



**CONSOLIDATING STRENGTHS.
PREPARING FOR A BETTER FUTURE.**



AKSHARCHEM (INDIA) LIMITED
Annual Report 2017-18



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.



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Challenges are opportunities, when determination is great.

This is one reality that we have always lived with. It enables us to build our competencies and rebound strongly after every downturn. It makes us a leading dyes and pigments manufacturer and a brand of trust. It allows us to win the respect of some of the world's leading downstream chemical companies and vindicate the faith of all our stakeholders.

We proved this true once again in a challenging FY2017-18, when prices were volatile, input costs surged, raw material availability was disrupted, and rupee appreciated. Instead of waiting for things to turn positive, we responded with the only way we know – **courage and determination.**

We focused on scaling capacities and expanding geographic footprint, improving relations and adding new clients, strengthening operational efficiencies and optimising costs.

With our revitalization, we are now confident of a better future and rebound strongly when the market revives.

A CHALLENGING YEAR. AN INSPIRING PERFORMANCE.

FY2017-18 was challenging...

Raw material prices continued to witness rising trend.

Finished goods prices remained low throughout.

Rupee appreciation resulted in lower realisations.

...but our performance remained inspiring

We recorded 19% growth in sales volumes

We won prestigious awards for our export performance:

- Best Manufacturer Exporter (Medium) from the ECGC-Indian Exporters' Excellence Awards 2017
- SME Business Excellence Awards in two categories i.e. Best Global Business and Chemicals & Pharmaceuticals by Dun and Bradstreet (RBL Bank)
- Trishul Award for outstanding export performance in Panel I: Dyes and Dye Intermediates from CHEMEXCIL

We added three new clients opening up scope to enhance future business

We became a ZERO debt Company



AKSHARCHEM (INDIA) LIMITED, WITH 9,720 MT OF DYES AND PIGMENTS MANUFACTURING CAPACITY, IS MORE THAN JUST INDIA'S LEADING MANUFACTURERS.

IT IS A GLOBALLY RECOGNISED BRAND, TRUSTED BY SOME OF THE WORLD'S MOST STRINGENT CHEMICAL COMPANIES.

IT ACCOUNTS FOR ~45% SHARE OF THE COUNTRY'S VINYL SULPHONE EXPORT AND IS THE LARGEST CPC GREEN PIGMENT PLAYERS GLOBALLY WITH A GLOBAL MARKET SHARE OF ~10%.

WITH ITS ADVANTAGE OF STRONG RELATIONSHIPS, WIDE PORTFOLIO OF PRODUCTS AND GEOGRAPHICAL SPREAD, THE COMPANY HAS SUCCESSFULLY BUILT A ROBUST BUSINESS MODEL THAT ENABLES IT TO CONSISTENTLY OUTPERFORM INDUSTRY BENCHMARKS.

Our profile

The Company was promoted by Mrs. Paru M. Jaykrishna in 1989. It is headquartered in the chemical belt of Mehsana (Gujarat). It manufactures dyes and pigments that are sold in India and exported to countries in Europe, Far East, South East Asia, China, USA. Its shares are listed in the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE).

Our reputation

ISO 9001:2015

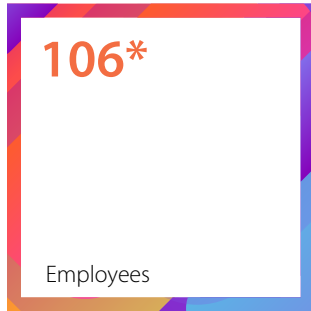
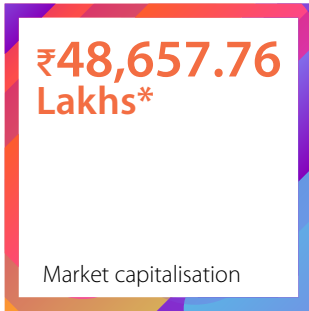
Quality

ISO 14001:2015

Environment

CARE A+/CARE A1+

Credit rating for long-term and short-term facilities



* As on March 31, 2018

Rewarded and recognised

- SME Business Excellence Awards in the category of:
 - Best** Global Business (2017) from Dun & Bradstreet (RBL Bank)
 - Chemicals** & Pharmaceuticals (2017) from Dun & Bradstreet (RBL Bank)
- Best Manufacturer Exporter (Medium) from ECGC-Indian Exporters' Excellence Awards 2017
- Trishul Award for the outstanding export performance in Panel-I: Dyes and Dye Intermediates (SSM+ME) in 2016-17 from CHEMEXCIL
- Recipient of following awards from The Gujarat Dyestuffs Manufacturers Association (GDMA) in 2016-17:
 - Second** Award for self manufactured direct export of Dye Intermediates
 - Special** Trophy for self manufactured direct export of Dyes of ₹5 Crores and above
 - Trophy** for self-manufactured domestic sale of Dye Intermediates (₹5 Crores to ₹15 Crores) and Dyes (₹5 Crores to ₹15 Crores)

What we make

Product

- Dye intermediates (Vinyl Sulphone)
- Pigments (CPC Green)

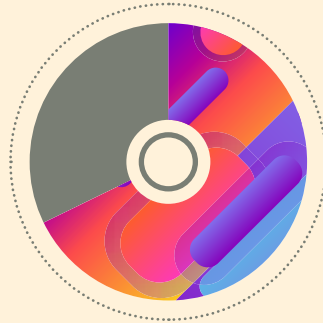
End user industry

- Textile industry
- Printing ink ● Paint
- Rubber ● Plastics ● Leather



PERFORMANCE HIGHLIGHTS FOR THE YEAR

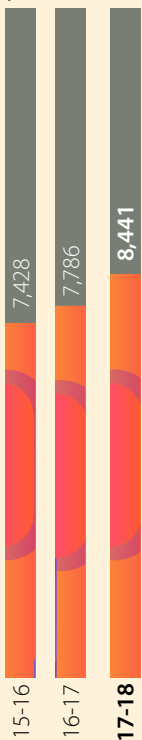
FY2017-18: Product-wise revenue break-up



32%
CPC Green

68%
Vinyl Sulphone

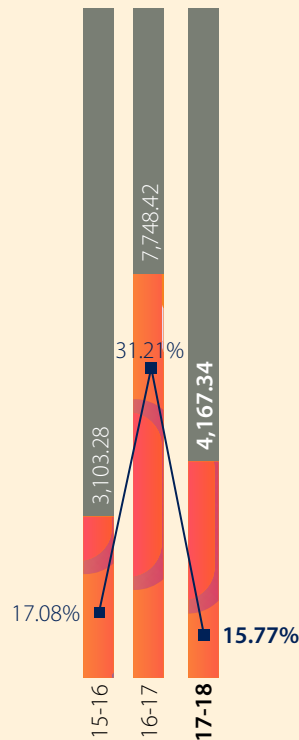
Dyes and pigments production (metric tonnes)



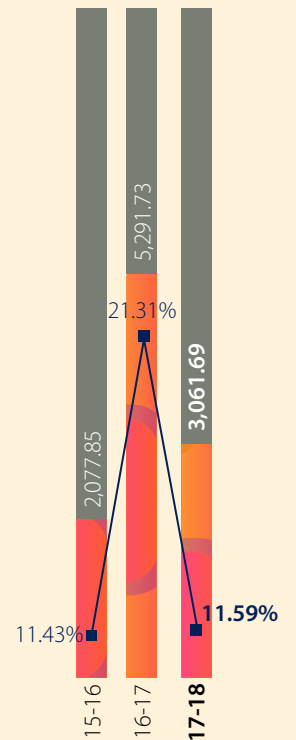
Revenue from operations (₹ lakhs)

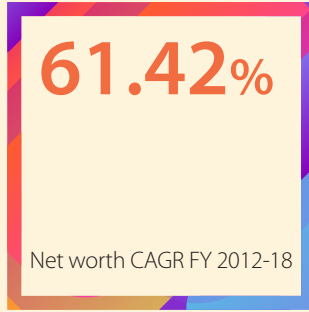
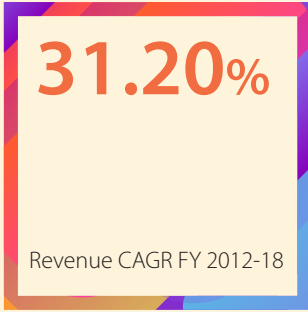


EBITDA (₹ lakhs) & EBITDA margin (%)



PAT (₹ lakhs) & PAT margin (%)





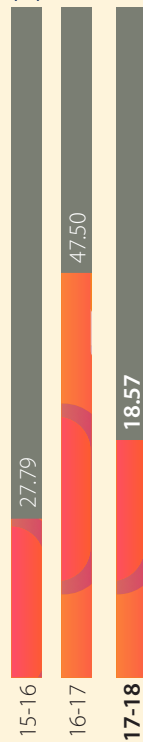
Net Worth
(₹ lakhs)



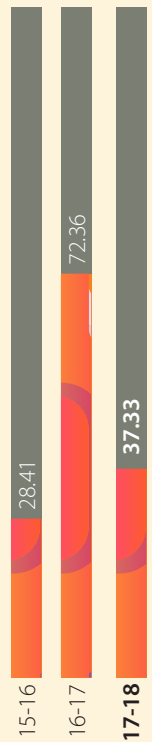
Return on
Equity (%)



Return on
Capital
Employed
(%)



Earnings per
share
(In ₹)



FROM THE DESK OF THE CHAIRPERSON

“ADVERSITIES KNOCK US, BUT THEY ARE GREAT TEACHERS. THE ABILITY TO LEARN FROM DIFFICULTIES TO BECOME STRONGER, WISER AND MORE MATURE IS A VIRTUE UNPARALLELED. IT IS A RESULT OF THIS SUSTAINED LEARNINGS FROM PAST EXPERIENCES THAT DESPITE ALL EXTERNAL CHALLENGES, WE REMAINED RESILIENT. **OUR CLIENTS STAYED WITH US AND THE DEMAND FOR OUR PRODUCTS WAS STRONGER.**”



Dear Shareholders,

During FY18, there was significant headwinds that hold back our performance. Our revenue just grew by 6%. However, looking at our volume growth which stood at ~20%, we feel demand for our product remained robust, despite weakness in the business environment which impacted realisations. Moreover; Environmental clampdown in China led to disruptions in raw material availability. A surge in input costs led by high volatility of crude prices along with appreciation of Indian rupee impacted our margins. Even in such conditions, we continued to build our business and reported an 8.41% growth in production.

None the less FY18 ended on the good note as we were able to increase our wallet share from the existing customers and started 3 new relationships. Historically, we have had Strong Relationship with the customers for more than 2 decades.

This reinforces the fact that AksharChem has become a brand of choice. Our performance in exports won us prestigious awards from ECGC, Dun & Bradstreet and CHEMEXCIL, which exhibits

that we have outperformed the industry.

Some would say that our performance in FY2017-18 could have been better, I would rather say this year's performance was satisfactory. It manifests the strength of our foundation and the business model. To better underlay the depth of this performance it is important to move beyond the realm of financial performance.

Coming to our financial performance, I would say that the performance was satisfactory, though not at par with that of the previous year's. Again, it is important to understand that in FY2016-17, we had recorded an exceptional performance on the backs of an environmental clampdown in China, which created a global shortage in the availability of dye intermediates and hence led to a surge in their prices. We benefited from the situation and recorded strong growth in realizations. But this year as input prices rose considerably our realization declined. Irrespective of this, our net revenues grew by 6% to ₹26,425.87 lakhs. EBITDA and PAT declined by 46.22% and 42.14% respectively to ₹4,167.34 lakhs and ₹3,061.69

lakhs respectively. However, our profitability could have been lower had it not been for our continuous efforts to keep overheads under control. Continuous efforts to improve shop floor performance and hard work put in by the team resulted in a higher capacity utilization, enabling us to better cover overheads.

Our overseas business continues to show strong momentum. In North America and South East Asia, we reported double-digit growth in sales and in the regions across Europe and the Far East we recorded steady growth.

Consolidating for a better future

Our endeavor and focus is always towards building a sustainable future. In order to achieve this, our R&D efforts focus on continuous improvement in products and processes. Our products comply with all international quality standards and environment protection norms. Recently, we made choices and investments in few of the project which will shape the future and ensure our Company's continuing success. Our major focus is to create value added and sustainable products like CPC green and precipitated silica. Currently our CPC Green capacity is 1,920 tonnes and post our expansion our capacity will be 2,400 tonnes which we expect to start utilizing from this year. Another diversified line of expansion of speciality chemical grade precipitated silica is expected to be completed by the end of this year. This product would be used in the tyre industry. We maintained steady focus to ensure all our expansion projects i.e, 480 MTPA CPC Green, 1200 MTPA H Acid and 10,000 MTPA precipitated silica were largely on track.

We focused on strengthening brand goodwill and applied for trademark registration of AksharChem logo and Pigment Green 7 product, which we acquired during the year. This will result in enhanced visibility of our brand and more inquiries from newer companies. We intend to capitalise on this and add more clients.

H Acid project has already been completed and is getting ready for trial production. I am happy to state that the entire funding for this project was done from equity and internal resources, enabling us to remain debt free and retain the health of our balance sheet. With this, we have managed to achieve one of the lowest working capital cycles at 14 days. The Company has also raised funds from Qualified Institutional Buyers by issue of Equity Shares through QIP Issue. We are confident of completing the rest of the projects with internal funding as well.

Our major strength lies in holding the quality certifications of ISO 14001:2015 and ISO 9001:2015 and the process automation technologies which we possess, enables us to utilize our expertise in providing best quality reliable products. We stand at zero product return in the history of the Company.

We continue to undertake sustained efforts to reduce costs. And towards this, our focus on energy efficiency system will be a key. We have undertaken initiatives to enhance processes with less consumption of water and smarter use of effluent treatment to reduce expenses. We have been spending

consistently for the pollution treatment expenses and we spent around ₹12 crores in FY18. We have internationally recognized processes that ensure minimum waste generated per unit. With adhering to the stringent environmental norms we would not be affected in case of consolidation which may happen in future in the industry. We would be at an advantage in that case.

We have focused on wider market section and expanding product portfolio to scale-up business and continue with double digit growth in regions like America, Asia and India.

Outlook

There would not be a better way than to say that the future belongs to us. There are significant opportunities. Increased demand from the end-user industries and tightened global supply due to stringent environmental norms in China will open up growth opportunities for domestic speciality chemicals companies.

With our quality and service reliability, competitive pricing, strong relations and adherence to environmental norms we would stand advantaged to make the most of this opportunity. Further, the

completion and stabilization of all our expansion plans would kickstart a new cycle of growth for the Company.

I thank all our stakeholders for their trust and support. It would be unwise if I do not complement the efforts put in by our employees. They have rightly been the performance driver of our organization. We would continue to provide them with an engaging and facilitative workplace and help them build a better career. As we move forward, I seek the support of all our stakeholders to make this organization even greater. Together, we can do wonders.

Warm wishes

Paru M. Jaykrishna
Chairperson.

STRENGTHENED TODAY... ...TO OUTPERFORM TOMORROW

Brand reputation

We enjoy solid market reputation for consistency in quality and supply reliability. This is validated in us doing business with leading global and domestic companies for over two decades. We also continue to add new customers.

Technology prowess

We have state-of-the-art production facilities, laboratories and automation systems to ensure quality of products and enhance operational efficiency.

Environmentally sustainable

We have adopted stringent global standards of effluent management by investing in latest environment management technologies.

Experienced management

Our management comprise seasoned industry veterans

with knowledge in leadership, chemical formulations and business strategy. Their expertise has enabled us to build a sustainable business model.

Scale of operations

Our large scale of operations enables us to effectively distribute overheads and attain low costs.

Strategically located

Our plants are strategically located in Gujarat's chemical belt, having proximity to raw material suppliers. The plants having strong multimodal connectivity facilitates faster turnaround and business development opportunity.

Global presence

Our operations are spread across more than 20 countries, where we continue to scout opportunities to develop business by engaging with

trade channels. This reduces geographic concentration risks as well as facilitates in scaling business.

Financially stable

With a combination of strong performance and financial prudence we have considerably strengthen our balance sheet might. As on March 31, 2018 our net debt-equity was nil and net worth at ₹23,772.45 lakhs.

Leading with product portfolio

We are India's leading Vinyl Sulphone and CPC Green manufacturers. Our wide range of portfolio enables us to cater diverse requirements of customers.





**EXPANDED
CUSTOMER
BASE**

**STRENGTHENED
BALANCE SHEET**

**TRAINED
EMPLOYEES**

**REINFORCING
OUR
STRENGTHS**

**UNDERTOOK
BETTER
PLANNING**

**ENHANCED
QUALITY AND
EFFICIENCY**

Enhanced quality and efficiency

We invested in packaging automation system to improve packaging quality, reduce manual error and expedite operations.

Undertook better planning

We undertook better production planning to ensure higher plant uptime resulting in capacity utilisation increasing to 87%.

Strengthened balance sheet

We better utilised cash flows to become a zero debt Company resulting in an improvement in our credit rating - CARE A1+ for short term banking facilities, CARE A+/CARE A1+ for long term/short term bank facilities.

Trained employees

We provided training to technical and shop floor personnel with a focus on enhancing productivity.

Expanded customer base

We strengthened overseas operations by acquiring new customers.

PREPARING FOR A BETTER FUTURE...

BY UNLEASHING TODAY'S POTENTIAL

In a competitive industry scenario, where relationships matter, clients are demanding, and new business development happen through proven past credentials, only the best survives.

ATAKSHARCHEM, we have adopted a culture of continuous improvement to remain ahead of competition, deliver sustained performance and build value for our stakeholders. Initiatives that have enabled us to consistently improve competencies include:

Ensuring highest quality standards

We have made significant investments in building state-of-the-art manufacturing facility and acquiring advanced technologies to ensure product quality. Our quality team undertake stringent

process monitoring across all production stages, while ensuring that raw materials procurement from approved vendors. Employees are regularly trained and standard operating procedure followed.

Improving capacity utilisation

We undertake robust production planning along with empowering teams with best equipment and automation technologies to ensure timely delivery to clients. This led to enhanced plant uptime and improved capacity utilisation to 87% resulting in increased production.

Attaining cost leadership

We have consistently scaled operations to reduce per unit operational costs. Further to this, we undertake various shop floor, employee productivity measure meant to continuously improve plant capacity utilisation and reduce costs.

Zero tolerance culture

We follow a culture of zero tolerance in product quality and delivery schedule, which has enabled us to achieve an enviable track record of zero products returned.



WE HAVE
A TRACK
RECORD
OF ZERO
PRODUCT
RETURN AND
ZERO BAD
DEBTS

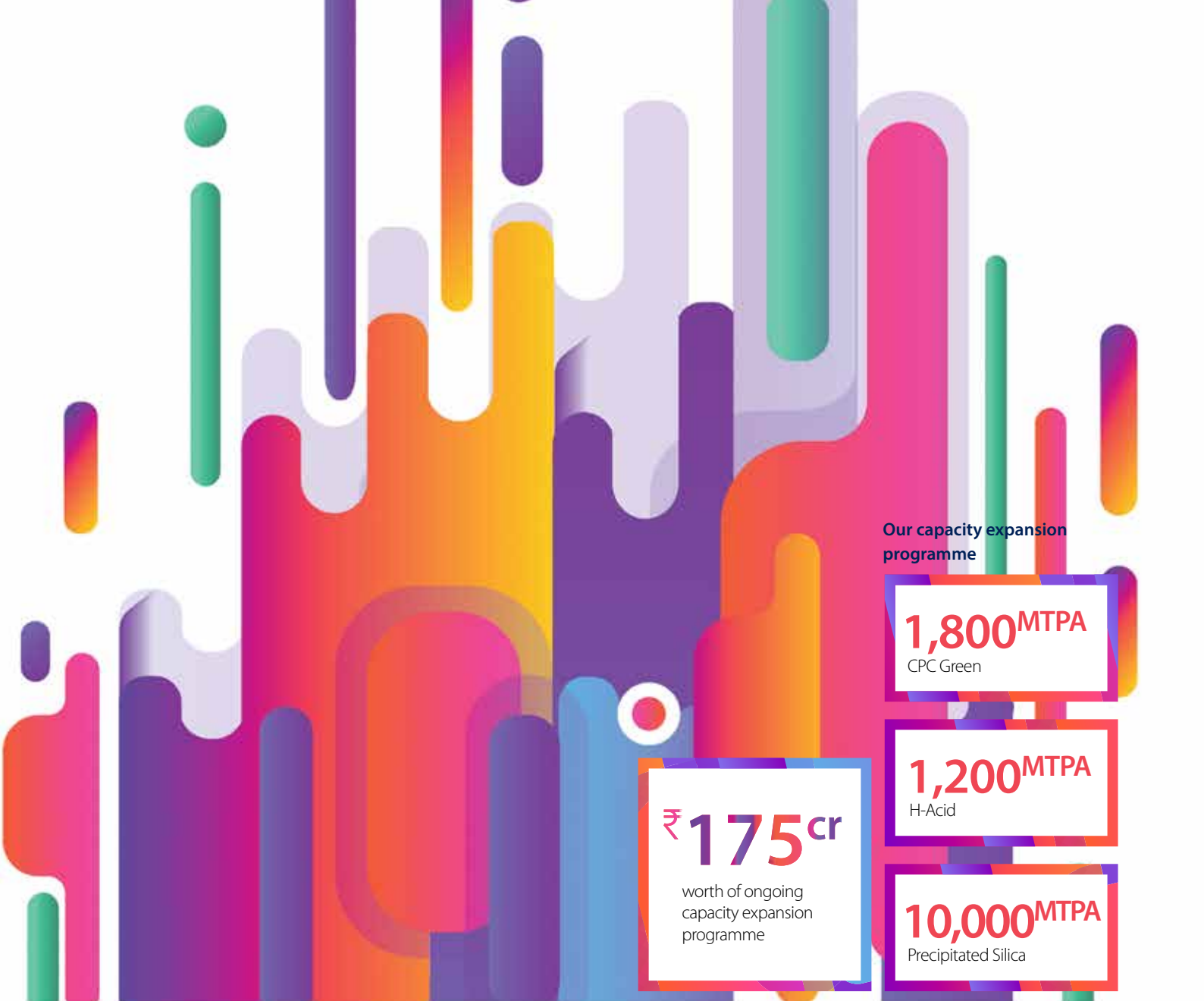
87%
plant capacity utilisation
achieved in FY2017-18



PREPARING FOR A BETTER FUTURE...

BY **INVESTING** IN TOMORROW'S POSSIBILITIES

As the global economic scenario keep improving, the demand from various end user industries is surging and there is an increasing trend in the adoption of specialty chemicals. In such the scenario, our quality and service reliability is leading to an unprecedented demand for our products.



Our capacity expansion programme

1,800 MTPA
CPC Green

1,200 MTPA
H-Acid

10,000 MTPA
Precipitated Silica

₹175 cr

worth of ongoing capacity expansion programme

ATAKSHARCHEM, we understand that rising demand warrants adding more capacities to service customers and avoid opportunity loss. And along with adding more capacities would be the necessity to have better control over raw material availability. To ensure our future readiness to cater demand, we have

undertaken the following initiatives:

Scaling without stressing balance sheet

With our improved market credibility and growing customer base, the demand for our products is rising steadily. We proactively chose to scale capacities in a phased manner leveraging our strong internal

cash flows. This will enable us to grow our revenues without stressing our balance sheet. With strong investments, deployment of right resources and planning we have ensured scheduled execution of all expansion programmes, timely completion of which will enable us capitalise on the rising demand.

Widening portfolio

Our new capacity addition project includes a precipitated silica plant, which is a specialty chemical and will enable us to widen our product offerings and tap new clients.

STRATEGIES FOR A STRONGER FUTURE

WIDEN PRODUCT PORTFOLIO AND ENHANCE PROPORTION OF VALUE-ADDED PRODUCTS

DIVERSIFY GEOGRAPHICALLY IN SOUTH EAST ASIA, NAFTA AND INDIA

STRATEGIES FOR A STRONGER FUTURE

STRENGTHEN RELATIONSHIPS WITH EXISTING CUSTOMERS TO ENAHNCE BUSINESS

MAINTAIN EXTENSIVE SUPPLY CHAIN NETWORK ACROSS THE GLOBE

A BETTER AND SUSTAINABLE FUTURE

We have ensured our operations are environmentally sustainable. This ringfences us from risks due to environment-related regulatory clampdown and enables us to meet the stringent requirements of leading companies who prefer doing business with companies adhering to minimum international environmental standards.

At AksharChem, we have proactively invested to ensure consistent improve in our environment performance. Our state-of-the-art effluent discharge plant enable us to achieve discharge well within the prescribed norms. Our ability to undertake comprehensive production planning have led to reduction in wastages of raw materials, and consumption of water and energy. Additionally, we maintain more than five acres of green belt within our factory premises.

What environment sustainability at AksharChem means:

- Minimum wastage generated per unit
- Treating waste to permissible levels before disposal
- Emit fewer pollutants
- Recycle and reuse water

₹ 11.6 cr

Spent towards
pollution treatment
expenses in FY2017-18

BOARD OF DIRECTORS



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 41 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.



Mr. Jigar M. Patel
Independent Director

He graduated in LL.M. Honors in International Taxation from the prestigious NYU School of Law. He has rich 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 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.



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. Kirankumar J. Mehta
Independent Director

He is Practicing Cost Accountant, M. Com, LL.B., FICWA and FIISA. He is proficient in Cost and Management Accountancy having been in the field for over 41 years. He has been the Chairman of the Western Region of the Institute of Cost Accountants of India. He is also a fellow of the Institute of Insurance Surveyors and Adjusters. He is associated with the Company since 2003.



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 is responsible for all management decisions 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.



STATUTORY SECTION



NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Members of AKSHARCHEM (INDIA) LIMITED will be held on Friday, 28th day of September, 2018 at the Registered Office of the Company at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend on Equity Shares for the financial year 2017-18.
3. To appoint a director in place of Mr. Gokul M. Jaykrishna (DIN: 00671652), liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. JIGAR M. PATEL (DIN: 05291605) AS 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, Mr. Jigar M. Patel (DIN: 05291605), who was appointed as an Additional Director and Non-executive Independent Director of the Company w.e.f. December 11, 2017 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 his candidature for the office of Director and who has submitted a declaration that he 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 December 11, 2017 and whose period of office shall not be liable to retire by rotation.”

5. CHANGE IN DESIGNATION OF MR. MUNJAL M. JAYKRISHNA (DIN: 00671693) FROM JOINT MANAGING DIRECTOR TO JOINT MANAGING DIRECTOR & CEO

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

“RESOLVED THAT in partial modification of the resolution passed by the Members at the 25th Annual General Meeting held on

September 25, 2014, Mr. Munjal M. Jaykrishna, who was earlier designated as Joint Managing Director of the Company be and is hereby re-designated as Joint Managing Director & CEO with effect from February 14, 2018 till the end of the tenure of his appointment viz. March 23, 2019 on the same terms and conditions including remuneration as approved earlier by the Members.

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. 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 2019, 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

Place : Indrad, Mehsana

Date : August 08, 2018

DIN: 00671721

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

Registered Office :

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 6 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 September 22, 2018 to September 28, 2018 (both days inclusive).

4. Director proposed to be re-appointed

At the ensuing Annual General Meeting, Mr. Gokul M. Jaykrishna (DIN:00671652), 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. Director proposed to be appointed

At the ensuing Annual General Meeting, Mr. Jigar M. Patel (DIN: 05291605), be and is hereby appointed as Director. The Board of Directors of the Company recommends his 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.

6. Auditors

The members of the Company, at the Twenty Eighth Annual General Meeting held on September 14, 2017, had appointed M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W) as 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). In pursuance of the relevant provisions of the Companies (Amendment) Act, 2017 made effective vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, Government of India, the provision under Section 139 of the Companies Act, 2013 related to ratification of appointment of auditors at every Annual General Meeting has been omitted. Accordingly, the ratification of appointment of Auditors of the Company at this Annual General Meeting is not required.

7. Payment of Dividend

The dividend on equity shares for the financial year ended March 31, 2018, 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 Friday, September 21, 2018, after giving effect to all valid share transfer documents lodged with the Company on or before Friday, September 21, 2018.

(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 Friday, September 21, 2018.

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 14, 2017, 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

The members are advised to send their requests for payment of unpaid dividend pertaining to the financial years 2012-13 to 2016-17 to our Registrar and Share Transfer Agent for payment before the same becoming due for transfer to IEPF.

8. 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").

9. Updation of Permanent Account Number (PAN) and Bank details and discontinuation of transfer of shares in physical form

9.1 As per circular dated April 20, 2018 issued by the Securities and Exchange Board of India ("SEBI"), the listed companies are required to obtain copy of PAN card and bank account details (original cancelled cheque leaf/ attested bank passbook showing the name of account holder) of all securities holders holding shares in physical form. Accordingly, the Share Transfer Agent of the Company has communicated individually to the shareholders of the Company who are holding shares in physical form to submit the aforesaid documents alongwith the duly filled-in format sent with the said communication, for updation of records. The members holding shares in physical form, who have not yet submitted these documents to the Company / Share Transfer Agent, are requested to submit the same to the Share Transfer Agent of the Company.

9.2 In pursuance of SEBI notification dated June 8, 2018, with effect from December 5, 2018, requests for transfer of shares shall not be processed unless the shares are held in dematerialized form

with a depository. However, transmission or transposition of shares in physical form shall continue to be allowed. Therefore, the members holding equity shares of the Company in physical form are advised to dematerialise their shareholding.

10. 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.

11. 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 29th 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 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.nsd.com.

Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsd.com.

If you are still unable to get the password by aforesaid two options, you can send a request at 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 with a copy marked to 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 to reset the password.
- 11.7 The Remote E-voting period shall commence at 9.00 a.m. on Tuesday, September 25, 2018 and ends at 5.00 p.m. on Thursday, September 27, 2018. 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 27, 2018.
- 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. Friday, September 21, 2018 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. Friday, September 21, 2018.
- 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 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 or 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.
- 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 21, 2018, may obtain the User ID and password by sending a request at evoting@nsdl.co.in or 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 at least 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 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.
- 12.** Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
- 13.** Members can send their queries, if any, to reach the Company's Registered Office at least 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.
- 14.** 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.
- 15.** Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.aksharchemindia.com.

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.

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 6 of the accompanying Notice.

Item No. 4

Mr. Jigar M. Patel (DIN: 05291605) was appointed as an Additional Director and Non-executive Independent Director of the Company with effect from December 11, 2017 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Jigar M. Patel 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 Independent Director, to be appointed as such under Section 149 of the Act.

The Company has received a declaration from Mr. Jigar Patel to the effect that he 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 Mr. Jigar M. Patel as Non-Executive Independent Director for a term of 5 (five) consecutive years with effect from December 11, 2017 upto December 10, 2022 pursuant to Section 149, and other applicable provisions of the Act and the Rules made thereunder. He will not be liable to retire by rotation.

Mr. Jigar M. Patel is graduated with LL.M. Honors in International Taxation from the prestigious NYU School of Law. He has rich 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 has addressed several public forums and participated in TV discussions. He was awarded 'Upcoming speaker 2016' by the All India Federation of Tax Practitioners.

In the opinion of the Board, Mr. Jigar M. Patel fulfills the conditions specified in the Act and the Rules thereunder and the Listing Regulations and is independent of the Management.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for appointment of Mr. Jigar M. Patel as an Independent Director, not liable to retire by rotation.

A statement containing his profile is given as per annexure to the notice.

Except Mr. Jigar M. Patel, 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 resolution set out at item No. 4 for approval of the members.

Item No. 5

Mr. Munjal M. Jaykrishna was reappointed as Joint Managing Director of the Company for a further period of 5 years with effect from March 24, 2014 at the 25th Annual General Meeting held on September 25, 2014. Considering his involvement in the business operations as well as corporate affairs of the Company and to focus on implementing growth strategies and expansion plan and based on the recommendations of the Nomination and Remuneration Committee, the Board of directors at their meeting held on February 14, 2018 has changed the designation of Mr. Munjal M. Jaykrishna from Joint Managing Director to Joint Managing Director & CEO with effect from February 14, 2018 for the remaining period of his tenure. The terms and conditions of his appointment including remuneration as approved by the members at the 25th Annual General Meeting remains the same.

Though members consent is not required for the above re-designation, however as a good corporate governance practice, the Board recommends the resolution set out in Item No. 5 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel or their relatives except Mrs. Paru M. Jaykrishna, Chairperson & Managing Director of the Company and Mr. Gokul M. Jaykrishna, Director of the Company being relatives of Mr. Munjal M. Jaykrishna may be deemed to be interested or concerned in the resolution set out at Item No. 5 financially or otherwise, to the extent of their equity shareholding in the Company.

Item No. 6

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. 6 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 2019, 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. 6.

For and on behalf of Board of Directors

MRS. PARU M. JAYKRISHNA

Chairperson & Mg. Director

DIN: 00671721

Place : Indrad, Mehsana

Date : August 08, 2018

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

	Re-Appointment	Appointment
Name of the Director	Mr. Gokul M. Jaykrishna	Mr. Jigar M. Patel
DIN	00671652	05291605
Date of Birth	24.10.1968	23.04.1984
Date of Appointment/ Reappointment	09.10.2015	11.12.2017
Qualification	Major in Finance and Marketing from Lehigh University, Bethlehem (USA)	LL.M. Honors in International Taxation from the prestigious NYU School of Law.
Expertise in specific functional Area	He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders.	He has rich 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.
Terms and Conditions of appointment / re-appointment	To be re-appointed as director liable to retire by rotation	To be appointed as Independent director not liable to retire by rotation
Public Ltd. Companies (in India) in which outside Directorships held	Asahi Songwon Colors Limited Echke Limited	Nil
Membership/Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors/ KMPs	Son of Mrs. Paru M. Jaykrishna, Chairperson & Managing Director and brother of Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO of the Company	None

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their Twenty Ninth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Current Year	Previous Year
	2017-18	2016-17
Revenue from operations	26471.61	25026.25
Other Income	706.41	905.07
Total Income	27178.01	25931.32
Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses	4873.75	8653.48
Less: Finance Costs	148.87	302.06
Profit for the year before Depreciation, Exceptional Items and Tax Expenses	4724.88	8351.42
Less: Depreciation	460.15	468.69
Profit for the year before Exceptional Items and Tax Expenses	4264.73	7882.74
Add/(Less): Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	4264.73	7882.74
Less: Current Tax	1138.31	2299.82
Less: Deferred Tax	(34.34)	291.19
Less: Adjustment of tax for earlier years (Net)	99.07	Nil
Net Profit for the year	3061.69	5291.73
Add: Balance brought forward from last year	10323.60	5199.40
Depreciation Adjustment	Nil	214.90
Deferred tax on Depreciation Adjustment	Nil	(74.37)
Surplus available for Appropriation	13385.29	10631.66
Appropriation		
Transfer to General Reserve	Nil	Nil
Interim Dividend of ₹Nil per Equity Share (P. Y. ₹3.50 per Equity Share)	Nil	255.95
Tax on dividend	Nil	52.11
Balance carried over to Balance Sheet	13385.29	10323.60
Total	13385.29	10631.66

INDIAN ACCOUNTING STANDARDS (IND AS)

Your Company had adopted Ind AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has published Ind AS Financials for the year ended March 31, 2018 along with comparable as on March 31, 2017 and Opening Statement of Assets and Liabilities as on April 1, 2016.

Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

For AksharChem, Ind AS is applicable from April 1, 2017, with a transition date of April 1, 2016 and IGAAP as the previous GAAP.

The reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note no. 52 of the financial statements for the year ended March 31, 2018.

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, 2018 subject to approval of the members at the forthcoming Annual General Meeting.

During the previous financial year, the Company has paid an interim dividend of ₹3.50 per equity share (35% on face value of ₹10 each), and the total outgo was ₹255.95 Lakhs towards dividend and ₹52.11 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 ₹13,385.29 Lakhs in the Statement of Profit and Loss.

STATE OF COMPANY'S AFFAIRS

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

General

FY18 was quite challenging year for the Company due to Increase Volatility in Crude Prices, Currency Depreciation and Volatility, Disruptions in the key inputs availability required for our Raw material because of on-going China environmental issues.

Your Company had put lot of efforts and continue to focus on delivering performance and the Company had performed well on the Volume front. Our Business continues to grow on Volume basis every quarter making it more sustainable. This gives confidence that the demand for our product is intact and we were able to get the business because of our best quality reliable products and over 2 decades of Relationship with the biggest dye stuff houses in the world.

Revenue of the Company keeps fluctuating due to high volatility in the Realisations, movement in Foreign Currency Rate etc.

Results of Operations

During the year under review, the turnover of the Company has

increased from ₹25026.25 Lakhs to ₹26471.61 Lakhs. However, the Profit after Tax (PAT) has decreased from ₹5291.73 Lakhs to ₹3061.69 Lakhs.

Exports

The export turnover has increased from ₹22132.39 Lakhs to ₹22,542.22 Lakhs compared to previous year.

Capital Expenditure

During the year under review the Company has incurred capital expenditure of ₹4,445.94 Lakhs.

ANNOUNCEMENT OF CAPEX PLAN

During the year under review the Company has announced the Capex plan of ₹175 Crores is in Specialty Chemicals, Dyes & Intermediates and Organic Pigments.

INTELLECTUAL PROPERTY RIGHTS

During the year under review the Company has received 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. Asaflow.

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, 2018.

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.

CHANGE IN PERCENTAGE OF PROMOTERS HOLDING

During the year under review the share capital of the company has increased pursuant to Qualified Institutions Placement of 8,89,690 Equity Shares of ₹10 each of the Company to Qualified Institutional Buyers and due to this the percentage of the holding of promoters of the Company has changed and reduced to 62.70% from 70.33%.

AUTHORISED SHARE CAPITAL

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

SHARE CAPITAL

Pursuant to the resolution of the Board of Directors of the Company dated November 14, 2016 and July 13, 2017, the resolution of the QIP Committee dated July 14, 2017, the approval of the shareholders of the Company by way of a special resolution, through a postal ballot, the results of which were declared on January 4, 2017, your Company undertook a Qualified Institutions Placement of up to 8,89,690 Equity Shares of ₹10 each of the Company at an issue price of ₹776 per equity share, and allotment of the said equity shares pursuant to the issue was made on July 20, 2017. Hence Paid up Share Capital of the Company has increased from ₹731.29 Lakhs to ₹820.25 Lakhs. The QIP issue proceeds aggregating to ₹6903.99 lakhs will be utilized in accordance with the objects stated in the offer document. Pending utilization, the unutilised amount of issue proceeds have been invested in Mutual Funds.

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

During the year under review the Company has repaid its outstanding long term secured loan and no outstanding short term working capital loan as on March 31, 2018, therefore as on March 31, 2018 your company is a zero debt company.

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, 2018.

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 been awarded 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

- Best Manufacturer Exporter (Medium) from ECGC – Indian Exporters' Excellence Awards 2017
- SME Business Excellence Awards – Best Global Business (2017) from Dun & Bradstreet (RBL Bank)
- SME Business Excellence Awards – Chemicals & Pharmaceuticals (2017) from Dun & Bradstreet (RBL Bank)
- Trishul Award for the outstanding export performance in Panel I: Dyes and Dye Intermediates (SSM+ME) for the year 2016-17 by CHEMEXCIL
- Third Award for self manufactured direct export of Dye Intermediates during the year 2015-16 from The Gujarat Dyestuffs Manufacturers Association (GDMA)
- Third Award for self manufactured direct export of Dyes during the year 2015-16 from The Gujarat Dyestuffs Manufacturers Association (GDMA)
- Trophy for self manufactured domestic sale of Dye Intermediates of more than ₹5 Crores but less than ₹25 Crores during the year 2015-16 from The Gujarat Dyestuffs Manufacturers Association (GDMA)
- Trophy for self manufactured domestic sale of Dyes between ₹5 Crores to ₹15 Crores during the year 2015-16 from The Gujarat Dyestuffs Manufacturers Association (GDMA)

CREDIT RATING

The CARE 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 2018-19 has been paid.

8,89,690 Equity Shares of ₹10 each allotted to Qualified Institutional Buyers pursuant to Qualified Institutions Placement got listed on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE) and the trading has commenced w.e.f. July 24, 2017 on BSE and NSE.

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 comprising Mrs. Paru M. Jaykrishna - Chairperson, Mr. Gautam Jain and Mr. Kirankumar J. 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

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

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, Mr. Jigar M. Patel was appointed as an Additional Director (Non-Executive, Independent) w.e.f. December 11, 2017 and holds office upto the forthcoming AGM of the Company. Necessary Resolution for appointment of Mr. Jigar M. Patel as an Independent Director has been included in the Notice convening the AGM.

During the year, Mr. Munjal M. Jaykrishna has resigned as CFO of the Company and also his designation was changed from Joint Managing Director to Joint Managing Director & CEO with effect from February 14, 2018.

During the year, Mr. Sunil V. Rane was appointed as Chief Financial Officer of the Company with effect from February 14, 2018.

Resignation of Director

Mr. Param J. Shah (DIN: 03273769), has resigned as an Independent Director of the Company w.e.f. December 11, 2017. The Board places on record its sense of appreciation for the assistance and guidance provided by Mr. Param J. Shah during his tenure as an Independent Director 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. Gokul M. Jaykrishna (DIN: 00671652) 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. 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, Dr. Pradeep Jha and Mr. Kirankumar J. Mehta 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, and Mr. Jigar M. Patel was appointed as independent director of the Company for the period of five years w.e.f. December 11, 2017. Hence no Independent Directors of the Company 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 2017-2018, the Board of Directors of the Company, met 9 (Nine) times on May 27, 2017, July 5, 2017, July 13, 2017, July 27, 2017, September 14, 2017, November 13, 2017, December 11, 2017, February 14, 2018, and March 20, 2018.

INDEPENDENT DIRECTORS' MEETING

A separate Meeting of the Independent Directors of the Company was also held on March 20, 2018, 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 composition of the Audit committee, as per the applicable provisions of the Act and Rules, are as follows:

Mr. Kirankumar J. Mehta - Chairman
Dr. Pradeep Jha - Member
Mr. Jigar M. Patel - 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.

The Ministry of Corporate Affairs have, vide its Commencement Notification dated May 7, 2018, inter alia, notified the commencement of section 40 of the Companies (Amendment) Act, 2017, which omitted the proviso to sub-section (1) of section 139 of the Companies Act, 2013, mandating the requirement of annual ratification for Auditors appointment by the Members at every Annual General Meeting. Accordingly, the Board has decided, to discontinue the practice of obtaining annual ratification of the shareholders for appointment of Statutory Auditors, in view of the exemption provision in the resolution passed by the members in the 28th Annual General Meeting and the removal of the provision of the law which mandated the requirement.

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 dated May 10, 2018 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 2017-18, which forms part of the Annual Report 2017-18. 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, Practicing Company Secretary (Membership

No. A15650), was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules there under. Secretarial Audit Report for F.Y. 2017-18 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, 2018, 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, 2018 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 : Indrad, Mehsana

Date : August 08, 2018

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

Paru M. Jaykrishna
Chairperson & Mg. Director

DIN: 00671721

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 old gearboxes are replaced with appropriate and more efficient gearboxes 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 -

During the year under review 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

During the year under review the capital investment on energy conservation equipments is ₹8.47 Lakhs.

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	2017-18	2016-17
1	Capital	Nil	Nil
2	Revenue	10.00	10.04
	Total	10.00	10.04
	Total Expenditure as a % of Turnover	0.04%	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 ₹22,483.15 Lakhs (Previous Year ₹22,006.80 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	2017-18	2016-17
Foreign Exchange earned in terms of Actual Inflows	22483.15	22006.80
Foreign Exchange outgo in terms of Actual Outflows	175.95	297.06

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

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

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

Place : Indrad, Mehsana

Date : August 08, 2018

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:

The CSR Committee comprises of the following directors:

- Mrs. Paru M. Jaykrishna - *Chairperson*
- Mr. Gautam Jain - *Member*
- Mr. Kirankumar J. Mehta - *Member*

3. Average net profit of the Company for last three financial years: ₹4027.69 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹80.55 Lakhs

5. Details of CSR spend for the financial year :

- a) Total Amount to be spent for the financial year: ₹80.55 Lakhs
- b) Amount unspent, if any : ₹32.84 Lakhs
- 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):

The amount required to be spend on CSR activities during the year under review in accordance with the provision of Section 135 of the Companies Act, 2013 and rules made there under is ₹80.55 Lakhs and the Company has spent ₹47.71 Lakhs during the financial year ended March 31, 2018. The Company was not able to spend the entire prescribed CSR amount of 2% of its average net profits of the last three financials years as few of the planned CSR activities had less than estimated utilization of funds.

7. We state that implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Paru M. Jaykrishna
Chairperson of the CSR Committee
(DIN: 00671721)

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	Built toilets in school of Acharasan Village	Sanitation and Healthcare	Village- Acharasan, Dist: Mehsana, Gujarat	5.00	4.13 0.62	4.75	Direct
2	To contribute to trust under preventive health care, proteceion of life, health and human dignity	Sanitation and Healthcare	Ahmedabad, Gujarat	1.00	1.00 0.00	5.75	Implementing Agency
3	To distribute Silver Medals as a Prize to the students of Acharasan Primary School	Promotion of Education	Village- Acharasan, Dist: Mehsana, Gujarat	0.15	0.13 0.00	5.88	Direct
4	To Environmental sustainability, ecological balance and conservation of natural resources	Ensuring Environmental Sustainability	Village-Indrad, Dist: Mehsana, Gujarat	10.00	8.23 0.00	14.11	Direct
5	To provide facility of education to poor and under priviledged children	Promotion of Education	Ahmedabad, Gujarat	10.00	10.00 0.00	24.11	Implementing Agency
6	to build a recharge well in nearby Village	Ensuring Environmental Sustainability	Village-Vamaj, Dist: Mehsana, Gujarat	25.00	20.00 3.60	47.71	Direct
Total				51.15	47.71		

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	29.48
Mr. Munjal M. Jaykrishna	47.05

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.
Mr. Param J. Shah*	N.A.

Mr. Jigar M. Patel is appointed as an Additional Director (Non-Executive - Independent) w.e.f. December 11, 2017.

* Mr. Pram J. Shah has resigned as an Independent Director w.e.f. December 11, 2017.

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	(19.54)
Mr. Munjal M. Jaykrishna	56.69
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jigar M. Patel	N.A.
Dr. Pradeep J. Jha	N.A.
Mr. Kirankumar J. Mehta	N.A.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Gokul M. Jaykrishna	Nil
Mr. Meet J. Joshi, Company Secretary	8.65
Mr. Sunil Rane, Chief Financial Officer (w.e.f. February 14, 2018)*	Nil

*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: 7.53%

iv. The number of permanent employees on the rolls of Company: 106

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 15.11% for employees other than managerial personnel. As far as managerial personnel are concerned, it is increased by 14.79% in the financial year 2017-18. The increase in remuneration of employees other than the Managerial Personnel is considerably in line with the increase in remuneration of Managerial Personnel.

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

List of top 10 employees of the Company employed throughout the financial year 2017-18 and were paid remuneration not less than ₹ 1 Crore and Two Lakhs per annum:

Name	: Mr. Munjal M. Jaykrishna
Designation	: Joint Managing Director & CEO
Remuneration received (₹ in Lakhs)	: 157.65
Nature of Employment	: Contractual
Qualification	: Major in Finance & Marketing
Experience (Years)	: 27
Date of Commencement of employment	: 1995
Age (Years)	: 48
Last Employment	: Bank of California, San Francisco, USA
Percentage of Equity Shares held in the Company as on 31.03.2018	: 16,30,361 Equity Shares held as a trustee(s) of M/s. Munjal M. Jaykrishna Family Trust
Relationship with Directors of the Company	: 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.

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, 2018. 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, 2018 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;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulation, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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.

However, it has been found that there were no instances requiring the compliance of the law mentioned at point (d), (e), (g) and (h) of para (v) hereinabove during the year under review.

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 following 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) The Company has raised the fund through Qualified Institutional Placement to the extent of ₹6903.99 lakhs and accordingly has made the allotment of 8,89,690 Equity Shares of ₹10 each at a price of ₹776 per share (including share premium of ₹766 per share) to selected Qualified Institutional Buyers under Qualified Institutional Placement on July 20, 2017 and the said additional allotted shares also received the listing and trading approvals from the concerned stock exchange(s).

Place : Ahmedabad
Date : 08/08/2018

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, 2018**

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 : 08/08/2018

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

I. REGISTRATION AND OTHER DETAILS:			
i)	CIN	:	L24110GJ1989PLC012441
ii)	Registration Date	:	July 4, 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	68.08
2	CPC Green	20114	31.92

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	

A. Promoters
(1) Indian

a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central 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	
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	200	-	200	0.003	200	-	200	0.002	(0.000)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Family Trusts	48,19,180	-	48,19,180	65.900	48,19,180	-	48,19,180	58.752	(7.148)
Limited Liability Partnership	3,23,837	-	3,23,837	4.428	3,23,837	-	3,23,837	3.948	(0.480)
Sub-total (A) (1):-	51,43,217	-	51,43,217	70.331	51,43,217	-	51,43,217	62.702	(7.628)
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	51,43,217	-	51,43,217	70.331	51,43,217	-	51,43,217	62.702	(7.628)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	4,500	4,500	0.062	4,08,980	4,500	4,13,480	5.041	4.979
b) Banks / FI	-	-	-	-	4,897	-	4,897	0.060	0.060
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	3,89,548	-	3,89,548	4.749	4.749
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	4,500	4,500	0.062	8,03,425	4,500	8,07,925	9.850	9.788
2. Non-Institutions									
a) Bodies Corporate									
i. Indian	1,64,864	1,500	1,66,364	2.275	1,62,874	1,500	1,64,374	2.004	(0.271)
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,85,489	4,12,247	14,97,736	20.481	12,70,447	3,79,994	16,50,441	20.121	(0.360)

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	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,86,169	-	1,86,169	2.546	55,501	-	55,501	0.677	(1.869)
c) Others (specify)		-	-	-	-	-	-	-	-
NRI/OBC	49,203	15,600	64,803	0.886	97,200	15,600	1,12,800	1.375	0.489
Clearing Member/ House	55,102	-	55,102	0.753	42,505	-	42,505	0.518	(0.235)
Foreign Company	-	1,66,384	1,66,384	2.275	-	1,66,384	1,66,384	2.028	(0.247)
HUF	28,625	-	28,625	0.391	52,743	-	52,743	0.643	0.252
Trusts	-	-	-	-	6,700	-	6,700	0.082	0.082
Sub-total (B)(2):-	15,69,452	5,95,731	21,65,183	29.608	16,87,970	5,63,478	22,51,448	27.448	(2.160)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15,69,452	6,00,231	21,69,683	29.669	24,91,395	5,67,978	30,59,373	37.298	7.628
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	67,12,669	6,00,231	73,12,900	100.000	76,34,612	5,67,978	82,02,590	100.000	-

During the year under review the share capital of the company has increased pursuant to Qualified Institutions Placement of 8,89,690 Equity Shares of ₹ 10 each of the Company to Qualified Institutional Buyers and due to this only the percentage of the holding of promoters has reduced to 62.70% from 70.33% and the number of equity shares held remain the same.

(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	43.61	-	31,88,819	38.88	-	(4.730)
2	Munjal M. Jaykrishna Family Trust	16,30,361	22.29	-	16,30,361	19.88	-	(2.418)
3	Chelsea Marketing LLP (Formerly known as Intercon Finance Pvt. Ltd.)	3,23,837	4.43	-	3,23,837	3.95	-	(0.480)
4	Skyjet Aviation Private Limited	200	0.00	-	200	0.00	-	(0.000)
Total		51,43,217	70.33	-	51,43,217	62.70	-	(7.628)

During the year under review the share capital of the company has increased pursuant to Qualified Institutions Placement of 8,89,690 Equity Shares of ₹ 10 each of the Company to Qualified Institutional Buyers and due to this only the percentage of the holding of promoters has reduced to 62.70% from 70.33% and the number of equity shares held remain the same.

(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	01/04/2017	31,88,819	38.88	31,88,819	38.88
	At the end of the year	31/03/2018	-	-	31,88,819	38.88
2	Munjali M. Jaykrishna Family Trust					
	At the beginning of the year	01/04/2017	16,30,361	19.88	16,30,361	19.88
	At the end of the year	31/03/2018	-	-	16,30,361	19.88
3	Chelsea Marketing LLP (Formerly known as Intercon Finance Pvt. Ltd.)					
	At the beginning of the year	01/04/2017	3,23,837	3.95	3,23,837	3.95
	At the end of the year	31/03/2018	-	-	3,23,837	3.95
4	Skyjet Aviation Private Limited					
	At the beginning of the year	01/04/2017	200	0.00	200	0.00
	At the end of the year	31/03/2018	-	-	200	0.00

During the year under review the share capital of the company has increased pursuant to Qualified Institutions Placement of 8,89,690 Equity Shares of ₹10 each of the Company to Qualified Institutional Buyers and due to this only the percentage of the holding of promoters has reduced to 62.70% from 70.33% and the number of equity shares held remain the same.

(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	L & T Mutual Fund Trustee Limited					
	At the beginning of the year	01/04/2017	-	-	-	-
	Allotment pursuant to QIP	20/07/2017	4,00,000	4.88	4,00,000	4.88
	Purchase	04/08/2017	5,000	0.06	4,05,000	4.94
	Purchase	11/08/2017	1,000	0.01	4,06,000	4.95
	Purchase	18/08/2017	1,742	0.02	4,07,742	4.97
	Purchase	25/08/2017	1,238	0.02	4,08,980	4.99
	At the end of the year	31/03/2018	-	-	4,08,980	4.99
2	TIMF Holdings					
	At the beginning of the year	01/04/2017	-	-	-	-
	Allotment pursuant to QIP	20/07/2017	2,25,257	2.75	2,25,257	2.75
	At the end of the year	31/03/2018	-	-	2,25,257	2.75
3	DIC Corporation					
	At the beginning of the year	01/04/2017	1,66,384	2.03	1,66,384	2.03
	At the end of the year	31/03/2018	-	-	1,66,384	2.03

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
4	BNP Paribas Arbitrage					
	At the beginning of the year	01/04/2017	-	-	-	-
	Allotment pursuant to QIP	20/07/2017	2,00,000	2.44	2,00,000	2.44
	Sale	29/09/2017	(5,167)	(0.06)	1,94,833	2.38
	Sale	13/10/2017	(10,314)	(0.13)	1,84,519	2.25
	Sale	20/10/2017	(2,836)	(0.03)	1,81,683	2.21
	Sale	27/10/2017	(548)	(0.01)	1,81,135	2.21
	Sale	03/11/2017	(3,267)	(0.04)	1,77,868	2.17
	Sale	10/11/2017	(152)	(0.00)	1,77,716	2.17
	Sale	22/12/2017	(7,507)	(0.09)	1,70,209	2.08
	Sale	29/12/2017	(23,358)	(0.28)	1,46,851	1.79
	Sale	05/01/2018	(3,242)	(0.04)	1,43,609	1.75
	Sale	12/01/2018	(15,508)	(0.19)	1,28,101	1.56
	Sale	19/01/2018	(2,462)	(0.03)	1,25,639	1.53
	At the end of the year	31/03/2018	-	-	1,25,639	1.53
5	D Srimathi					
	At the beginning of the year	01/04/2017	31,884	0.39	31,884	0.39
	At the end of the year	31/03/2018	-	-	31,884	0.39
6	Gymkhana Partners L.P.					
	At the beginning of the year	01/04/2017	-	-	-	-
	Purchase	08/12/2017	1,750	0.02	1,750	0.02
	Purchase	15/12/2017	1,750	0.02	3,500	0.04
	Purchase	22/12/2017	1,197	0.01	4,697	0.06
	Purchase	09/02/2018	879	0.01	5,576	0.07
	Purchase	09/03/2018	2,924	0.04	8,500	0.10
	Purchase	16/03/2018	5,540	0.07	14,040	0.17
	Purchase	23/03/2018	3,050	0.04	17,090	0.21
	Purchase	31/03/2018	6,060	0.07	23,150	0.28
	At the end of the year	31/03/2018	-	-	23,150	0.28
7	Rural Engineering Co. Pvt. Ltd.					
	At the beginning of the year	01/04/2017	18,653	0.23	18,653	0.23
	At the end of the year	31/03/2018	-	-	18,653	0.23
8	Rahul Bhandare					
	At the beginning of the year	01/04/2017	17,000	0.21	17,000	0.21
	Purchase	28/04/2017	7,500	0.09	24,500	0.30
	Sale	21/07/2017	(4,500)	(0.05)	20,000	0.24
	Sale	28/07/2017	(1,997)	(0.02)	18,003	0.22

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	31/03/2018	-	-	18,003	0.22
9	Ivana Holdings Ltd.					
	At the beginning of the year	01/04/2017	15,000	0.18	15,000	0.18
	At the end of the year	31/03/2018	-	-	15,000	0.18
10	Barclays Securities (India) Private Limited					
	At the beginning of the year	01/04/2017	-	-	-	-
	Purchase	31/03/2018	15,000	0.18	15,000	0.18
	At the end of the year	31/03/2018	-	-	15,000	0.18

(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	01/04/2017	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	-
2	Mr. Munjal M. Jaykrishna ⁵					
	At the beginning of the year	01/04/2017	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	-
3	Mr. Gokul M. Jaykrishna					
	At the beginning of the year	01/04/2017	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	-
4	Mr. Gautamkumar Mithalal Jain					
	At the beginning of the year	01/04/2017	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	-
5	Mr. Param J. Shah*					
	At the beginning of the year	01/04/2017	-	-	-	-
	At the end of the year	11/12/2017	-	-	-	-
6	Mr. Jigar M. Patel [#]					
	At the beginning of the year	11/12/2017	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	-
7	Dr. Pradeep J. Jha					
	At the beginning of the year	01/04/2017	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	-

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
8	Mr. Kirankumar J. Mehta				
	At the beginning of the year	01/04/2017	-	-	-
	At the end of the year	31/03/2018	-	-	-
9	Mr. Meet Joshi				
	At the beginning of the year	01/04/2017	-	-	-
	At the end of the year	31/03/2018	-	-	-
10	Mr. Sunil V. Rane^				
	At the beginning of the year	14/02/2018	-	-	-
	At the end of the year	31/03/2018	-	-	-

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

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

*Mr. Param J. Shah has resigned as an Independent Director w.e.f. December 11, 2017.

#Mr. Jigar M. Patel is appointed as an Additional Director (Non-Executive - Independent) w.e.f. December 11, 2017.

^Mr. Sunil V. Rane is appointed as Chief Financial Officer w.e.f. February 14, 2018.

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 Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	3192.37	-	-	3192.37
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3192.37	-	-	3192.37
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	3192.37	-	-	3192.37
Net Change	3192.37	-	-	3192.37
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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	98.80	76.80	175.60
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	0.85	0.85
	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 ...	-	80.00	80.00
5.	Others, please specify	-	-	-
	Total	98.80	157.65	256.45
	Ceiling as per the Act	₹ 426.51 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	
1	Independent Directors			
	• Fee for attending board/ committee meetings	0.310	0.255	0.565
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	0.310	0.255	0.565
2	Other Non-Executive Directors			
	• Fee for attending board/ committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	-
3	Total (3)=(1+2)	0.310	0.255	0.565
	Total Managerial Remuneration	0.310	0.255	0.565
	Overall Ceiling as per the Act	₹42.65 Lakhs (being 1% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)		

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	4.81	1.99	6.81
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.01	-	-
	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	-	-	-
	Total	4.82	1.99	6.81

*Appointed w.e.f. February 14, 2018

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no instances of any penalties/punishment/compounding of offences for the year ended March 31, 2018

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.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Our manufacturing facility is located in Gujarat, with installed manufacturing capacity of 9,720 MTPA, as of March 31, 2018. 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.

The demand for Dyes & Pigments are increasing as the Indian colorants industry is expected to grow higher than its end-users on the back of increasing demand for high-grade paints & coatings which contain more volume of pigments, increasing demand for high-quality textiles, low per capita consumption and commercialisation of 3D printing to boost plastics usage, a high-growing packaging industry to drive high-value specialty inks market and strong growth in the end-user industries like textiles, paint & coating industry.

Post China situation, this industry has seen some development both in India as well as globally. Developments such as Stricter environment norms i.e. tightening of environmental compliances, Increase demand for less and zero toxic colorants, both by Indian & global players. Looking at this scenario, we believe that there is structural shift in the industry and that next 8-10 years for chemical industry belongs to India. Indian players with an integrated business model, strong R&D, focus on less or non-toxic products & processes, with better effluent treatment plants are expected to gain significantly in the coming years and It is also expected that upcoming years will be strong for the domestic specialty chemicals sector on anticipation of a continued increase in demand from end-user industries and tight global supply because of these stringent environmental norms in China. Specialty chemical end-user industries such as textile and application-driven segments such as surfactants, paints, coatings and colorants would experience high growth in the medium-term.

OPPORTUNITIES AND THREATS

The company has announced the Capex plan of ₹175 Crores in Specialty Chemicals, Dyes & Intermediates and Organic Pigments. During the year the Company has raised ~₹69 Crores through QIP

(Qualified Institutional Placement) to fund its Capital Expenditure. Also three new customers were added in our customer portfolio, though currently they are negligible to our revenue share, we expect to leverage our relationship in the long run by providing them our quality products.

The main concern about the profitability was increase in the prices of key raw materials for Vinyl Sulphone due to China situation compared to the last financial year.

OUTLOOK AND STRATEGY

FY18 was quite challenging year for the Company due to Increase Volatility in Crude Prices, Currency Depreciation and Volatility, Disruptions in the key inputs price for our Raw material because of on-going China environmental issues. However, we had put lot of efforts and continue to focus on delivering performance and the Company has also performed well on the Volume front. Our Business continues to grow on Volume basis which made the year more sustainable. For the year, the total Volume stands at 8,813 MTPA which shown the growth of 19% compared to last year. This gives us confidence that the demand for our product is intact. Also, we build up strength to increase the production capacity utilisation level from 80% to 85% which give more confidence to deliver even better in future. Also because of our best quality reliable products we were able to maintain relationship with the biggest dye stuff houses in the world for more than 2 decades.

Going forward, the Company plans to create value by adding capacity in existing product for CPC Green, add similar product of dye intermediate H acid to serve the varieties of stuff to same customers. Also, Company has diversified product portfolio and add inorganic specialty chemical named as a precipitated silica.

RISKS AND CONCERNS

Revenue of the Company keeps fluctuating due to high volatility in the realisations, movement in Foreign Currency Rate, some disruptions in the key inputs availability of our raw material along with high volatility in the crude prices because of Chinese clampdown which resulted in increase our raw material costs.

We expect the prices to stabilize going forward. Once the prices stabilize we will be confident and will be able to convince the end customers for the price increase. In the situations where price fluctuations were very high, we are of the belief that we should continue to maintain relationships with our Customers and work out on a long-term pricing that is a win-win for both the parties.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the year 2017-18 was affected largely because of increase in the prices of key raw materials for Vinyl Sulphone due to China situation compared to the last financial year. Considering the market conditions and the dollar-rupee rate, the revenue for FY18 remained flat. The overall performance of the Company is satisfactory. Below are the Financial Figures for the financial year 2017-18.

(₹ in Lakhs)

Particulars	2017-18	2016-17
Revenue from operations	26471.61	25026.25
Other Income	706.41	905.07
Total Income	27178.01	25931.32
Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses	4873.75	8653.48
Less: Finance Costs	148.87	302.06
Profit for the year before Depreciation, Exceptional Items and Tax Expenses	4724.88	8351.42
Less: Depreciation	460.15	468.69
Profit for the year before Exceptional Items and Tax Expenses	4264.73	7882.74
Add/(Less): Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	4264.73	7882.74
Less: Current Tax	1138.31	2299.82
Less: Deferred Tax	(34.34)	291.19
Less: Adjustment of tax for earlier years (Net)	99.07	Nil
Net Profit for the year	3061.69	5291.73

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 had filed for trademark for AksharChem logo and its product Pigment Green 7, which we have acquired in the financial year 2018.

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 Seven (7) employees were appointed by the Company. The Company has 106 employees as on year ended March 31, 2018.

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

The Directors present a detail report on Corporate Governance for the financial year ended March 31, 2018 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 requisite 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, 2018, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with one 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 more than 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 2017-18, 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 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.

2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2018, the total strength of the Board of

Directors of the Company was Seven (7) members including two executive directors and five non executive directors and four of them are independent directors. There are two directors in whole time employment being the Managing Directors 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 Mr. Kirankumar J. Mehta are independent directors of the Company. One of the Independent Director Mr. Jigar M. Patel was appointed as an additional director w.e.f. December 11, 2017. Mr. Param J. Shah has resigned as an independent director w.e.f. December 11, 2017. The Board places on record its deep sense of appreciation for the contribution made by Mr. Param J. Shah as an Independent Director 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, 2018, 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 (w.e.f. December 11, 2017)		Independent Director
6.	Dr. Pradeep Jha		Independent Director
7.	Mr. Kirankumar J. Mehta		Independent 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.	27.05.2017	Indrad, Mehsana	6
2.	05.07.2017	Indrad, Mehsana	7
3.	13.07.2017	Indrad, Mehsana	5
4.	27.07.2017	Indrad, Mehsana	7
5.	14.09.2017	Indrad, Mehsana	6
6.	13.11.2017	Indrad, Mehsana	6
7.	11.12.2017	Indrad, Mehsana	8*
8.	14.02.2018	Indrad, Mehsana	7
9.	20.03.2018	Indrad, Mehsana	7

* Mr. Param J. Shah has resigned as an independent director of the Company w.e.f. December 11, 2017 and Mr. Jigar M. Patel was appointed as an independent director w.e.f. December 11, 2017.

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 14.09.2017
	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	-	-	N.A.
Mr. Param J. Shah [*]	-	-	-	-	No
Dr. Pradeep Jha	1	-	4	-	Yes
Mr. Kirankumar J. Mehta	-	1	-	-	Yes

[#]Mr. Jigar M. Patel was appointed as an Additional Director - Independent w.e.f. December 11, 2017.

^{*}Mr. Param J. Shah has resigned as an independent director of the Company w.e.f. December 11, 2017.

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

During the financial year 2017-18, Nine (9) 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. Gokul 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 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 2017-18. 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 20, 2018, 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 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.

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 February 16, 2015 notifying the Companies (Indian Accounting Standard)

Rules, 2015. The Company has published Ind AS Financials for the year ended March 31, 2018 along with comparable as on March 31, 2017 and Opening Statement of Assets and Liabilities as on April 1, 2016.

Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014 which is applicable from April 1, 2017, with a transition date of April 1, 2016 and IGAAP as the previous GAAP.

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.

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. Further during the year under review the Company undertook a Qualified Institutions Placement ("QIP Issue") of Equity Shares of the Company, and allotment of the said equity shares pursuant to the issue was made on July 20, 2017. For the purpose of the QIP Issue, the Company was required to complete various legal, statutory and procedural formalities. In view of the same the Board has constituted a committee of Directors named as "QIP Committee".

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

The Committee comprises of following directors:

1.	Mr. Kirankumar J. Mehta	Chairman
2.	Dr. Pradeep Jha	Member
3.	Mr. Param J. Shah (upto December 11, 2017)	Member
4.	Mr. Jigar M. Patel (w.e.f. December 11, 2017)	Member

Mr. Kirankumar J. Mehta, Chairman of the Audit Committee attended the last Annual General Meeting (AGM).

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							
		27.05.2017	05.07.2017	27.07.2017	14.09.2017	13.11.2017	11.12.2017	14.02.2018	20.03.2018
1.	Mr. Kirankumar J. Mehta	✓	✓	✓	✓	✓	✓	✓	✓
2.	Dr. Pradeep Jha	✓	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Param J. Shah (upto December 11, 2017)	✗	✓	✓	✗	✗	✓	N.A.	N.A.
4.	Mr. Jigar M. Patel (w.e.f. December 11, 2017)	N.A.	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:

The Committee comprises of following directors.

1.	Mr. Kirankumar J. Mehta	Chairman
2.	Dr. Pradeep Jha	Member
3.	Mr. Param J. Shah (upto December 11, 2017)	Member
	Mr. Jigar M. Patel (w.e.f. December 11, 2017)	Member

Mr. Kirankumar J. Mehta, Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting (AGM).

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							
		27.05.2017	05.07.2017	27.07.2017	14.09.2017	13.11.2017	11.12.2017	14.02.2018	20.03.2018
1.	Mr. Kirankumar J. Mehta	✓	✓	✓	✓	✓	✓	✓	✓
2.	Dr. Pradeep Jha	✓	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Param J. Shah (upto December 11, 2017)	✗	✓	✓	✗	✗	✓	N.A.	N.A.
4.	Mr. Jigar M. Patel (w.e.f. December 11, 2017)	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. 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:

Managing Directors	Business relationship with the Company	Remuneration during the year 2017-18 (inclusive of P. F. Contribution, Perquisites and Commission) (₹ in Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	107.20
Mr. Munjal M. Jaykrishna	Joint Managing Director & CEO	163.41
Total		270.61

G. Service Contract, Severance Fees and Notice Period:

The appointment of the Managing 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. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors.

H. Stock Option details, if any

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

I. 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. Param J. Shah (Upto December 11, 2017) and Mr. Jigar M. Patel (w.e.f. December 11, 2017) who has voluntarily consented not to avail any benefits including sitting fees from the Company.

J. 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, 2018.

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

E. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Stakeholders Relationship Committee Meetings held on							
		27.05.2017	05.07.2017	27.07.2017	14.09.2017	13.11.2017	11.12.2017	14.02.2018	20.03.2018
1.	Mr. Kirankumar J. Mehta	✓	✓	✓	✓	✓	✓	✓	✓
2.	Dr. Pradeep Jha	✓	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Param J. Shah (upto December 11, 2017)	✗	✓	✓	✗	✗	✓	N.A.	N.A.
4.	Mr. Jigar M. Patel (w.e.f. December 11, 2017)	N.A.	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	:	5
Number of complaints received during the year	:	113
Number of complaints solved during the year	:	114
Number of pending complaints at the end of the year	:	4

G. Compliance Officer

Mr. Meet J. Joshi, Company Secretary and 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

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

The Committee comprises of following directors:

1.	Mr. Kirankumar J. Mehta	Chairman
2.	Dr. Pradeep Jha	Member
3.	Mr. Param J. Shah (upto December 11, 2017)	Member
4.	Mr. Jigar M. Patel (w.e.f. December 11, 2017)	Member

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.

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

The Committee comprises of following directors:

1.	Mrs. Paru M. Jaykrishna	Chairperson
2.	Mr. Gautam M. Jain	Member
3.	Mr. Kirankumar J. Mehta	Member

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 Corporate Social Responsibility Committee Meetings held on							
		27.05.2017	05.07.2017	27.07.2017	14.09.2017	13.11.2017	11.12.2017	14.02.2018	20.03.2018
1.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓	✓	✓	✓	✓
2.	Mr. Gautam M. Jain	✓	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Kirankumar J. Mehta	✓	✓	✓	✓	✓	✓	✓	✓

7.5 QIP Committee

During the year under review the Company undertook a Qualified Institutions Placement ("QIP Issue") of Equity Shares of the Company, and allotment of the said equity shares pursuant to the issue was made on July 20, 2017. For the purpose of the QIP Issue, the Company was required to complete various legal, statutory and procedural formalities, including appointment of various intermediaries, filing of the preliminary placement document (the "PPD") and the placement document (the "PD") with the Stock Exchanges, and any other statutory agencies or relevant authorities as may be required and other matters incidental thereto. In view of the same the Board has constituted a committee of Directors named as "QIP Committee".

A. Terms of Reference

The Committee looks into the matters relating to:

- (i) To decide on the actual size, timing, pricing (including discounts, if any, of not more than 5% on the price calculated on the qualified institutions placement), and all other terms and conditions of the Issue, and to accept any amendments, modifications, variations or alterations thereto;
- (ii) To appoint and enter into arrangements with the Book Running Lead Managers ("BRLMs"), escrow agent, legal counsel and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the placement agreement with the BRLMs;
- (iii) To open and operate bank account(s) of the Company in terms of the escrow agreement and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (iv) To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
- (v) To seek, if required, the consent of the third parties such as the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the Issue, if any;
- (vi) To determine and finalise the issue opening and issue closing dates, the issue price, in consultation with the BRLMs, and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Issue;
- (vii) To allot the Equity Shares pursuant to the Issue and do all such acts and things as may be necessary to give effect such allotment;
- (viii) To make applications for listing of the shares in the Stock Exchange for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (ix) To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for the Issue, in consultation with the BRLMs;
- (x) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
- (xi) To take such action, give such directions, as may be necessary or desirable as regards the QIP and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Issue, as are in the best interests of the Company;
- (xii) To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the QIP Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the QIP Committee shall be conclusive evidence of the authority of the QIP Committee in so doing;
- (xiii) To delegate any of the powers mentioned in (i) to (xii)

B. Composition of the Committee

The Committee comprises of following directors:

1.	Mrs. Paru M. Jaykrishna	Chairperson
2.	Mr. Munjal M. Jaykrishna	Member
3.	Mr. Kirankumar J. Mehta	Member

G. Secretary

The Company Secretary acts as secretary to the committee.

H. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in QIP Committee Meetings held on		
		14.07.2017	19.07.2017	20.07.2017
1.	Mrs. Paru M. Jaykrishna	✗	✗	✗
2.	Mr. Munjal M. Jaykrishna	✓	✓	✓
3.	Mr. Kirankumar J. Mehta	✓	✓	✓

I. Discontinuation of the Committee

As all the formalities and procedures of the company regarding QIP Issue was completed, there was no requirement of the QIP Committee so the committee was discontinued and disposed off. Hence as on March 31, 2018, the QIP Committee is not in existence.

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
2014-15	At the Registered Office at 166/169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	29.09.2015	11.30 a.m
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

11.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2017-18.

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

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

During the year 2016-17, the Company has received approval of the members through Postal Ballot process on January 4, 2017 for Resolution No. 1 to 6 listed in the below Table - I and the details of voting pattern is provided in Table – II.

Table – I: Details of Resolution passed:

Resolution No.	Details of Resolution	Relevant provisions of the Companies Act, 2013
1.	To increase the Authorised Share Capital	61 and 64
2.	To Amend the Memorandum of Association	61
3.	To issue Equity Shares including Convertible Bonds/Debentures through Qualified Institutional Placement (QIP) and / or Depository Receipts and/ or any other modes for an amount not exceeding ₹200 Crores	42, 62 and 71
4.	To authorize the Board of Directors of the company to secure the borrowings	180 (1) (a)
5.	To give borrowing powers to the Board of Directors of the Company	180 (1) (c)
6.	To give loans or to give guarantee or to provide securities in connection with the loan made to any other body corporate or person or to make investment	186

Table – II: Details of voting pattern of resolution passed:

Resolution No.	Invalid Ballot/E-votes	Particulars	Number of votes cast		
			Physical	E-voting	Total
1.	0	Favour	0	52,77,739	52,77,739
		Against	0	193	193
		Total	0	52,77,932	52,77,932
2.	0	Favour	0	52,77,676	52,77,676
		Against	0	193	193
		Total	0	52,77,869	52,77,869
3.	0	Favour	0	52,76,827	52,76,827
		Against	0	1085	1085
		Total	0	52,77,912	52,77,912
4.	0	Favour	0	52,77,286	52,77,286
		Against	0	646	646
		Total	0	52,77,932	52,77,932
5.	0	Favour	0	52,76,724	52,76,724
		Against	0	1162	1162
		Total	0	52,77,886	52,77,886
6.	0	Favour	0	52,76,842	52,76,842
		Against	0	1044	1044
		Total	0	52,77,886	52,77,886

11.5 Person who conducted the postal ballot exercise

Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) was appointed as the Scrutinizer for conducting the Postal Ballot process.

11.6 Procedure for Postal Ballot

After receiving approval of the Board of Directors, notice of the Postal Ballot, text of Resolution and Explanatory Statement and other relevant documents, Postal Ballot Form and self-addressed postage paid envelopes are sent to the shareholders to enable them consider and vote for or against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all shareholders whose e-mail ids are available with the depositories. After the last day for receipt of ballots (physical/e-voting) the Scrutinizer, after due verification submits results to the Chairperson. Thereafter, the Chairperson declares the result of the Postal Ballot. The same is displayed on the Company's website and Notice Board and submitted to the Stock Exchanges.

11.7 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 Ltd. (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 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.
 - i. 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.

ii. 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.

iii. 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

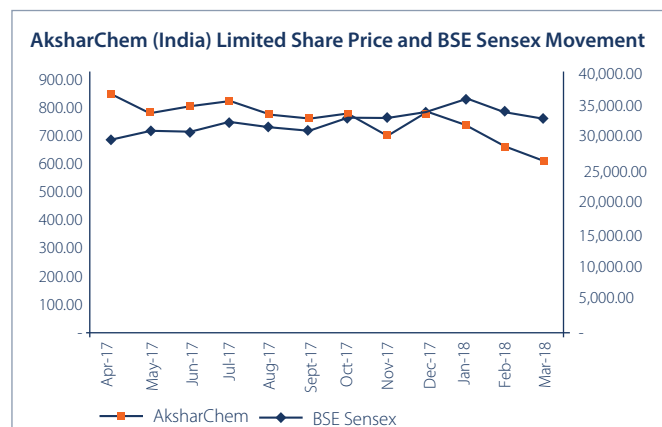
13.1.	Annual General Meeting Day, Date, Time & Venue	Friday, September 28, 2018 at 11.00 A.M. at the Registered Office of the Company situated at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana - 382 715.
13.2.	Financial Year Calendar (2018-19) (Tentative)	Financial Year April 1, 2018 to March 31, 2019
		Annual General Meeting August/ September, 2019
		First Quarter Results On or before August 14, 2018
		Half Yearly Results On or before November 14, 2018
		Third Quarter Results On or before February 14, 2019
		Audited Results for the year 2018-19 On or before May 30, 2019
13.3.	Date of Book Closure	
	Closure of Register of Members and Share Transfer Books	September 22, 2018 to September 28, 2018 (both days inclusive).
13.4	Electronic Voting	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 29th 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 25, 2018 to 5.00 p.m. IST September 27, 2018, both days inclusive.
13.5	Scrutiniser for electronic voting	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	Dividend payment date	Final Dividend of ₹ 3.50 per share (35%) for the Financial Year 2017-18 is proposed. The dividend on equity shares for the financial year ended March 31, 2018, 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 21, 2018.
		(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 21, 2018.
		Payment of dividend through Automated Clearing House (ACH) 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.
		Unclaimed Dividends 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.

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>Name and Address of Stock Exchange</p> <p>BSE Limited Floor 25, P. J. Towers Dalal Street, Fort, Mumbai - 400 001</p> <p>National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051</p> <p>Ahmedabad Stock Exchange Limited Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad – 380 015</p> <p>The Required Annual Listing Fees for the Financial Year 2018-19 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)	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: National Securities Depository Limited Trade World, 4th Floor, "A" Wing, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Central Depository Services (India) Limited 25th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 The Annual Custodial fees for the financial year 2018-19 have been paid to National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL).
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 2016-17 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-17	858.00	728.00	3,07,622	839.87	806.06	4,45,964
May-17	941.95	728.50	2,61,723	887.70	852.03	5,14,617
Jun-17	836.45	732.00	83,741	795.16	767.09	2,43,501
Jul-17	889.00	768.45	1,19,813	851.27	820.56	3,59,758
Aug-17	820.00	645.55	71,808	752.19	721.40	2,26,245
Sep-17	795.00	715.00	1,00,620	765.36	737.06	3,12,395
Oct-17	819.00	727.75	58,686	772.89	746.66	2,83,539
Nov-17	767.75	653.15	71,950	708.18	684.40	2,81,796
Dec-17	766.00	639.15	58,462	690.07	667.56	3,10,628
Jan-18	789.60	704.95	62,625	757.30	735.88	2,07,203
Feb-18	768.00	608.55	48,092	684.04	652.65	2,17,935
Mar-18	673.90	581.00	42,522	633.62	612.28	1,55,012

Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2017-18

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, 2017 to March 31, 2018. 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) Trading in equity shares of the Company through recognized

a. Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	13,764	95.92	11,81,024	14.40
501-1000	344	2.40	2,60,515	3.18
1001-2000	144	1.01	2,10,263	2.56
2001-3000	38	0.26	92,814	1.13
3001-4000	15	0.10	52,393	0.64
4001-5000	13	0.09	61,185	0.75
5001-10000	12	0.08	94,412	1.15
10001 and above	20	0.14	62,49,984	76.19
Total	14,350	100.00	82,02,590	100.00

Stock Exchanges can be done only in dematerialised form. The Registrar and Transfer Agent deal with Share Transfer both in Physical and dematerialised Mode. The Demat shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Transfer Agent and the share certificates are generally return to the transferee within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

In compliance of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him.

SEBI has decided that securities of listed companies can be transferred only in dematerialised form, from a cut-off date i.e. December 5, 2018. Members are therefore requested to get dematerialised their physical shares during this transitional period.

(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, 2018 is as under:

b. Shareholding Pattern as at March 31, 2018 (Category wise)

Sr. No.	Category	No. of Holders	No. of Shares	% of Shareholding
A.	Promoters			
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	-	-	-
	Total Promoters Holding	4	51,43,217	62.70
B.	Non Promoters			
1.	Institutional Investors	-	-	-
a.	Mutual Funds	2	4,13,480	5.04
b.	Banks, Financial Institutions, Insurance Companies	2	4,897	0.06
c.	Foreign Portfolio Investors	5	3,89,548	4.75
	Sub Total	9	8,07,925	9.85
2.	Others			
a.	Bodies Corporate	179	1,64,374	2.00
b.	Indian Public	13,183	17,05,942	20.80
c.	NRIs/OCBs	354	1,12,800	1.37
d.	Clearing Members	82	42,505	0.52
e.	HUF	271	52,743	0.64
f.	Foreign Bodies Corporate	1	1,66,384	2.02
g.	Trusts	1	6,700	0.08
	Sub Total	14,071	22,51,448	27.45
	Grand Total	14,084	82,02,590	100.00

List of top 10 Shareholders other than Promoters as at March 31, 2018

Sr. No.	Name of the Shareholder	No. of Shares held	% of Total Holding
1.	L & T Mutual Fund Trustee Limited	4,08,980	4.99
2.	TIMF Holdings	2,25,257	2.75
3.	DIC Corporation	1,66,384	2.03
4.	BNP Paribas Arbitrage	1,25,639	1.53
5.	D Srimathi	31,884	0.39
6.	Gymkhana Partners L.P.	23,150	0.28
7.	Rural Engineering Co. Pvt. Ltd.	18,653	0.23
8.	Rahul Bhandare	18,003	0.22
9.	Ivana Holdings Ltd.	15,000	0.18
10.	Barclays Securities (India) Private Limited	15,000	0.18
	Total	10,47,950	12.78

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 93.08% of total listed Equity Shares have been dematerialised as on March 31, 2018. 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, 2018

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	19,77,560	24.11	13,76,050	18.82
CDSL	56,57,052	68.97	53,36,619	72.97
Shares in Physical Form	5,67,978	6.91	6,00,231	8.21
Total	82,02,590	100.00	73,12,900	100.00

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, 2018.

13.18 Plant Locations:

166-169, Village Indrad, 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 Indrad, Kadi - Kalol Road, Dist : Mehsana - 382 715, Gujarat.
 Tel : (02764) 233007 to 10, Fax: (02764) 233550
 Email: cs@aksharchemindia.com, Website: 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, Website: 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 2017-18, 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 Accounting Standard 18 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, 2018.

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.

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.

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 2017-18 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, 2018.

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

The Certificate from the Statutory Auditors of the Company 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 : Indrad, Mehsana
Date : August 08, 2018

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, 2018, 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 08, 2018

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, 2018.

Place : Indrad, Mehsana
Date : August 08, 2018

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, 2018 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, 2018 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, 2018;
 - b. that there have been no significant changes in accounting policies during the year ended March 31, 2018 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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Members of AksharChem (India) Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of AKSHARCHEM (INDIA) LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the Indian Accounting Standards (IAS) specified under Section 133 of the Act, of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its Profit, (including other comprehensive income,) its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated July 05, 2017 and August 22, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;
- d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
- e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to 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-A"**.
- g. 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 all pending litigations which have impact on its financial position in its Standalone Ind AS 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure-B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, Mahendra N. Shah & Co
Chartered Accountants
(ICAI FRN 105775W)

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 30/05/2018

“ANNEXURE-A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE EVEN DATE ON THE FINANCIAL STATEMENTS OF AKSHARCHEM (INDIA) LIMITED

Report on the Internal Financial Controls under Clause (1) 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, 2018 in conjunction with our audit of the Standalone Ind AS 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 was operating effectively as at March 31, 2018, 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
ICAI FRN 105775W

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 30/05/2018

"ANNEXURE - B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirements' section of our report of even date to the members of AksharChem (India) Limited on the standalone Ind AS Financial Statements of the Company as of and for the year ended March 31,2018:

1. In respect of Fixed Assets :
 - (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 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 assets. According to information and explanation given to us, no material discrepancies were noticed on such verification;
 - (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of company.
2. In respect of Inventories:

According to information and explanation given to us, the physical verification of inventory has been conducted at reasonable intervals during the year. In our opinion, the frequency of such physical verification is reasonable. Based on the information and explanations given to us, no material discrepancies were noticed on such physical verification.
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) to (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 not granted loan or made investment or given guarantee or provided security as provided in the section 185 and 186 of the Companies Act, 2013.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are 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 generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax, Value added Tax, 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 were in arrears as at March 31, 2018 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, and service tax, value added tax, wealth tax, duty of customs, Goods and Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute, except in respect to income tax and value added tax, the following dues have not been deposited by the Company on account of disputes according to information and explanations given to us.

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Vat Act, 2003	Sales Tax	18.03	2004-2005	Ahmedabad VAT Tribunal
Income Tax Act, 1961	Income Tax	44.27	2003-2004	High Court of Gujarat

8. According to the information and explanations given by the management, the Company has not defaulted in repayment of loan or borrowing to financial institution, 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. According to information and explanation given to us the term Loans raised during the year were, prima facie, utilized by the Company for the purpose for which they were raised.
10. According to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by its officers or employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us, 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 Standalone Ind AS Financial Statements as required by the applicable Indian accounting standards.
14. According to the information and explanations given to us and based on our examination, the company has made preferential allotment of shares during the year under review and it has complied with requirements of Section 42 of the Act. Out of Issue Proceeds of ₹6903.99 lakhs from the Qualified Institutions Placement, ₹259.03 lakhs were utilised towards share issue expenses and ₹2451.89 lakhs has been utilised for the object stated in the offer document. Pending utilisation, balance proceeds of ₹4193.07 lakhs have been invested in mutual funds.
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 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, Mahendra N. Shah & Co
Chartered Accountants
 ICAI FRN 105775W

Chirag M. Shah
Partner
 Membership No. 045706

Place: Ahmedabad
 Date: 30/05/2018

BALANCE SHEET AS AT MARCH 31, 2018		(₹ in Lakhs)		
Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I ASSETS				
1 Non-current Assets				
(a) Property, Plant and Equipment	3	8,603.04	6,452.84	5,636.23
(b) Capital work-in-progress	4	2,726.28	886.79	382.89
(c) Other Intangible assets	5	10.87	17.70	7.03
(d) Intangible assets under development	6	-	-	21.26
(e) Financial Assets				
(i) Investments	7	3,155.90	3,132.06	2,783.32
(ii) Loans	8	23.11	23.11	23.11
(iii) Other Assets	9	153.62	183.93	127.52
(f) Other non-current assets	10	678.38	676.30	558.18
Total Non-current Assets		15,351.20	11,372.73	9,539.54
2 Current Assets				
(a) Inventories	11	2,965.23	3,217.29	2,071.28
(b) Financial Assets				
(i) Investments	12	4,556.67	1,974.96	-
(ii) Trade receivables	13	2,753.11	1,331.69	1,701.30
(iii) Cash and cash equivalents	14	393.19	364.09	30.45
(iv) Bank balances other than Cash and cash equivalents	15	72.06	63.56	52.35
(v) Other Financial Assets	16	540.63	589.12	484.97
(c) Other current assets	17	3,289.80	2,987.98	2,040.55
Total Current Assets		14,570.69	10,528.69	6,380.90
TOTAL ASSETS		29,921.89	21,901.42	15,920.44
II EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share capital	18	820.26	731.29	731.29
(b) Other Equity	19	22,952.19	13,307.73	8,183.53
Total Equity		23,772.45	14,039.02	8,914.82
2 LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	-	625.00	651.13
(b) Deferred tax liabilities (Net)	21	1,162.18	1,196.52	830.95
Total Non-current Liabilities		1,162.18	1,821.52	1,482.08
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	-	2,263.93	2,222.85
(ii) Trade payables	23	3,086.40	3,144.63	2,855.25
(iii) Other financial liabilities	24	47.06	340.87	261.62
(b) Other current liabilities	25	1,848.23	281.94	168.83
(c) Provisions	26	5.57	9.51	14.99
Total Current Liabilities		4,987.26	6,040.88	5,523.54
TOTAL EQUITY AND LIABILITIES		29,921.89	21,901.42	15,920.44
Significant Accounting Policies	2			
The accompanying notes are an integral part of financial statements	3 - 52			

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 30, 2018

Meet J. Joshi
Company Secretary

Munjal M. Jaykrishna
Jt. Managing Director & CEO
DIN: 00671693
Place : Indrad, Mehsana
Date: May 30, 2018

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018			(₹ in Lakhs)	
Particulars	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017	
I	Revenue from Operations	27	26,471.61	25,026.25
II	Other Income	28	706.40	905.07
III	Total Income (I+II)		27,178.01	25,931.32
IV	EXPENSES			
	Cost of Materials Consumed	29	14,058.32	11,943.82
	Purchase of Stock-in-Trade	30	1,543.48	483.86
	Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	31	425.21	(915.61)
	Excise Duty on Sale of Goods	32	45.74	198.73
	Employee Benefits Expense	33	831.30	752.42
	Finance Costs	34	148.87	302.06
	Depreciation and Amortization Expenses	35	460.15	468.69
	Other Expenses	36	5,400.21	4,814.61
	Total Expenses (IV)		22,913.28	18,048.58
V	Profit before Exceptional Items and Tax (III-IV)		4,264.73	7,882.74
VI	Exceptional Items		-	-
VII	Profit before Tax (V-VI)		4,264.73	7,882.74
VIII	Tax Expenses			
	Current Tax		1,138.31	2,299.82
	Deferred Tax		(34.34)	291.19
	Adjustment of Tax for Earlier Years		99.07	-
	Total Tax Expenses (VIII)		1,203.04	2,591.01
IX	Profit for the Year (VII-VIII)		3,061.69	5,291.73
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss		-	-
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Items that will be reclassified to profit or loss		-	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
XI	Total Comprehensive Income for the year			
XII	Earning per Equity Share (Face Value of ₹10 Each)	37		
	Basic		37.33	72.36
	Diluted		37.33	72.36
	Significant Accounting Policies	2		
	The accompanying notes are an integral part of financial statements	3 - 52		

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 30, 2018

Meet J. Joshi
Company Secretary

Munjal M. Jaykrishna
Jt. Managing Director & CEO
DIN: 00671693
Place : Indrad, Mehsana
Date: May 30, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018				(₹ in Lakhs)		
A. Equity Share capital						
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity shares of ₹ 10 each						
Fully paid up	82,02,590	820.26	73,12,900	731.29	73,12,900	731.29
Add : amount received on forfeited shares	-	-	-	-	-	-
	82,02,590	820.26	73,12,900	731.29	73,12,900	731.29

B. Other Equity				(₹ in Lakhs)	
Particulars	Reserves and Surplus			Total	
	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at April 1, 2016	239.77	2,744.36	5,199.40	8,183.53	
Add :					
Excess Depreciation Written Back	-	-	214.90	214.90	
Deferred Tax on Excess Depreciation	-	-	(74.37)	(74.37)	
Profit for the year	-	-	5,291.73	5,291.73	
Less :					
Dividend & Dividend Distribution Tax	-	-	308.06	308.06	
Other transfer as per IND AS	-	-	-	-	
Balance as at March 31, 2017	239.77	2,744.36	10,323.60	13,307.73	
Balance as at April 1, 2017	239.77	2,744.36	10,323.60	13,307.73	
Add :					
Profit for the year	-	-	3,061.69	3,061.69	
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	

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 30, 2018

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 30, 2018

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018		(₹ in Lakhs)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
A. Cash Flow from Operating Activities			
Profit Before Tax	4,264.73	7,882.74	
Adjustments for :			
Depreciation and Amortisation Expenses	460.15	398.71	
Finance Cost	148.87	302.06	
Loss on sales of Property, Plant and Equipment	0.37	2.29	
Interest Received	(18.17)	(35.87)	
Other Income Received	(0.35)	(0.40)	
Profit / (Loss) from sale of Current Investment	(176.50)	(528.70)	
Net Gain arising on financial assets measured at fair value through Profit or Loss (FVTPL)	(303.79)	-	
Dividend Income	(207.59)	(97.02)	122.05
Operating Profit Before Working Capital Changes	4,167.71	8,004.79	
Working Capital Changes			
Adjustments for			
(Increase)/Decrease Trade & Other receivables	(1,421.43)	406.06	
(Increase)/Decrease in other current assets	(221.97)	(1,474.16)	
(Increase)/Decrease Inventories	252.05	(1,146.01)	
Increase/ (Decrease) Trade & other payables	1,513.76	122.41	(1,826.71)
Net Cash Flow Generated from Operating Activities	4,290.13	6,178.07	
Direct taxes paid (Net)	(1,240.51)	(2,069.65)	
	(1,240.51)	(2,069.65)	
Net Cash Flow from Operating Activities	3,049.62	4,108.42	
B. Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment	(4,445.94)	(1,501.53)	
Proceeds from sale of Property, Plant & Equipment	2.55	5.50	
Sales/Purchase of Non Current Investments	(23.84)	1,182.17	
Sales/Purchase of Current Investments	(2,101.40)	(2,977.17)	
Interest Income	18.17	35.87	
Dividend Income	207.59	16.05	
Other Income	0.35	(6,342.53)	(3,238.71)
Net Cash Flow (used in) Investing Activities	(6,342.53)	(3,238.71)	
C. Cash Flow from Financing Activities			
Availment/(Repayment) of borrowings	(3,192.37)	84.12	
Proceeds from Issue of Equity Shares	6,671.74	-	
Interest Paid	(148.87)	(302.06)	
Payment of Dividend Paid	-	(254.82)	
Payment of Dividend Distribution tax paid	-	3,330.50	(524.87)
Net Cash Flow from / (used in) Financing Activities	3,330.50	(524.87)	
Net increase / (decrease) in cash and cash equivalents	37.60	344.84	
Cash and cash equivalent at the beginning of the year	402.65	57.80	
Cash and cash equivalent at the end of the year	440.24	402.65	
Notes to Cash Flow Statement:			
1. Reconciliation of cash and cash equivalent with the Balance Sheet			
Cash and cash equivalent as per balance Sheet: (Refer Note - 14 & 15)	465.24	427.65	
Less : Margin Money not considered as Cash and Cash Equivalents as defined in Ind AS 7 "Cash Flow Statement"	25.00	25.00	
	440.24	402.65	

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018 (CONTINUED...)

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2018		(₹ in Lakhs)
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
2. Components of cash and cash equivalents:		
Cash on hand	7.99	10.85
In current accounts	375.20	343.23
In deposits with banks	10.00	10.00
Earmarked balance for unpaid dividend	47.06	38.56
	440.24	402.65
3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.		
4. 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.		

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 30, 2018

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 30, 2018

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, Kadi Kalol Road, Dist. Mehsana, Gujarat - 382 715 (India).. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited 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, 2018 present the financial position of the Company.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 30, 2018.

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.

The Company has adopted the Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transitioned from its previous GAAP as defined in Ind AS 101 with necessary disclosure relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income under Ind AS.

(i) Statement of Compliance with Ind-AS

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. These financial statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The Financial Statement for the year ended March 31, 2018 is the first Financial Statement, the Company has prepared in accordance with IND AS.

(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 Use of Estimates

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 Cenvat and VAT credit/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".

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

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. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. 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.

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/CENVAT/VAT.

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)

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.

Sale of Goods

Revenue from sale of goods is recognized, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It includes excise duty and excludes value added tax/sales tax/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 AS 21)

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 Fair Value Measurement (IND AS 113)

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset

in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.20 Recognition of dividend income, interest income or expense

Dividend income is recognized in profit or loss on the date on which the company's right to receive payment is established.

Interest income or expense is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.21 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.

2.22 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.

2.23 First time adoption of IND AS – Mandatory exceptions / Optional exemptions (IND AS 101)

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

- De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

- Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost

criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

2.24 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.

2.25 Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 - Revenue from Contract with Customers, Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration and amendment to certain existing Ind AS.

These amendments shall be applicable to the Company from April 01, 2018.

The company will be adopting the amendments from their effective date.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

Application of above standard is not expected to have any material impact on the Company's Financial Statements.

(b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

2.26 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.

2.27 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
Gross Amount as on April 1, 2016	508.43	-	1,385.57	6,064.93	121.55	247.68	175.33	8,503.48
Additions	-	-	37.35	910.81	-	40.82	7.33	996.31
Deduction & Adjustment	-	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	30.43	-	30.43
Balance as at March 31, 2017	508.43	-	1,422.92	6,975.74	121.55	258.07	182.66	9,469.35
Additions	376.29	1,532.97	106.63	498.18	-	86.85	4.85	2,605.76
Deduction & Adjustment	-	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	14.14	-	14.14
Balance as at March 31, 2018	884.72	1,532.97	1,529.55	7,473.91	121.55	330.78	187.51	12,060.98
Accumulated Depreciation								
Balance as at April 1, 2016	-	-	274.00	2,246.56	68.37	133.34	144.98	2,867.25
Deduction & Adjustment	-	-	(4.23)	(262.73)	0.23	(10.48)	(7.67)	(284.88)
Depreciation for the period	-	-	65.11	333.40	12.15	29.25	16.87	456.78
Reclassification as held for sale	-	-	-	-	-	(22.64)	-	(22.64)
Balance as at March 31, 2017	-	-	334.88	2,317.24	80.76	129.46	154.18	3,016.52
Deduction & Adjustment	-	-	-	-	-	-	-	-
Depreciation for the period	-	2.64	79.03	306.20	25.89	29.19	9.69	452.63
Reclassification as held for sale	-	-	-	-	-	(11.22)	-	(11.22)
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
Net carrying amount								
Balance as at April 1, 2016	508.43	-	1,111.57	3,818.37	53.17	114.34	30.35	5,636.23
Balance as at March 31, 2017	508.43	-	1,088.04	4,658.49	40.79	128.61	28.48	6,452.84
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

* Lease hold land acquired in current year from GIDC Ankleshwar at GIDC Dahej - II, Plot No. D-2/CH/152 admeasuring about 179085.97 Sq Mtrs. ₹1,532.97 Lakhs on 92 years Lease.

NOTES

4. Capital Work in progress		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Tangible Assets	2,726.28	886.79	382.89	
Total	2,726.28	886.79	382.89	

5. Other Intangible Assets		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Computer software & ERP System				
Gross Block	30.34	7.76	6.78	
Depreciation fund	20.16	12.64	0.74	
Addition	0.69	22.58	0.98	
Net Block	10.87	17.70	7.03	

6. Intangible Assets under development		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Intangible Assets	-	-	21.26	
Total	-	-	21.26	

7. Non-Current Investments		(₹ In Lakhs)					
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016		
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	
Investments in Equity Instruments at Fair Value Through Profit & Loss							
Quoted, Fully Paid Up							
Equity Shares of ₹2 each of AIA Engineering Limited	5,000	71.35	5,000	79.34	10,000	93.79	
Equity Shares of ₹2 each of Alembic Pharmaceuticals Limited	-	-	-	-	6,500	39.04	
Equity Shares of ₹5 each of Ashoka Buildcon Limited	11,500	28.32	11,500	22.28	23,000	39.13	
Equity Shares of ₹2 each of Bajaj Finance Limited	34,850	616.76	34,850	409.17	4,500	311.82	
Equity Shares of ₹5 each of Bajaj Finserv Limited	700	36.25	1,500	61.32	3,000	51.11	
Equity Shares of ₹10 each of Bharat Financial Inclusion Limited	14,000	153.66	14,000	113.00	18,000	98.23	
Equity Shares of ₹1 each of Cadila Healthcare Limited	-	-	43,570	193.12	43,570	138.10	
Equity Shares of ₹10 each of Capital First Limited	1,500	9.27	1,500	11.75	3,000	12.94	
Equity Shares of ₹10 each of Ceat Limited	-	-	-	-	12,999	140.93	
Equity Shares of ₹10 each of CESC Limited	-	-	-	-	10,000	47.34	
Equity Shares of ₹5 each of Castrol India Limited	11,900	24.41	-	-	-	-	
Equity Shares of ₹10 each of DCB Bank Limited	26,000	41.96	26,000	44.37	52,000	39.55	
Equity Shares of ₹10 each of Dewan Housing Finance Corporation Limited	26,674	136.01	26,674	97.89	51,674	101.38	
Equity Shares of ₹10 each of Eclerx Services Limited	10,676	128.45	11,000	154.61	8,000	103.79	
Equity Shares of ₹10 each of Equitas Holdings Limited	24,000	34.49	24,000	40.74	-	-	
Equity Shares of ₹10 each of Futura Polysters Limited	2,700	0.27	2,700	0.27	2,700	0.27	
Equity Shares of ₹10 each of IDFC Bank Limited	64,000	30.30	64,000	37.95	1,28,000	61.76	
Equity Shares of ₹10 each of IDFC Limited	59,000	28.70	59,000	32.16	1,18,000	47.67	

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7. Non-Current Investments		(₹ In Lakhs)				
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹10 each of IRB Infrastructure Developers Limited	19,000	42.38	19,000	44.87	38,000	88.29
Equity Shares of ₹10 each of Indian Oil Corporation Limited	36,500	64.35	-	-	-	-
Equity Shares of ₹2 each of Larsen and Toubro Limited	-	-	3,770	59.48	7,270	88.42
Equity Shares of ₹1 each of Madhucon Projects Limited	15,000	2.84	15,000	6.40	30,000	16.32
Equity Shares of ₹10 each of MBL Infrastructures Limited	50,144	9.68	50,144	22.77	26,144	40.05
Equity Shares of ₹10 each of Mindtree Limited	12,000	92.88	12,000	54.29	-	-
Equity Shares of ₹5 each of Mahindra & Mahindra Limited	7,300	54.03	-	-	-	-
Equity Shares of ₹1 each of Nectar Lifescience Limited	42,000	11.11	42,000	14.78	52,000	19.76
Equity Shares of ₹1 each of Pidilite Industries Ltd.	1,972	18.11	2,000	13.98	4,000	23.67
Equity Shares of ₹10 each of Reliance Capital Limited	-	-	-	-	17,000	62.59
Equity Shares of ₹10 each of Shriram Transport Finance Co. Limited	7,000	100.84	7,000	75.45	13,500	128.77
Equity Shares of ₹1 each of Sun Pharmaceuticals Limited	-	-	13,000	89.40	-	-
Equity Shares of ₹5 each of Torrent Pharmaceuticals Limited	-	-	2,365	36.64	4,665	62.50
Equity Shares of ₹10 each of Bihar Sponge Iron Limited	1,500	0.03	1,500	0.03	1,500	-
Equity Shares of ₹10 each of DCL Finance Limited	400	0.00	400	0.03	400	-
Equity Shares of ₹10 each of Hindustan Unilever Limited	1,000	13.36	1,000	9.10	1,000	-
Equity Shares of ₹10 each of Huges Software Limited	100	0.00	100	1.42	100	-
Equity Shares of ₹10 each of Tata Sponge Iron Limited	600	5.54	600	4.20	600	-
Equity Shares of ₹10 each of Moser Baer (I) Limited	50	0.00	50	0.00	50	-
Equity Shares of ₹10 each of Nath Seeds Limited	1,500	0.02	1,500	0.80	1,500	-
Equity Shares of ₹10 each of Raymond Synthetic Limited	150	0.00	150	0.03	150	-
Equity Shares of ₹10 each of Tata Chemicals Limited	100	0.68	100	0.60	100	-
Total of Investments in Quoted Equity Instruments at Fair Value Through Profit & Loss		1,756.06		1,732.22		1,857.21
Investments measured at Amortized Cost						
Unquoted, Fully Paid Up						
In Equity Shares of Structured Entities :						
Fully Paid Equity Shares of ₹10 each of Asahi Powertech Private Limited	1,000	0.10	1,000	0.10	1,000	0.10
Fully Paid Equity Shares of ₹10 each of Akshar Silica Private Limited	100.00	0.01	100.00	0.01	100.00	0.01

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7. Non-Current Investments		(₹ In Lakhs)				
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Fully Paid Equity Shares of ₹10 each of Akshar Pigments Private Limited	-	-	-	-	9990	1.00
Total of Investments in unquoted Equity Instruments of structured entities		0.11		0.11		1.11
Unquoted, Fully Paid Up						
In Redeemable Preference Shares of Structured Entities :						
14% Fully Paid Redeemable Preference Shares of ₹100 each of Akshar Silica Private Limited	16,85,000	1,299.73	16,85,000	1,299.73	8,25,000	825.00
12% Fully Paid Redeemable Preference Shares of ₹10 each of Chhatral Environment Management Systems Private Limited	10,00,000	100.00	10,00,000	100.00	10,00,000	100.00
Total of Investments in unquoted Preference Shares of structured entities		1,399.73		1,399.73		925.00
Total of Investments measured at Amortized Cost		1,399.84		1,399.84		926.11
Total Non Current Investments		3,155.90		3,132.06		2,783.32

8. Non current Loans (Unsecured, considered good)		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Security Deposits	23.11	23.11	23.11	
Total	23.11	23.11	23.11	

9. Other Non current financial assets (Unsecured, considered good)		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Security Deposits	153.62	183.93	127.52	
Total	153.62	183.93	127.52	

10. Other Non current Assets		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Other Non-Current Assets	678.38	676.30	558.18	
Total	678.38	676.30	558.18	

11. Inventories (Valued at lower of cost or net realized value, as taken and valued)		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Raw materials	566.03	404.11	242.12	
b. Raw materials - in Transit	9.45	13.86	-	
c. Work in progress	532.27	329.94	625.41	
d. Finished goods	645.74	919.85	623.67	
e. Finished Goods- in Transit	831.91	1,321.74	466.53	
f. Stock in Trade	133.60	-	-	
g. Stock in Trade - in Transit	62.50	59.69	-	
h. Stores and spares	133.23	122.85	80.82	
i. Packing Material	31.89	28.96	18.49	
j. Fuel & Oil	18.63	16.28	14.24	
Total	2,965.23	3,217.29	2,071.28	

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12. Current Investments		(₹ In Lakhs)				
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Units	Amount	Units	Amount	Units	Amount
Investments measured at Fair Value Through Profit & Loss						
In Mutual Funds - Quoted						
Mutual Fund - Arbitrage						
Aventus Absolute Return Fund	-	521.51	-	-	-	-
Edelweiss Arbitrage Fund - Regular Plan Dividend Option	-	-	14,35,159	150.85	-	-
ICICI Prudential Short Term Plan - Growth Option	-	-	40,14,337	1,369.78	-	-
Total of Investments in Mutual Fund - Arbitrage measured at Fair Value Through Profit & Loss		521.51		1,520.63		
Mutual Fund - Liquid						
Aditya Birla Sunlife Cash Plus - Growth - Regular Plan	2,16,182	601.49	-	-	-	-
Edelweiss Liquid Fund - Regular Plan Daily Dividend	1,86,912	1,875.43	-	-	-	-
ICICI Prudential Liquid Plan - Growth	2,01,407	516.38	1,89,182	454.33	-	-
Kotak Liquid Regular Plan - Growth	14,747	518.04	-	-	-	-
Reliance Liquid Fund - Growth Plan	12,406	523.81	-	-	-	-
Total of Investments in Mutual Fund - Liquid measured at Fair Value Through Profit & Loss		4,035.15		454.33		
In Mutual Funds - Unquoted	-	-	-	-	-	-
Total Current Investments		4,556.67		1,974.96		

13. Trade receivables		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Unsecured, considered good	2,753.11	1,331.69	1,701.30	
Total	2,753.11	1,331.69	1,701.30	

14. Cash and cash equivalents		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Balances with banks in current accounts	375.20	343.23	9.97	
b. Deposits	10.00	10.00	10.76	
c. Cash on hand	7.99	10.85	9.72	
Total	393.19	364.09	30.45	

15. Bank balances other than cash and cash equivalents		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Earmarked balance for unpaid dividend	47.06	38.56	27.35	
b. Term Deposits with Bank as Margin Money against Letters of Credit and Guarantees with				
- Maturity more than 3 months but less than 12 months	-	-	-	
- Maturity more than 12 months	25.00	25.00	25.00	
Total	72.06	63.56	52.35	

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16. Other Current financial assets		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Loans & Advances to Employees	6.73	6.27	7.93	
b. Export Incentive Receivable	194.47	533.55	341.77	
c. Capital Advances	329.07	32.86	120.42	
d. Interest receivable	10.37	16.43	14.85	
Total	540.63	589.12	484.97	

17. Other Current Assets		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Advance payment of tax (Net)	64.10	60.98	291.14	
b. Balance with Govt. Agencies	2,829.13	1,649.99	1,563.72	
c. Prepaid Expenses	27.59	15.58	24.89	
d. Advances other than capital advances	368.98	1,261.43	160.80	
Total	3,289.80	2,987.98	2,040.55	

18. Share capital		(₹ in Lakhs)				
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital :						
Equity Shares of ₹ 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00	85,00,000	850.00
Issued & Subscribed :						
Equity Shares of ₹ 10 each	82,02,590	820.26	73,12,900	731.29	73,12,900	731.29
Subscribed and Fully Paid Up						
Equity Shares of ₹ 10 each	82,02,590	820.26	73,12,900	731.29	73,12,900	731.29
Forfeited Shares						
Equity Shares of ₹ 10 each	-	-	-	-	-	-
Total	82,02,590	820.26	73,12,900	731.29	73,12,900	731.29

18.1 The reconciliation of the no. of shares outstanding is set out below :		(₹ In Lakhs)				
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity shares						
At Beginning of the period	73,12,900	731.29	73,12,900	731.29	73,12,900	731.29
Add : Issued during the year	8,89,690	88.97	-	-	-	-
Outstanding at the end of the period	82,02,590	820.26	73,12,900	731.29	73,12,900	731.29

The Board of Directors of the Company at its meeting held on July 20, 2017 approved the allotment of 8,89,690 Equity Shares of face value of ₹10/- each to Qualified Institutional Buyers (QIBs) at the issue price of ₹776/- per Equity Share (including a premium of ₹766/-) aggregating to ₹6903.99 lakhs in accordance with the Provisions of Chapter VIII of SEBI (ICDR) Regulations, 2009.

18.2 Terms/rights attached to Equity Shares

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		(₹ In Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Not Applicable	-	-	-	

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18.4 Details of shareholders holding more than 5% shares						
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Mrugesh Jaykrishna Family Trust-2	31,88,819	38.88	31,88,819	43.61	-	-
Munjaj M. Jaykrishna Family Trust	16,30,361	19.88	16,30,361	22.29	-	-
Mrs. Paru M. Jaykrishna	-	-	-	-	25,43,571	34.78
Mr. Gokul M. Jaykrishna	-	-	-	-	11,25,804	15.39
Mr. Munjal M. Jaykrishna	-	-	-	-	11,25,804	15.39

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, 2018	As at March 31, 2017	As at April 1, 2016	
SECURITIES PREMIUM				
Balance as per last year	239.77	239.77	239.77	
Add : Securities premium credited on Share issue	6,582.77	-	-	
Balance at the end of the Year	6,822.54	239.77	239.77	
GENERAL RESERVE:				
Balance as per last year	2,744.36	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	2,744.36	
SURPLUS IN STATEMENT OF PROFIT AND LOSS				
Balance as per last year	10,323.60	5,199.40	3,429.61	
Add: Profit after tax for the Year	3,061.69	5,291.73	2,077.85	
Depreciation Adjustment	-	214.90	-	
Deffered Tax on Depreciation Adjustment	-	(74.37)	-	
Amount available for Appropriation	13,385.29	10,631.66	5,507.46	
Less:Appropriations				
Dividend	-	255.95	255.95	
Dividend Distribution Tax	-	52.11	52.11	
Total Appropriation	-	308.06	308.06	
Balance at the end of the Year	13,385.29	10,323.60	5,199.40	
TOTAL	22,952.19	13,307.73	8,183.53	

Description of nature and purpose of each reserve :

Securities Premium Reserve: 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 provision of the Companies Act, 2013.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

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20. Non Current Borrowings		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Secured				
a. Term Loans				
Indian Rupees Loan				
From State Bank of India	-	-	100.39	
(Net of repayable in one year considered as Other Current Financial Liabilities (See Note : 24)				
b. Corporate Loan				
Indian Rupees Loan				
From State Bank of India	-	625.00	547.68	
(Net of repayable in one year considered as Other Current Financial Liabilities (See Note : 24)				
c. Other Loan and Advances				
Vehicle Loan	-	-	3.06	
(Net of repayable in one year considered as Other Current Financial Liabilities (See Note : 24)				
Total	-	625.00	651.13	

Indian Rupee Term loan from Banks are secured by:

Primary Security:

State Bank of India Term Loan: First charge in favour of State Bank of India By way of Equitable Mortgage over entire factory land & building and Hypothecation of Plant & Machinery (created out of bank finance) and situated at survey nos. 167 and 168 Mouje- Indrad Village Kadi-kalol Road, Chhatral, Taluka-kadi, Dist. Mehsana Gujarat .

State Bank of India Corporate Loan: First charge over P&M/fixed assets created out of proposed corporate loan.

Collateral Security:

State Bank of India Term Loan and Corporate Loan: 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, Taluka 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 of TDR worth of ₹ 25 Lakhs.

Term of Repayment.

Corporate Loan from State Bank of India amounting to ₹ Nil (Previous Year ₹ 625 Lakhs is repayable by 4 quarterly instalments of ₹50 Lakhs, 4 quarterly instalments of ₹75 Lakhs, 2 quarterly instalments of ₹100 Lakhs and last 1 quarterly instalment of ₹125 Lakhs.)

There was no default in repayment of loan or interest.

21. Deferred Tax Liabilities (Net)		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Liability Relating to earlier years	1,196.52	830.96	830.95	
Add/(Less): Liability(Assets) for the year	(34.34)	365.56	-	
NET TOTAL	1,162.18	1,196.52	830.95	

21.1. Component of Deferred Tax Liabilities (Net)		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Depreciation	1,213.29	1,196.52	891.68	
b. Employee Benefits	(5.24)	-	(5.19)	
c. Other Timing Differences	(45.87)	-	(55.54)	

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22. Current Borrowings			(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Secured			
Loan repayable on demand - Cash Credit/Working Capital Borrowings			
From State Bank of India	-	2,263.93	2,222.85
Total	-	2,263.93	2,222.85

Primary Security:

First charge by way of hypothecation over entire present and future current assets of the company.

Collateral Security:

State Bank of India Working Capital Loan: 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 of TDR worth of ₹ 25 Lakhs.

23. Current Trade Payables			(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Due to Micro, Small and Medium Enterprises	110.57	155.93	156.96
b. Due to Others	2,975.82	2,988.70	2,698.29
Total	3,086.40	3,144.63	2,855.25

23.1 The following disclosure have been made on the information available with the Company, for suppliers who are registered as micro, small and medium enterprises under 'MSMED Act, 2006' as at March, 31, 2018.

			(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	110.57	155.93	156.96
Interest due thereon	-	-	-
b. 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	-	-	-
c. 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	-	-	-
d. Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
e. Amount of further interest remaining due and payable even in succeeding years, untill 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.	-	-	-

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24. Other Current Financial Liabilities		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Current maturities of long-term debt	-	303.45	234.27	
b. Unpaid dividends*	47.06	37.43	27.35	
Total	47.06	340.87	261.62	

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

25. Other Current liabilities		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Payable for Fixed Assets Supplier	1,654.06	94.41	94.42	
b. Statutory Dues	75.14	71.88	31.48	
c. Other Current Liabilities	119.04	115.65	42.93	
Total	1,848.23	281.94	168.83	

26. Current Provisions		(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
a. Gratuity	5.57	8.37	14.99	
b. Dividend	-	1.14	0.00	
Total	5.57	9.51	14.99	

27. Revenue from operations		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
Sale of Products			
Export Sales	22,542.22	22,132.39	
Domestic Sales (Including Excise Duty)*	2,961.86	1,682.44	
Total Sale of Products	25,504.08	23,814.83	
Other operating revenues (Refer Note below)	967.53	1,211.42	
Total	26,471.61	25,026.25	
Other Operating revenue			
MEIS Income	381.94	460.37	
Export incentives	285.47	399.58	
Exchange Rate differences	300.12	351.47	
Total - Other Operating revenue	967.53	1,211.42	

* 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.

28. Other income		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
a. Interest income	18.17	35.87	
b. Dividend income	207.59	16.05	
c. Net Gain on sale of Investments	176.50	528.70	
d. Gain on Investments at FVTPL*	303.79	254.08	
e. Other Receipts	0.35	0.40	
f. Excess Depreciation written back for earlier years	-	69.98	
Total	706.40	905.07	

*The gain on investments due to difference in acquisition cost and fair market value is accrued but unrealized profit.

NOTES

29. Cost of materials consumed		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
Opening Stock	417.92	242.12	
Add : Purchases	14,215.88	12,119.62	
Sub Total	14,633.80	12,361.74	
Less : Closing Stock	575.48	417.92	
Total	14,058.32	11,943.82	

30. Purchase of Stock-in-Trade		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
a. Purchase of Stock-in-Trade	1,543.48	483.86	
Total	1,543.48	483.86	

31. Changes in inventories of finished goods, work-in-progress & Stock-in -Trade		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
a. Closing Stock		-	
Finished goods	1,477.64	2,241.58	
Work-in-progress	532.27	329.94	
Stock-in-Trade	196.10	59.69	
Total	2,206.01	2,631.22	
b. Closing Stock		-	
Finished goods	2241.58	1090.20	
Work-in-progress	329.94	625.41	
Stock-in-Trade	59.69	-	
Total	2631.22	1715.61	
Total (Increase) / Decrease In Stock	425.21	(915.61)	

32. Excise Duty on Sale of Goods		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
a. Excise Duty	45.74	198.73	
Total	45.74	198.73	

33. Employee benefit expense		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
a. Salaries, wages and bonus	525.67	477.52	
b. Managerial Remuneration including perquisites and commission	255.60	223.41	
c. Contribution to provident & other funds	32.27	30.90	
d. Staff Welfare Expenses	17.76	20.59	
Total	831.30	752.42	

34. Finance costs		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
a. Interest on Term Loan	32.88	75.71	
b. Interest On Working Capital	73.62	111.21	
c. Other Financial Charges	42.36	115.15	
Total	148.87	302.06	

NOTES

35. Depreciation and Amortisation expense		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
a. Depreciation Expense	457.51	468.69	
b. Amortization of Lease hold Land	2.64	-	
Total	460.15	468.69	

36. Other expenses		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
Consumption of Stores & Spares	274.31	180.36	
Power and Fuel	2,005.12	1,491.77	
Repairs to Building	17.55	21.97	
Repairs to Machinery	157.70	206.85	
Pollution Treatment Expenses	1,163.02	1,196.09	
Labour Charges	571.86	559.70	
Rent	3.51	1.91	
Rates & Taxes (excluding taxes on income)	1.62	1.34	
Insurance	17.16	24.20	
Consumption of Packing Material	126.71	104.87	
Loss on sale of Fixed Assets	0.37	2.29	
Expenditure towards CSR activities (Refer Note - 45)	39.48	60.93	
Travelling, Conveyance & Vehicle Expenses	162.54	167.03	
Freight, Handling, Transportation & other Expenses	22.99	76.72	
Other Selling and Distribution Expenses	616.03	537.99	
Communication Expenses	16.69	22.75	
Donation	5.27	0.90	
Other Repairs	3.66	9.19	
Stationery and Printing Expenses	8.22	9.66	
Internal Audit Fees	3.00	3.00	
Directors Sitting Fees	0.57	0.42	
Legal & Professional Expenses	89.50	112.19	
General Expenses	91.10	20.01	
Auditors Remuneration (Refer Note No. 36.1)	2.25	2.50	
Total	5,400.21	4,814.61	

36.1. Auditor Remuneration & others		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
As auditor :			
Audit fee	2.25	2.35	
Tax audit fee	-	0.15	
Reimbursement of expenses	0.24	-	
Total	2.49	2.50	

NOTES

37. 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, 2018	Year Ended March 31, 2017
Net Profit for the year attributable to Equity Shareholders	3,061.69	5,291.73
Weighted Average number of Equity Shares outstanding	82,02,590	73,12,900
Nominal Value Per Share (In ₹)	10	10
Basic Earning Per Share (In ₹)	37.33	72.36
Diluted Earning Per Share (In ₹)	37.33	72.36

38. INCOME TAXES		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
The major components of income tax expense for the year as under:			
Current tax			
In respect of current year	1,138.32	2,299.82	
Deferred tax			
In respect of Accumulated Depreciation	16.78	230.46	
In respect of Other comprehensive income from short Term investments	24.71	-	
In respect of defined benefit plan for employees	(5.24)	5.19	
Other Deferred Tax assets	(66.16)	55.54	
In respect of Other comprehensive income from Long Term investments	(4.42)	-	
Total deferred tax	(34.34)	291.19	
Adjustment of Tax for Earlier Years	99.07	-	
Total tax expenses charged to statement of Profit and Loss	1,203.04	2,591.01	

38.1 Reconciliation of Effective Tax Rate		(₹ In Lakhs)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
Applicable Tax Rate	34.61%	34.61%	
Profit before tax	4,264.73	7882.74	
Income not considered for tax purpose	(1,752.40)	(1,090.25)	
Expenses not allowed for tax purpose	761.16	508.78	
Tax payable at lower rate	-	-	
Exceptional item not considered for tax purpose	(6.00)	(550.70)	
Others	-	(3.48)	
Net Taxable income for the year	3,267.49	6,747.09	
Effective Tax for the year	1,130.81	2,335.03	
Effective tax at lower rate	-	-	
Total current tax calculated for the year	1,130.81	2,335.03	
Excess provision	7.50	(35.22)	
Effective current tax rate for the year	26.52%	29.62%	

39. The depreciation on Fixed Assets is to be provided on the basis of useful life of the Assets as per schedule - II of the Companies Act, 2013. During the year, the Company has credited Rs. 214.90 Lakhs to the Retained Earnings Account & Rs. 69.98 Lakhs to the Statement of Profit & Loss of 2016-17, being the excess Depreciation as worked out on the basis of the useful life of the Assets and other requirements of Schedule-II of the Act.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

40. Contingent Liabilities and Commitments		(₹ In Lakhs)	
Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
Contingent Liabilities			
a.	Sales Tax: 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.	The commissioner of income Tax-1 Ahmedabad has filed an appeal in the Asst. Year 2004 -05	-	2.94
d.	Bills discounted under Export/Inland Letter of Credit	367.61	229.84
e.	Outstanding bank guarantees for contract demand	69.00	19.40
Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,115.13	411.68
	Other commitments	-	-

41. 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.

42. 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:

Related Parties and Nature of Relationship

42.1 Name of the Related Parties and Nature of Relationship:

A. Associates & Enterprises owned or significantly influenced by key management personnel

Asahi Songwon Colors Limited
 Skyjet Aviation Private Limited
 Skyways
 Akshar Silica 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

42.2 Details of Transaction during the year		(₹ In Lakhs)	
Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
A.	Enterprises own or significantly influenced by key managerial personnel or their relatives		
	Asahi Songwon Colors Limited		
	Purchase of Goods	201.33	100.78
	Sales of Goods	-	-
	Akshar Silica Private Limited		
	Acquisition of lease hold land	1,325.14	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

42.2 Details of Transaction during the year		(₹ In Lakhs)	
Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
	Skyways		
	Rent Paid	1.86	2.02
	Skyjet Aviation Private Limited		
	Air Tickets booking services	40.64	40.00
	Munjal M. Jaykrishna HUF		
	Rent Paid	1.50	-
B.	Key Managerial Personnel and their relatives		
	Mrs. Paru M. Jaykrishna		
	Remuneration and Allowances	98.80	72.00
	Perquisites	-	0.79
	Provident Fund Contribution	8.40	8.64
	Commission	-	50.00
	Mr. Munjal M. Jaykrishna		
	Remuneration and Allowances	76.80	48.00
	Perquisites	0.85	2.62
	Provident Fund Contribution	5.76	5.76
	Commission	80.00	50.00
	Mr. Mrugesh Jaykrishna		
	Consultancy	4.80	1.80
	Ms. Namrata Jaykrishna (wef : 01/01/2018)		
	Salary and allowances	2.61	-
	Mr. Meet Joshi		
	Salary and allowances	4.82	4.44
	Mr. Sunil Rane (wef : 14/02/2018)		
	Salary and allowances	2.06	-

42.3 Outstanding Balance with Related Parties		(₹ In Lakhs)	
Particulars		As at March 31, 2018	As at March 31, 2017
	Asahi Songwon Colors Limited	91.15	-
	Akshar Silica Private Limited.	1,325.14	-
	Skyways	0.14	-
	Skyjet Aviation Private Limited	0.58	1.12
	Munjal M. Jaykrishna H.U.F.	0.50	-
	Mrs. Paru M. Jaykrishna	1.97	32.04
	Mr. Munjal M. Jaykrishna	6.76	36.16
	Mr. Mrugesh Jaykrishna	0.36	0.14
	Ms. Namrata Jaykrishna	0.85	-
	Mr. Meet Joshi	0.38	0.33
	Mr. Sunil Rane	1.02	1.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

43. As at March 31, 2018, 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, 2018 and March 31, 2017.

43.1 Dividend on equity shares		
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interim dividend for the Financial Year 2017-18 ₹ Nil (Previous Year ₹ 3.50) per equity shares of ₹ 10/- each)	-	255.95
Dividend distribution tax on interim dividend	-	52.11

43.2 Proposed Dividend

The Board of Directors at its meeting held on May 30, 2018 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, 2018. 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.

44 - 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	2017-18	2016-17
Employer's contribution to Provident & other Fund	29.96	29.65

(b) Defined benefit plan

Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :

i) Change in the present value of Obligation		
Particulars	March 31, 2018	March 31, 2017
Defined Benefit Obligation at the beginning	205.95	196.08
Current Service Cost	13.08	12.31
Interest Cost	16.44	15.91
Benefits Paid from Fund	(0.92)	(12.37)
Actuarial (Loss)/Gain on Obligation	(8.49)	(5.29)
Defined Benefit Obligation at the end	226.02	205.92

ii) Change in the fair value of Plan Assets (₹ In Lakhs)		
Particulars	March 31, 2018	March 31, 2017
Fair Value of plan assets at the beginning	197.54	180.39
Expected Return on Plan Assets	15.77	14.43
Employer Contributions	8.37	14.99
Benefits paid	(0.92)	(12.37)
Actuarial Gain/(Loss) on the Plan Assets	(0.31)	0.11
Fair Value of plan assets at the end	220.45	197.54

iii) Fair value of Plan assets (₹ In Lakhs)		
Particulars	March 31, 2018	March 31, 2017
Fair Value of plan assets at the beginning	197.54	180.39
Actual Return on Plan Assets	15.46	14.54
Employer Contributions	8.37	14.99
Benefit Paid	(0.92)	(12.37)
Fair Value of plan assets at the end	220.45	197.54
Excess of Actual over estimated return of Plan Assets	(0.31)	0.11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

iv) Expenses recognised in the Profit and Loss Account		(₹ In Lakhs)	
Particulars	March 31, 2018	March 31, 2017	
Current Service Cost	13.08	12.31	
Interest Cost on Obligation	16.44	15.19	
Expected Return on Plan Asset	(15.77)	(14.43)	
Net Actuarial (Gain)/Loss to be recognised	(8.18)	(5.40)	
Expense recognised in Profit & Loss Account	5.57	7.67	

v) Actuarial Assumptions

Financial Demographic Assumptions		(%)	
Particulars	March 31, 2018	March 31, 2017	
Mortality Rate (as % of IALM (2006-18(Mod) Ult. Mortality Table)	100.00%	100.00%	
Disability Rate (as % of mortality Rate)	5.00%	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, 2018	March 31, 2017	
Sensitivity Level - Discount Rate			
1% Increase	(5.56)%	(6.67)%	
1% Decrease	6.47%	7.72%	
Sensitivity Level - Salary Escalation			
1% Increase	7.21%	7.77%	
1% Decrease	(6.34)%	(6.85)%	
Sensitivity Level - Employee Turnover			
1% Increase	(0.10)%	(0.25)%	
1% Decrease	0.11%	0.22%	

viii) Expected contribution to the defined benefit plan for the next reporting period - ₹ 10 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

45. 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: ₹47.71 Lakhs (Previous year ₹ 60.93 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						
	a) Contribution to various Trust, NGOs, Societies and Agencies	35.26	-	35.26	58.43	-	58.43
	b) Expenditure on Administrative Overheads for CSR	4.22	-	4.22	2.50	-	2.50
	Total	47.71	-	47.71	60.93	-	60.93

46. 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.

46.1 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 ₹ 393.19 Lakhs at March 31, 2018 (March 31, 2017: ₹364.09 Lakhs). The cash and cash equivalents are held with bank and cash on hand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

46.2 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.

46.3 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.

46.4 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.

The company is not exposed to significant interest rate risk as at the specified reporting date.

46.5 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							(in Lakhs)
Particulars	As at March 31, 2018			As at March 31, 2017			
	USD	Euro	GBP	USD	Euro	GBP	
Financial Assets							
Trade & Other Receivables	31.32	-	0.46	11.89	0.48	-	
Less : Forward Contract for selling foreign currency	(20.70)	-	-	-	-	-	
Total	10.63	-	0.46	11.89	0.48	-	
Financial Liabilities	-	-	-	-	-	-	
Net Exposure	10.63	-	0.46	11.89	0.48	-	

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	
		2017-18	2016-17
USD	0.05	23.18	25.80
USD	(0.05)	(23.18)	(25.80)
EURO	0.05	-	1.11
EURO	(0.05)	-	(1.11)
GBP	0.05	1.41	-
GBP	(0.05)	(1.41)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

46.6 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	
		2017-18	2016-17
Mutual Funds (Quoted)	0.03	89.39	38.74
Mutual Funds (Quoted)	(0.03)	(89.39)	(38.74)
Equity Shares (Quoted)	0.03	34.45	33.98
Equity Shares (Quoted)	(0.03)	(34.45)	(33.98)

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	
	2017-18	2016-17
₹ 1 decrease in price of Acetanilide	24.05	20.39
₹ 1 Increase in price of Acetanilide	(24.05)	(20.39)
₹ 1 decrease in price of CPC Blue	6.40	6.38
₹ 1 Increase in price of CPC Blue	(6.40)	(6.38)

47. 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, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	-	2,888.93	2,873.98
Less : Cash & Cash Equivalents Including investment in Liquid Fund.	4428.34	818.42	30.45
Net Debt (A)	(4428.34)	2070.51	2,843.53
Total Equity	23,772.45	14,039.02	8,914.82
Equity and Net Debt (B)	19344.11	16109.53	11,758.35
Gearing Ratio (A/B)	(0.23)	0.13	0.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

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, 2018, 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, 2018 and March 31, 2017.

48. 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.

49. 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.

50. Financial Instruments - Fair Values & Risk Management

50.1 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 instruments.
3. 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.
4. 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.
5. 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 April 1, 2016		(₹ In Lakhs)	
Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	2,783.32		2,783.32
Security Deposits (Non-Current)	150.63	-	150.63
Bank Deposits (Non-Current)	-	-	-
Trade Receivables	1,701.30	-	1,701.30
Cash and Cash Equivalents	30.45	-	30.45
Bank Balances Other than Cash and Cash Equivalents	52.35	-	52.35
Other Current Financial Assets	484.97	-	484.97
TOTAL	5,203.02		5,203.02
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	2,783.32	2,783.32	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

I. Figures as at April 1, 2016		(₹ In Lakhs)	
Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
TOTAL	2,783.32	2,783.32	-
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	651.13		651.13
Borrowings (Current)	2,222.85		2,222.85
Trade Payables	2,855.25		2,855.25
Other financial liabilities	261.62		261.62
TOTAL	5,990.85	-	5,990.85

II. Figures as at March 31, 2017		(₹ In Lakhs)	
Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	3,132.06		3,132.06
Security Deposits (Non-Current)	207.04	-	207.04
Bank Deposits (Non-Current)	-	-	-
Trade Receivables	1,331.69	-	1,331.69
Cash and Cash Equivalents	364.09	-	364.09
Bank Balances Other than Cash and Cash Equivalents	589.12	-	589.12
Other Current Financial Assets	2,987.98	-	2,987.98
TOTAL	8,611.98	-	8,611.98
Financial assets at fair value through profit or loss:			
Investments (Current)	1,974.96	1,974.96	-
Investments (Non-Current)	3,132.06	3,132.06	-
TOTAL	5,107.02	5,107.02	-
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	625.00	-	625.00
Borrowings (Current)	2,263.93	-	2,263.93
Trade Payables	3,144.63	-	3,144.63
Other financial liabilities	340.87	-	340.87
TOTAL	6,374.43	-	6,374.43

III. Figures as at March 31, 2018		(₹ In Lakhs)	
Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	3,155.90	-	3,155.90
Security Deposits (Non-Current)	176.73	-	176.73
Bank Deposits (Non-Current)	-	-	-
Trade Receivables	2,753.11	-	2,753.11
Cash and Cash Equivalents	393.19	-	393.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

III. Figures as at March 31, 2018		(₹ In Lakhs)	
Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Bank Balances Other than Cash and Cash Equivalents	72.06	-	72.06
Other Current Financial Assets	3,289.80		3,289.80
TOTAL	9,840.78	-	9,840.78
Financial assets at fair value through profit or loss:			-
Investments (Current)	4,556.67	4,556.67	-
Investments (Non-Current)	3,155.90	3,155.90	
TOTAL	7,712.56	7,712.56	-
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	-	-	-
Borrowings (Current)	-	-	-
Trade Payables	3,086.40	-	3,086.40
Other financial liabilities	47.06	-	47.06
TOTAL	3,133.46	-	3,133.46

No financial instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure relating to the same is not applicable.

51. First time adoption of IND AS

The Company has prepared financial statements for the year ended March 31, 2018 are the first financial statements prepared by the company in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2017. The transition to Ind-AS has resulted in changes in the presentation of the financial statements, disclosures in the notes, accounting policies and principles.

Exemptions availed on first time adoption of Ind-AS 101:

Ind-AS 101 allows certain optional exemptions and mandatory exemptions on first time adoption of Ind-AS from the retrospective application of certain provisions of Ind-AS. The Company has accordingly applied the following exemptions:

A. Ind AS optional exemptions:

Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind-AS 101 permits, a first time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind-AS 38 and Investment properties covered by Ind-AS 40. Accordingly, the Company has elected to measure all of its Property, Plant and Equipment, Investment Properties and Intangible Assets at their previous GAAP carrying value.

B. Ind AS mandatory exceptions:

Estimates

An entity's estimates in accordance with Ind-AS at the date of transition to Ind-AS shall be consistent with estimates made for the same

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. Ind-AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of financial assets

Ind-AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind-AS.

51.1 Reconciliation between statement of equity as previously reported (referred to as "Previous GAAP) and Ind AS		(₹ In Lakhs)
Particulars	As at March 31, 2017	As at April 1, 2016
Other Equity as per previous Indian GAAP	12,653.28	7,769.46
Adjustment as per IND-As		
On Account of fair value of Financial assets	787.23	533.16
Revenue deferral on account of goods in transit (net of related cost)	(319.07)	(119.09)
Other Adjustments (Net of Deferred Tax)	186.29	-
Equity under Ind AS	13,307.73	8,183.53

51.2 Reconciliation between statement of Profit and Loss as previously reported (referred to as "Previous GAAP) and Ind AS		(₹ In Lakhs)
Particulars	Year Ended March 31, 2017	
Net Profit as per Indian GAAP	5,191.89	
Add/Less Adjustments:		
Revenue deferral on account of goods in transit (net of related cost)	(199.99)	
Fair Valuation of Investment in quoted equity shares [Fair Value through Profit/Loss (FVTPL)]	254.07	
Other Adjustments (Net of Deferred Tax)	45.76	
Net Profit before other Comprehensive Income (OCI) as per Ind AS	99.84	
Other Comprehensive Income -Fair Valuation of (Mark-To-Market (MTM)) of forward contract	-	
Total Comprehensive Income (net of tax) as per Ind AS	5,291.73	

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

Chirag M. Shah
(Partner)
Membership No. 045706
Place : Ahmedabad
Date: May 30, 2018

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 30, 2018



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Paru M. Jaykrishna – *Chairperson & Mg. Director*

Mr. Gautam M. Jain

Mr. Jigar M. Patel

Dr. Pradeep Jha

Mr. Kirankumar J. Mehta

Mr. Gokul M. Jaykrishna

Mr. Munjal M. Jaykrishna – *Jt. Managing Director & CEO*

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

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CIN: L24110GJ1989PLC012441

WORKS

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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

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