credit-impaired at the reporting date.

Confirmation of balances from Debtors & Loans and Advances have been received and the same is being reconciled.

##### Cash and Cash Equivalents

The company holds cash and cash equivalents of ₹24.23 Lakhs at March 31, 2019 (P.Y. ₹383.19 Lakhs). The cash and cash equivalents are held with bank and cash on hand.

#### 42.2 Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company uses process costing to cost its products, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

#### 42.3 Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### 42.4 Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

(₹ in Lakhs)

Nature of Borrowing	Change in basis points	Impact on PAT	
		As at 31-03-2019	As at 31-03-2018
Working Capital Facilities from Bank	0.5%	3.75	-
	-0.5%	(3.75)	-

### 42.5 Foreign Currency Risk

The company operates internationally and is exposed to currency risk on account of its receivables in foreign currency. The functional currency of the company is Indian Rupee. The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company does not use derivative financial instruments for trading or speculative purposes.

#### I. Foreign Currency Exposure

Particulars	As at March 31, 2019			As at March 31, 2018		
	USD	Euro	GBP	USD	Euro	GBP
Financial Assets						
Trade & Other Receivables	35.57	-	-	31.32	-	45,810
Less : Forward Contract for selling foreign currency	(5.00)	-	-	(20.70)	-	-
Total	30.57	-	-	10.63	-	45,810
Financial Liabilities	-	-	-	-	-	-
Net Exposure	30.57	-	-	10.63	-	45,810

#### II. Foreign Currency Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments as below :

(₹ in Lakhs)

Particulars	Movement in Rate	Impact on PAT	
		2018-19	2017-18
USD	5%	68.76	23.18
USD	-5%	(68.76)	(23.18)
EURO	5%	-	-
EURO	-5%	-	-
GBP	5%	-	1.41
GBP	-5%	-	(1.41)

### 42.6 Price Risk

#### Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

#### Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

(₹ in Lakhs)

Particulars	Movement in Rate	Impact on PAT	
		2018-19	2017-18
Mutual Funds (Quoted)	3%	-	89.39
Mutual Funds (Quoted)	-3%	-	(89.39)
Equity Shares (Quoted)	3%	38.99	34.45
Equity Shares (Quoted)	-3%	(38.99)	(34.45)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

### Commodity Price Risk

Principal Raw Material for company's products is Acetanilide, CPC Blue & Ethylene Oxide. Company sources its raw material requirements from domestic markets. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

### Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of Acetanilide, CPC Blue & Ethylene Oxide by ₹1 per kg on profit for the period. (₹ in Lakhs)

Particulars	Impact on PAT	
	2018-19	2017-18
₹ 1 decrease in price of Acetanilide	25.29	24.05
₹ 1 Increase in price of Acetanilide	(25.29)	(24.05)
₹ 1 decrease in price of CPC Blue	6.42	6.40
₹ 1 Increase in price of CPC Blue	(6.42)	(6.40)
₹ 1 decrease in price of Ethylene Oxide	14.75	12.95
₹ 1 Increase in price of Ethylene Oxide	(14.75)	(12.95)

### 43. Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total equity plus debt. (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	1,152.57	-
Less : Cash & Cash Equivalents Including investment in Liquid Fund.	24.23	4,418.34
Net Debt (A)	1,128.34	(4,418.34)
Total Equity	25,720.21	23,772.45
Equity and Net Debt (B)	26,848.55	19,354.10
Gearing Ratio (A/B)	0.04	-

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2019, the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019.

44. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the balance sheet, if realised in the ordinary course of the business. Provision for depreciation and all known liabilities have been made in accounts.

45. In terms of Ind As 36 – Impairment of Assets issued by ICAI, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.

### 46. Financial Instruments - Fair Values & Risk Management

#### 46.1 Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

1. The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
2. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

instruments.

- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
- The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.
- The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:  
Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.  
Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

### I. Figures as at March 31, 2018

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
<b>Financial assets at amortised cost:</b>			
Investments (Non-Current)	1,399.84	-	1,399.84
Security Deposits (Non-Current)	176.73	-	176.73
Trade Receivables	2,753.11	-	2,753.11
Cash and Cash Equivalents	383.19	-	383.19
Bank Balances Other than Cash and Cash Equivalents	82.06	-	82.06
Other Current Financial Assets	17.09	-	17.09
<b>TOTAL</b>	<b>4,812.02</b>	<b>-</b>	<b>4,812.02</b>
<b>Financial assets at fair value through profit or loss:</b>			
Investments (Current)	4,556.67	4,556.67	-
Investments (Non-Current)	1,756.06	1,756.06	-
<b>TOTAL</b>	<b>6,312.73</b>	<b>6,312.73</b>	<b>-</b>
<b>Financial assets at fair value through other comprehensive income</b>			
Investments (Non-Current)	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>			
Borrowings (Non-Current)	-	-	-
Borrowings (Current)	-	-	-
Trade Payables	-	-	-
Other financial liabilities	47.06	-	47.06
<b>TOTAL</b>	<b>47.06</b>	<b>-</b>	<b>47.06</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2019

### II. Figures as at March 31, 2019

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
<b>Financial assets at amortised cost:</b>			
Investments (Non-Current)	100.11	-	100.11
Security Deposits (Non-Current)	204.51	-	204.51
Trade Receivables	3,813.19	-	3,813.19
Cash and Cash Equivalents	24.23	-	24.23
Bank Balances Other than Cash and Cash Equivalents	197.20	-	197.20
Other Current Financial Assets	16.87	-	16.87
<b>TOTAL</b>	<b>4,356.12</b>	<b>-</b>	<b>4,356.12</b>
<b>Financial assets at fair value through profit or loss:</b>			
Investments (Current)	-	-	-
Investments (Non-Current)	1,594.65	1,594.65	-
<b>TOTAL</b>	<b>1,594.65</b>	<b>1,594.65</b>	<b>-</b>
<b>Financial assets at fair value through other comprehensive income</b>			
Investments (Non-Current)	403.21	403.21	-
<b>TOTAL</b>	<b>403.21</b>	<b>403.21</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>			
Borrowings (Current)	1,152.57	-	1,152.57
Trade Payables	-	-	-
Other financial liabilities	57.20	-	57.20
<b>TOTAL</b>	<b>1,209.77</b>	<b>-</b>	<b>1,209.77</b>

47. Previous year's figures have been regrouped/re-arranged/recasted, wherever necessary, so as to make them comparable with current year's figures.

As per our Report of even date attached.

For and on behalf of the Board of Directors  
**AksharChem (India) Limited**

For, **Mahendra N. Shah & Co.**  
Chartered Accountants  
Firm Registration No. 105775W

**Sunil V. Rane**  
General Manager (Accounts) & CFO

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
DIN: 00671721

**Chirag M. Shah**  
(Partner)  
Membership No. 045706  
Place : Ahmedabad  
Date: May 14, 2019

**Meet J. Joshi**  
Company Secretary

**Munjal M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671693  
Place : Indrad, Mehsana  
Date: May 14, 2019





## CORPORATE INFORMATION

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### **BOARD OF DIRECTORS**

Mrs. Paru M. Jaykrishna - *Chairperson & Mg. Director*

Mr. Gautam M. Jain

Dr. Pradeep Jha

Mr. Jigar M. Patel

Ms. Maitri K. Mehta

Mr. Gokul M. Jaykrishna

Mr. Munjal M. Jaykrishna - *Jt. Managing Director & CEO*

Mr. Ashok Barot

### **CHIEF FINANCIAL OFFICER**

Mr. Sunil V. Rane

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Meet J. Joshi

### **AUDITORS**

M/s. Mahendra N. Shah & Co.

Chartered Accountant

Ahmedabad

### **REGISTERED OFFICE**

166/169, Village Indrad, Kadi Kalol Road, Dist. Mehsana

Gujarat - 382 715 (India) Tel : +91 2764 233007 to 10

Fax: +91 2764 233550

email : [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com)

Website: [www.aksharchemindia.com](http://www.aksharchemindia.com)

CIN: L24110GJ1989PLC012441

### **WORKS**

166 -169, Village Indrad,

Kadi Kalol Road, Dist. Mehsana

Gujarat - 382 715 (India)

### **BANKERS**

State Bank of India

### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West),

Mumbai - 400 083

Ph: 022 49186270

**AksharChem**<sup>®</sup>

**AKSHARCHEM (INDIA) LIMITED**

"Akshar House"

166/169, Village: Indrad

Kadi-Kalol Road,

Dist: Mehsana - 382 715, Gujarat

CIN: L24110GJ1989PLC012441