



GROWTH & BUSINESS SUSTAINABILITY

AksharChem (India) Limited | Annual report, 2012-13

Disclaimer


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 'anticipates', 'estimates', '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.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Content

Corporate identity **3** Performance highlights, 2012-13 **4** Chairperson's review **6**
Corporate pillars (strengths) **7** Board of Directors and their brief profile **8**
Corporate information **10** Notice **11** Directors' report **14** Management discussion
and analysis **22** Corporate governance report 2012-13 **24** Financial section **40**

The background of the page is a soft-focus photograph of several flowers, primarily in shades of yellow and pink, with some green foliage. The flowers are scattered across the frame, creating a vibrant and naturalistic backdrop for the text.

At AksharChem India, we have focused on being the best rather than just being the biggest. Our growth story is as much about environment sustainability as it is about business sustainability.

This vision has inspired us to create a unique business model.

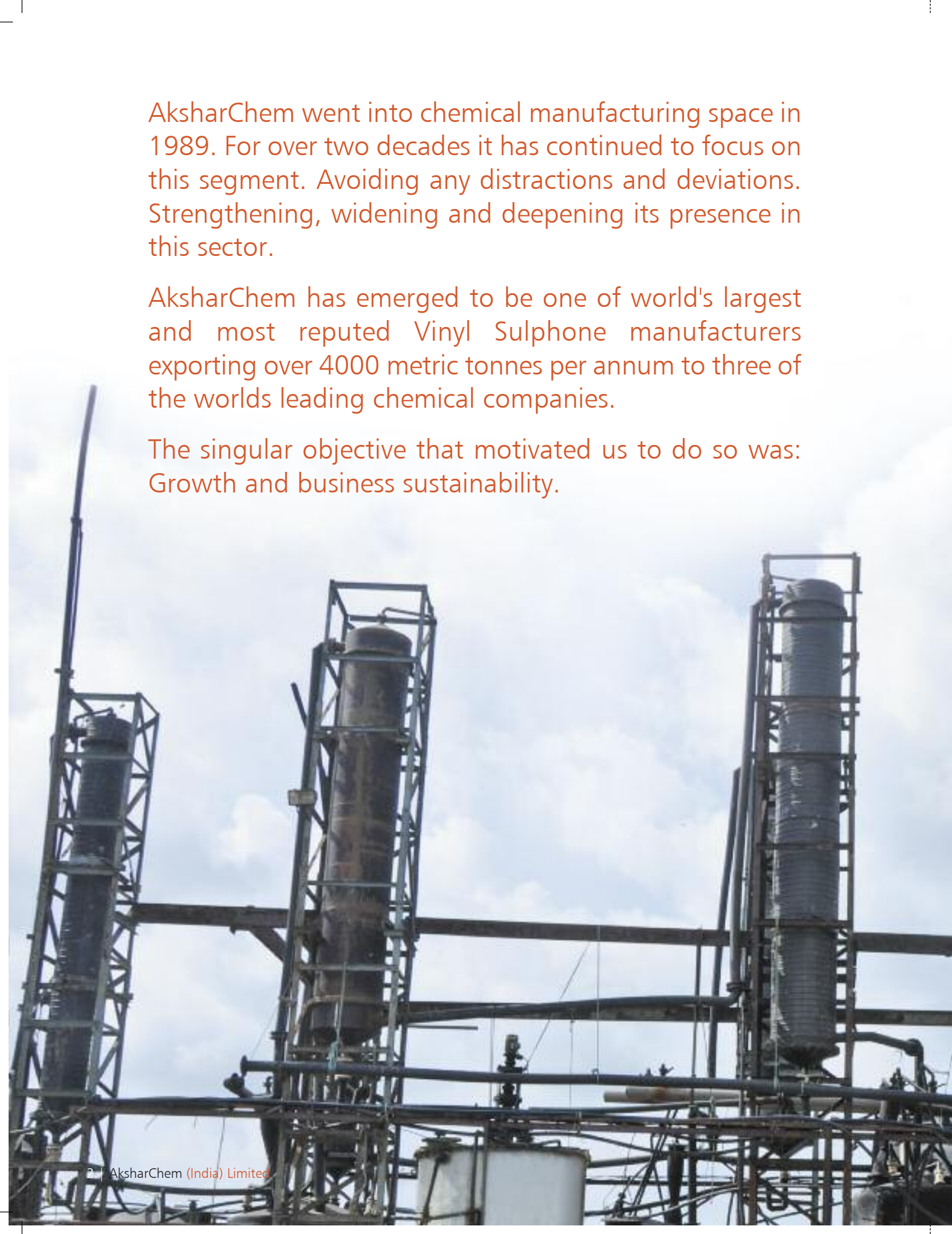
A model that focuses on single product rather than multi-product. Obsessed with environment-friendly production process that delivers best quality products. Marketed to demanding customers. Protected from business cyclicity. Driven by prospects of sustainable business growth. Generating superior margins.

The result: Our topline grew 85% in 2012-13 compared to 2011-12.

AksharChem went into chemical manufacturing space in 1989. For over two decades it has continued to focus on this segment. Avoiding any distractions and deviations. Strengthening, widening and deepening its presence in this sector.

AksharChem has emerged to be one of world's largest and most reputed Vinyl Sulphone manufacturers exporting over 4000 metric tonnes per annum to three of the worlds leading chemical companies.

The singular objective that motivated us to do so was: Growth and business sustainability.



About us

■ AksharChem is leading global company engaged in the manufacture of dye intermediate, para base ester of aniline (also known as vinyl sulphone).

■ The Company is promoted and managed by Jaykrishna family and is headquartered in chemical belt of Mehsana (Gujarat).

■ It started operations in 1989, with a humble capacity of 600 metric tonnes per annum (MTPA). In 1994, the Company went public. As on 31.03.2013 it has a manufacturing capacity of 6000 MTPA.

■ It specializes in the manufacture of Vinyl Sulphone – a chemical used as a raw material for manufacturing reactive dyes having application mainly in textiles.

Vision

Emerge as a global leader in supply of

Vinyl Sulphone with complete commitment and dedication on standards, quality, productivity and customer satisfaction.

Mission

Focus on enhancing operational excellence and environment sustainability through adopting best manufacturing policies. Continuously strive to enhance customer satisfaction by providing the highest quality of products and services.

Listing

The Company's shares are listed on the BSE Limited (BSE) and Ahmedabad Stock Exchange Limited.

Awards and certifications

■ ISO 9001:2008 certified manufacturing facility.

■ ISO 14001-2004 for environmental management system.

■ Conferred the prestigious 'International Gold Star' award for 'Excellence in Corporate Image and Quality' by Business Initiatives Directions in Spain.

■ Received awards in the field of export from Government of India, Government of Gujarat, Gujarat Chambers of Commerce and Industry, Gujarat Dye-stuff Manufactures Association, Federation of Indian Export Organisation and Chemexcil among others.

Presence

Marketing network spread across far East and Europe.

Pride enhancing clients



Everlight Chemical Corporation, Tiwan



OHYOUNG

Oh Young Industrial Co. Ltd, Korea



Performance highlights, 2012-13

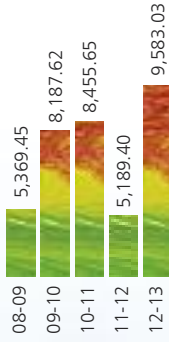
- The Company's revenues increased 85% from Rs. 5,189.40 lacs in 2011-12 to Rs. 9,583.03 lacs in 2012-13.
- EBITDA increased from Rs. -186.47 lacs in 2011-12 to Rs. 591.19 lacs in 2012-13.
- PAT increased from Rs. -388.69 lacs in 2011-12 to Rs. 379.33 lacs in 2012-13.

Operational highlights, 2012-13

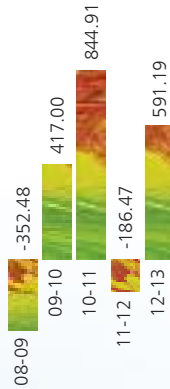
- Vinyl Sulphone production increased from 3,688 MT in 2011-12 to 5,642 MT; highest ever in the history of the Company.
- Capacity utilization increase from 61% in 2011-12 to 94% in 2012-13.

Attractive past, Exciting future.

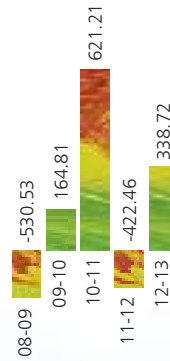
Revenue
(Rs. Lacs)



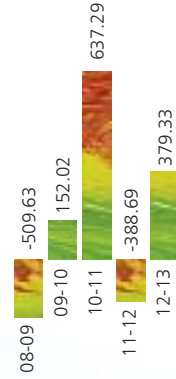
EBIDTA
(Rs. Lacs)



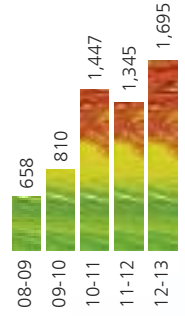
Profit before tax
(Rs. Lacs)



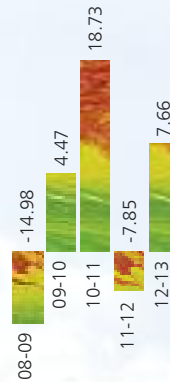
Profit after tax
(Rs. Lacs)



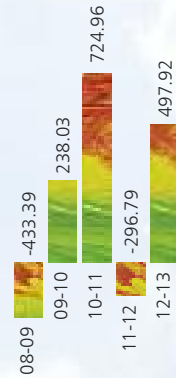
Net Worth
(Rs. Lacs)



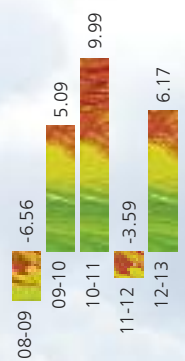
Earnings per share
(Rs.)



Cash profit
(Rs. Lacs)



EBIDTA margin
(%)



Chairperson's review



Mrs. Paru M. Jaykrishna, Chairperson and Managing Director (center), with Joint Managing Directors Mr. Gokul M. Jaykrishna (left) and Mr. Munjal M. Jaykrishna (right)

Dear shareholders,

It gives me immense pleasure to present to you the 24th annual report of the Company for some good reasons. The big message to you is not as much about where we are at present as a company but the direction in which we are headed.

First, despite a major recessionary trend in the global economy, the Company's revenues grew 85% from Rs. 51.89 cr in 2011-12 to Rs. 95.83 cr in 2012-13. The Company earned EBIDTA and PAT of Rs. 5.91 cr and Rs. 3.79 cr respectively compared to a loss of Rs. 1.86 cr and Rs. 3.89 cr respectively in 2011-12.

Second, the textile industry that had been hit by a slump in the past two years is slowly picking up. The USD 662 bn global textile industry is expected to grow at a compounded rate of 5% in the coming decade. Whereas the USD 89 bn Indian textile industry is expected to grow at 9.5% and reach USD 221 bn during the same period. (Source: *Technopak's Textile and Apparel Compendium 2012*)

Third, the global textile chemicals market is expected to grow to USD 19.6 bn in 2013 and reach USD 23.4 bn by 2018. The Asia Pacific region, which is the largest and fastest growing market in this segment, is expected to grow at a compounded rate of 4% during this period. (Source: *Transparency Market Research*)

Fourth, during 2012-13 the Company undertook rigorous initiatives in the areas of product innovation, quality improvement, cost reduction and production efficiency enhancement. Moreover, the Company has made investments worth Rs. 2.04 cr in the past 2-3 years in upgrading its manufacturing facility to adhere to pollution control norms. The Company now complies with all international quality standards and environment protection norms; which means that our product has better chances of acceptance in the new markets.

Fifth, the Company continues to be a

favourable vendor for some of the world's largest downstream chemical companies given the fact that we are the best in terms of adhering to quality standards and maintaining delivery schedules. We export almost 90% of our production to world's most renowned companies and are proud of the fact that the world's top chemical company procures almost 70% of our production.

I would like to thank all our stakeholders for continuously believing and supporting us. I would like to assure our shareholders that we are at an inflection point, whereby the results of our initiatives would translate into growth in revenues, margins, profits and enhanced shareholder value.

Mrs. Paru M. Jaykrishna
Chairperson



Corporate pillars

Brand name

The Company has become one of the most reputed brands in the global vinyl sulphone market given the fact that the world's top three downstream chemical players are our clients. Leading global companies continue to trust us on the grounds of our excellent product quality, low-cost and timely delivery schedules.

Presence

The Company has established itself as a leading global company within a very short span of time. Apart from having a strong customer base in India the Company also markets its product around the world predominately for exports.

Location advantage

The Company's plant is situated at village Indrad (Meshana, Gujarat). It is well connected with the railway and Express National Highway. It is about 40 kms away from Ahmedabad International Airport with the nearest sea-port being Mumbai.

Rich intellectual capital

The Company has a professional team of highly qualified, skilled and experienced technical engineers and administrative staff. The engineers work towards enhancing production efficiency, maintaining product quality and managing plant operations. Whereas the administrative team's expertise is leveraged to respond to changing market trend and demand.

Operational scale

The Company is one of the largest manufacturers of Vinyl Sulphone in India with an installed capacity of 6000 MTPA.

Client relationship

The Company enjoys long term relationships with some of the world's leading chemical companies like Everlight Chemical Corporation (Tiwan), Kyung-in Synthetic Corporation (Korea) and Oh Young Industrial Co. Ltd (Korea). Most of the customers have been engaged with us for over 15 years. The Company derives almost 90% of its revenues from its top customer.

Experience of top management

The Company's top management team possesses rich experience in the field of chemicals and managing business operations. Moreover, they enjoy long term relationships with world's leading downstream chemical companies and are single handedly responsible for attracting business opportunities.

Superior technology

The Company's ultra-modern production facility is ISO 9001-2008 certified and ISO: 14001-2004 is spread over 11,000 sq ft plot and is equipped with well-developed production process. We improve existing or add new qualities to material at every stage of our production process. Driven by the latest technology we are able to cater to any specification laid down by our customer, many of whom are leading players in the industries in which they operate.

Board of Directors and their brief profile



Mrs. Paru M. Jaykrishna

She is the founder, Chairperson and Managing Director of the Company overlooking the policy making and growth strategies of the Company. She is a Law graduate and holds a master's degree in Philosophy, Sanskrit & English Literature. She is one of the most renowned women entrepreneurs of India and is recognised as the first lady elected as a President and Executive Member of Gujarat Chambers of Commerce and Industry. She has been the founder director and president to many of the Gujarat Government Boards and Organizations.



Mr. Gokul M. Jaykrishna

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



Mr. Munjal M. Jaykrishna

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



Dr. Pradeep Jha

He is an academican with over 36 years of experience in teaching. He has published research papers on inventory management. He is a professor in L. J. Institute of Engineering and Technology, Ahmedabad. He has a remarkable contribution in operation research.



Mr. Kiran J. Mehta

He is a M. Com, LLB, FCMA and FIISA. He is associated with the Company since 2003 and currently is a practising Cost Accountant and is the Chairman of Audit Committee, Remuneration Committee and Shareholders/ Investor Grievance Committee.



Mr. Param J. Shah

He is an MBA, Mcom and LLB and is an academican. He is associated with the Company since 2010 and currently holds the position of an Independent Director. He is a member of Audit Committee, Remuneration Committee and Shareholders/Investors' Grievance Committee.

Statutory section

Corporate information

Board of Directors

Mrs. Paru M. Jaykrishna	Chairperson & Managing Director
Dr. Pradeep Jha	
Mr. Param J. Shah	
Mr. Kiran J. Mehta	
Mr. Gokul M. Jaykrishna	Joint Managing Director
Mr. Munjal M. Jaykrishna	Joint Managing Director

Auditor

M/s. Trushit Chokshi & Associates

Registrar & Share Transfer Agents

Link Intime India Pvt Limited

Bankers

State Bank of India

Registered Office & Works

166/169, Indrad Village,
Kadi Kalol Road,
Dist. Mehsana
Gujarat - 382 727 (India)

Notice

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of AKSHARCHEM (INDIA) LIMITED will be held on Friday, 27th September, 2013 at 3.30 P.M. at the Registered Office of the Company situated at 166-169, Village : Indrad, Kadi - Kalol Road, Dist: Mehsana, Gujarat, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Param J. Shah, who retires by rotation and, being eligible offers himself for re-appointment.

4. To appoint a Director in place of Dr. Pradeep Jha, who retires by rotation and, being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration.

By the Order of the Board of Directors

Date: 29/07/2013

Mrs. Paru M. Jaykrishna

Place: Indrad, Mehsana Chairperson and Managing Director

Registered Office :

166-169, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 727 (India)

NOTES

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

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

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 19th September, 2013 to Friday, 27th September, 2013 both days inclusive for payment of final dividend.
3. The Dividend, after declaration, will be paid to those

Members of the Company, whose names stand on the Register of Members on 18th, September, 2013. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on 18th September, 2013 as per the list provided by the Depositories for this purpose.

4. The Securities and Exchange Board of India (“SEBI”) and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service (“ECS”) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.

In view of the above:

- (i) Shareholders holding shares in Physical Form and desirous of availing the facility are requested intimate their bank details to Registrar and Share Transfer Agent.
- (ii) Shareholders holding shares in Dematerialized Form are requested to provide the Bank details to their Depository Participants for incorporation in their records.

The Depository in turn would forward the required information to the Company.

5. Members holding shares in Electronic Form (demat) mode are advised to inform the particulars of their bank account and change of address to their respective Depository Participants (DP).
6. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar and Share Transfer Agents quoting their folio number.
7. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given in the Annexure.
8. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the year ended 31st March, 2005 and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to

the Investors Education and Protection Fund (IEPF) of the Central Government. Accordingly, members who have not encashed their dividend so far for the year ended 31st March, 2005 are requested to make their claim to the Company or to the office of Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited. Members are advised that in terms of the provisions of the Act, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

10. The members can also avail facility of nomination in terms of extant legal provisions in this regard. On request, the necessary form will be supplied by the Registrar and Share Transfer Agents.
11. Members desirous of obtaining any information or clarification concerning to accounts and operations of the Company are requested to write to the Company at least 7 days in advance of the meeting.
12. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliance by Companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail address of shareholders. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with M/s. Link Intime India Private Limited Registrar and Share Transfer Agent (RTA) of the Company.
13. Members who hold shares in dematerialised form are requested to fill their Client ID and DP ID numbers and those hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

Annexure to the Notice

Disclosure pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting (Refer Item No. 3 and 4) of the Notice

Name of Directors	Mr. Param J. Shah	Dr. Pradeep Jha
Date of Birth	30/12/1980	28/11/1945
Date of Appointment	13/08/2010	28/05/2002
Expertise in specific functional areas	Academician with over 13 years experience. He has wide knowledge in Finance and Law.	Academician with over 36 years experience. He is a senior Professor of Mathematics.
Qualification	MBA, M Com, LLB	M. Sc. (Maths)
No. of Equity Shares Held	Nil	Nil
List of outside Company Directorships Held	Nil	Asahi Songwon Colors Ltd
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee Remuneration Committee Shareholders/Investors Grievances Committee	Audit Committee Remuneration Committee Shareholders/Investors Grievances Committee
Chairman / Member of the Committees of Directors of other Companies in which he/she is a Director		
a) Audit Committee	Nil	Asahi Songwon Colors Ltd
b) Shareholders/Investors Grievances Committee	Nil	Asahi Songwon Colors Ltd

Directors' report

Dear Shareholders,

Your Directors are pleased to present their Twenty Fourth Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2013.

Financial Results

(Rs. in Lacs)

Particulars	Current Year 2012-2013	Previous Year 2011-2012
Revenue from operations	9,583.03	5,189.40
Other Income	6.89	7.47
Total Income	9,589.92	5,196.87
Profit/(Loss) for the year before Finance Costs and Depreciation	616.60	(173.05)
Less : Finance Costs	159.29	157.51
Profit/(Loss) for the year before Depreciation	457.31	(330.56)
Less : Depreciation	118.59	91.90
Profit/(Loss) for the year before Tax Expenses	338.72	(422.46)
Less: Current Tax	0.06	0.19
Less: Deferred Tax	(40.67)	(33.97)
Net Profit/(Loss) for the year	379.33	(388.68)
Add : Balance brought forward from last year	446.80	835.48
Surplus available for Appropriation	826.13	446.80
Appropriation		
Proposed Dividend at Rs. 0.50 per Equity Shares	24.76	-
Tax on Proposed Dividend	4.21	-
Balance Carried over to Balance Sheet	797.16	446.80
Total	826.13	446.80

Dividend

After considering the Company's performance and financial position for the year under review, your Board of Directors of the Company are pleased to recommend a final dividend of 5% (Rs. 0.50 per equity shares on the face value of Rs. 10/- each) subject to approval of the members at the forthcoming Annual General Meeting.

The final dividend, if declared as above would involve a total outgo of Rs. 24.76 Lacs towards dividend and Rs. 4.21 Lacs towards dividend distribution tax.

Financial Performance

General

The global economy experienced a slowdown especially noticed in developed economies, which had its impact on India as well. The Indian economy had to contend with high inflation, high energy prices and weakening of the Indian Rupee. High interest rates and rising prices of raw material further slowed the growth of the economy which affected all sectors including the Dyes and dyes Intermediates. However, the Company was able to sustain its business performance and register a growth in sales and profitability.

Results of Operations

During the year under review, the Company has earned a total income of Rs. 9,589.92 Lacs as compared to Rs. 5,196.87 Lacs of the previous year. Profit after Tax (PAT) stood at Rs. 379.33 Lacs against a loss of Rs. 388.68 Lacs during the previous year.

The total sales increased from Rs. 5,189.40 Lacs to Rs. 9,583.03 Lacs during the year, showing a growth of 85% compared with the previous year.

Exports

During the year, the Company has total exports valued at Rs. 8,124.93 Lacs compared to Rs. 4,422.75 Lacs during the previous year, showing a growth of 84%. Your Company is constantly exploring new markets to enhance the exports of its product despite stiff competition in the global market.

Management Discussions and Analysis Report

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges a Management Discussion and Analysis Report is appended 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 Clause 49 of the Listing Agreement with the Stock Exchange(s) is furnished as a part of this Report together with certificate from M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad, confirming compliance with the conditions of Corporate Governance.

Secretarial Audit Report

As required under the provisions of Section 383A of the Companies Act, 1956 and the rules made there under, a certificate is appended herewith and the same forms part of this Report.

Directorate

In accordance with provision of the Companies Act, 1956 and the Articles of Association of the Company Mr. Param J. Shah and Dr. Pradeep Jha retire by rotation as Directors at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

A brief resume of the aforesaid directors and other information has been detailed in the Notice of the ensuing Annual General Meeting. Your directors recommend their reappointment as directors of the Company.

Mr. Gurcharan Singh has resigned from the directorship of the Company w.e.f 30th January, 2013. The Board places on record the contribution made and the valuable service rendered by him during his association with the Company.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (i) in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanations in case of material departures;

- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the directors had prepared the annual accounts on a going concern basis.

Auditors and Auditors' Report

M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad, Statutory Auditors of the Company are due for retirement at the forthcoming Annual General Meeting and are eligible for reappointment.

The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your directors recommend their reappointment for the ensuing year.

The observations of the Auditors made in the Auditors Report are self explanatory.

Fixed Deposits

The Company has not accepted deposit from public during the year and there was no deposit outstanding on 31st March, 2013.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information required pursuant to provisions of Section 217

(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure to this Report.

Statement of Employees' Particulars

During the year under review, there were no employees of the Company who were in receipt of remuneration in excess of the limit laid down under the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Cost Auditors

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an audit of cost accounts.

Ms. Stuti R. Shah, Cost Accountant, Ahmedabad was appointed as Cost Auditors for the financial year 2012-13.

Human Resources and Industrial Relations

The industrial relations of the Company with all its employees and workers remained cordial and harmonious through out 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.

Finance and Insurance

The Company has been financed by State Bank of India for working capital.

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.

Credit Rating

The CARE has assigned "CARE BBB-" (Triple B Minus) rating to the long term bank loans/facilities and "CARE A3" (A Three) rating for to the short term bank loans/facilities.

Listing

The Equity Shares of the Company continue to be listed on BSE Limited and Ahmedabad Stock Exchange Limited and Listing Fees for the year 2013-14 has been paid to them.

Transfer to Investor Education and Protection Fund

As provided in Section 205C(2) of the Companies Act, 1956, dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years has to be transferred to Investor Education & Protection Fund.

The Company has transferred an amount of Rs. 2,14,181/- remaining unclaimed to Investor Education and Protection Fund (IEPF) during the year.

Safety, Health and Environment

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 wastewater discharged is well within the stipulated norms set by GPCB.

Your Company has ISO 14001:2004 and ISO 9001-2008 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.

For and on behalf of the Board

Date: 19/06/2013
Place: Ahmedabad

Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

Registered Office :
166-169, Village Indrad
Kadi – Kalol Road, Dist : Mehsana
Gujarat – 382 727 (India)

Annexure – I to the Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

A. Energy Conservation Measures taken during the year 2012-13

a.	Energy conservation measures taken	:	The Company put continues efforts to energy conservation and its utilization. Efforts are taken to upgrade the plant and machinery. Replacement of motors with energy efficient ones and with appropriate capacities. Replacement of pumps with appropriate and efficient pumps. The Company has three DG set of one 750 KVA and two 125 KVA, installed in the plant as standby for continuous power supply.
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	:	No
c.	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	:	The adoption of energy conservation measures indicated above has resulted in awareness amongst the employees and shall have impact on savings of extra costs on energy. The Company is constantly exploring avenues of cost saving as an on going process.
d.	Total energy consumption and energy consumption per unit of production	:	As per Form A

FORM 'A'

Sr.	Particulars	Unit of Measurement	2012-13	2011-12
A)	POWER & FUEL CONSUMPTION			
	1. Electricity			
	a. Purchased			
	Unit	Lacs KWH	70.11	46.60
	Total amount	Rs in Lacs	416.80	235.27
	Rate/Unit	Rupees	5.94	5.05
	b. Own Generation			
	i) Unit generated through diesel generator	Lacs KWH	NA	NA
	Unit per litre of diesel oil	Rs in Lacs	NA	NA
	Cost/Unit	Rupees	NA	NA
	2. Diesel/Furnace Oil			
	Unit	Thousand Ltrs	54.32	84.72
	Total amount	Rs in Lacs	26.21	33.27
	Rate/Unit	Rupees	48.25	39.26
	3. Lignite Coal & other Fuels			
	Unit	Thousand Kgs	5,286.70	3,109.42
	Total amount	Rs in Lacs	196.12	117.00
	Rate/Unit	Rupees	3.71	3.76
B)	CONSUMPTION PER UNIT OF PRODUCTION			
	Electricity	(Units/Ton)	1,242.63	1,263.29
	Diesel/furnace oil	(Ltrs./Ton.)	9.63	22.97
	Lignite Coal and other fuels	(kg/ton)	937.02	843.03

B. Technology Absorption

Efforts made in Technology Absorption in Form "B"

Research & Development (R & D)

FORM "B"

1. Specific area in which Research and Development carried out by the Company

The Research and Development department continued to direct its efforts towards quality control, cost reduction and improvement of product as per customer demand.

2. Benefits derived as a result of the above Research & Development

- Research and Development work in enrichment of the Company's product range with promising new products and higher value addition due to cost reduction by way of process improvements, energy savings and reduction of chemical waste.
- With installation of Quality System and Total Quality Management, we have been able to get ISO 9001:2008 accreditation and this is in turn, has enabled us to plan, manufacture and supply material of International Standards. This activity has resulted in up gradation of all the documentation on the products to specify complete manufacturing and quality assurance needs.
- The Company has received ISO 14001-2004 Certification.

3. Future plan of action

The Company plans to continue its efforts on in-house Research and Development to improve quality of existing product and developing of new products.

4. Expenditure on Research & Development

(Rs. In Lacs)

	2012-13	2011-12
Capital	0.63	Nil
Revenue/Recurring	3.19	2.64
Total	3.82	2.64
Total Expenditure as % of turnover	0.04%	0.05%

5. Technology absorption, adaptation and innovation

i) Efforts, in brief made towards technology absorption, adaptation and innovation:

The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available.

ii) Benefits derived as a result of the above efforts:

Benefits derived from these efforts include process rationalization, product quality improvement, reduced wastage and overall cost reduction.

iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

- a. Technology imported : Nil
- b. Year of Import : Not Applicable
- c. Has technology been fully absorbed? : Nil

C. Foreign Exchange Earnings and Out Go

- a. Activities relating to Exports, initiative taken to increase exports, development of new export markets for products and service and export plans.

The Company exports its product to Germany, Taiwan, South Korea and other Countries. The Company has continued to maintain focus and avail of export opportunities based on economic situation. During the year the Company exported Vinyl Sulphone valuing to Rs. 8,124.93 Lacs (Previous Year Rs. 4,422.75 Lacs) to various countries around the World. Continuous efforts are being taken to increase exports by exploring new markets.

- b. Foreign Exchange used and earned

	(Rs. In Lacs)	
	2012-13	2011-12
Foreign Exchange Earned	8,109.26	4,414.45
Foreign Exchange Used	14.78	10.14

Annexure – II to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Vinyl Sulphone are extensively used as the diazo reactive components for the manufacturing of reactive dyes. The production of Vinyl Sulphone has shown a quantum jump in India in last few years. AksharChem (India) Limited is one of the leading manufacture and exporters of Vinyl Sulphone in India. Vinyl Sulphone are Industrial Chemicals used as a key raw material in the manufacturing of reactive dyes, which is having application in color, paints, pigments, rubber, textiles, plastics and leathers. The Company has fully dedicated facility in the State of Gujarat near Kadi, Dist: Meshana catering the changing requirement of customer around the globe.

Industry Structure and Developments

Dye and dye intermediates are one of the core segments of the chemical industry. It is second largest contributor in exports of chemical industry. They cater the needs of major industries like chemicals, textiles, leather, plastics, paints, paper, printing and pharmaceutical.

India has emerged as a global supplier of dye and dye intermediate particularly for reactive, acid, vat and direct dyes. The industry has witnessed a gradual shift of manufacturing facilities from the developed countries to Asia particularly China and India. This has created huge demand for the products.

Opportunities, Threats, Risk and Concern

The market of dye and dye intermediate are predominated by reactive and disperse dyes. Nations like China, South Korea and Taiwan are strong players in the field of disperse dyes. India is leading producer of reactive dyes because of availability of intermediate Vinyl Sulphone in the Country. Hence, exist opportunities for significant growth being a leading manufacture of Vinyl Sulphone in India.

The Company is exposed to the risk of foreign exchange fluctuations as major chunk of the revenue comes from exports. However, the Company has a constant policy to mitigate the currency variation risks.

The future of the Vinyl Sulphone industry depends in addressing the issues of clean and green environment. The Company has to comply with the environmental protection norms issued by State and Central Government.

Further, major raw materials for manufacturing the product are

derivatives of crude oil. Hence margins are susceptible to volatility associated with its raw material prices. The Company has kept a tight vigil on overall cost, inventory management, energy and transportation.

The Company is having a well structured risk management system under the guidance of experienced Board of Directors. The Audit Committee monitors the implementation of the risk mitigation plans.

Outlook

The global economy continues to be on a weak trend, especially in Europe and America performing flat to a negative growth. The improvement is likely to be expected by end of the year with no significant upturn. On the other hand, India is recovering but main factors will continue to play a key role like rising energy cost, inflation, political compulsion, depreciating rupee and high interest cost.

The Company has managed a very good performance in a fairly challenging environment and made descent profit and growth. The Company would be improving the operating margins through better productivity, over all cost control and better working capital management. Focus will be on environment management, investment in waste recycling and upgradation of existing waste disposal system. The Vinyl Sulphone had good demand during the previous year and expected to continue in the financial year 2013-14.

Internal Control Systems and their Adequacy

The Company has suitable and proper internal control system according to the nature of its business and its size, to ensure propriety in the utilization of funds, safeguarding of assets against unauthorized use or disposition, true and fair reporting and compliance with all the applicable regulatory laws and company polices.

Internal Auditors conduct audits of the performance of various departments, functions and also statutory compliances based on annual audit plan. They report their observations / recommendations to the Audit Committee of the Board of Directors. Internal control systems are reviewed by Audit Committee on a regular basis for its effectiveness and the necessary changes suggested are incorporated into the system. Internal Audit Reports are reviewed by the Audit Committee of the Board.

Financial Performance

Despite the tough micro economic scenario, low industrial growth through out the country, denting profitability due to depreciation rupee, high inflation, surging raw material prices, the Company managed to report 85% growth in top line

(Rs. In Lacs)

Particulars	2012-13	2011-12
Revenue from operations	9,583.03	5,189.40
Other Income	6.89	7.47
Total Income	9,589.92	5,196.87
Profit/(Loss) for the year before Finance Costs and Deprecation	616.60	(173.05)
Finance Costs	159.29	157.51
Depreciation	118.59	91.90
Profit/ (Loss) Before Tax	338.72	(422.46)
Tax Expenses	(40.61)	(33.78)
Profit/(Loss) after Tax	379.33	(388.68)

Results of Operations

During the year under review, the Company has earned a total income of Rs. 9,589.92 Lacs compared to Rs. 5,196.87 Lacs in the previous year.

The total sales of the Company increased from Rs. 5,189.40 Lacs to Rs. 9,583.03 Lacs, which is a hefty growth of over 85%. The profit after tax was Rs.379.33 Lacs against a loss of Rs. 388.68 Lacs in the previous year.

Exports

The exports of the Company increased from Rs. 4,422.75 Lacs to Rs. 8,124.93 Lacs during the year, showing a growth of 84%.

Human Resources Development

The Industrial relations remained harmonious with a focus on productivity, quality and safety. During the year under review, there were, no significant labour issues outstanding or remaining unresolved during the year.

The Board of Directors place on record their appreciation for the efforts put in by all employees to achieve good performance and looks forward to its continuation.

Cautionary Statement

Some of the statements in this "Management Discussion and Analysis", describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Annexure – III to the Directors' Report

CORPORATE GOVERNANCE REPORT 2012-2013

As required by Clause 49 of the Listing Agreement with the Stock Exchange(s), a report on Corporate Governance for the year ended 31st March, 2013 is furnished below:

A. Mandatory Requirements

1. Company's Philosophy on Code of Governance

AksharChem (India) Limited philosophy on Corporate Governance endeavours to achieve transparency, integrity and accountability in all its operations. Our governance practice is to build the trusts between the Company and its stakeholders viz. shareholders, customers, suppliers and employees.

2. Board of Directors

2.1. Composition of the Board

The Board of Directors as on 31st March, 2013 comprises of six Directors out of which three were Executive Directors and three were Non-Executive Directors. The three Executive Directors includes one Chairperson and Managing Director and two Joint Managing Directors and who are promoter of the Company. All three Non-Executive Directors are independent directors.

Independent Directors

Dr. Pradeep Jha, Mr. Param J. Shah and Mr. Kiran J. Mehta, are the independent directors of the Company.

The independent directors on the Board are senior, competent and highly respected persons from their

receptive fields. None of the Directors on the Board is a Member on more than 10 committees. Necessary disclosures have been made by the Directors in this regards.

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

2.2. Non-Executive Directors' Compensation and Disclosures

The Non-Executive Directors are entitled for sitting fees only which have been approved by the Board of Directors. Apart from sitting fees no other fees/compensation are paid to them.

2.3 Other provisions as to the Board and Committees

The Board plays an important role to ensure good governing practices and functioning of the Company. The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the Company is vested in the Board of Directors presided over by the Chairperson and Managing Director. The Board has delegated some of its powers to the executives of the Company. The Board reviews from time to time such delegated powers and their utilization for executive functioning of the Company. The Board also reviews compliance reports of all laws applicable to the Company as well as take necessary steps to rectify instances of non-compliances, if any.

The meetings of the Board of Directors are held at periodical intervals and are generally at the Registered Office of the Company. The information as required under Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. Senior level employees are often invited to attend the Board Meeting and provide clarifications as and when required. During the year under review, the Board of Directors met five (5) times and time gap between two meetings does not exceed four months. The details of Board Meeting and Attendance thereof are as below:

Sr. No.	Date of Board Meeting	Place	No. of Directors Present
1.	14.05.2012	Indrad, Kadi	5
2.	14.08.2012	Indrad, Kadi	5
3.	06.11.2012	Indrad, Kadi	5
4.	30.01.2013	Indrad, Kadi	6
5.	30.03.2013	Indrad, Kadi	4

Details of Board of Directors in terms of directorship/memberships in outside company (excluding Askharchem (India) Ltd.) as well as attendance at Board Meetings and last Annual General Meeting (AGM) are as follows:

Name of the Directors	No. of Outside Directorship Held		No. of Outside Committee Positions Held		No. of Board Meetings		Attended at Last AGM
	Public	Private	Public	Private	Held	Attended	
Mrs. Paru M. Jaykrishna	1	4	1	-	5	5	No
Mr. Gurcharan Singh@	-	-	-	-	4	-	No
Dr. Pradeep Jha	1	-	3	-	5	4	No
Mr. Param J. Shah	-	-	-	-	5	2	No
Mr. Kiran J. Mehta	-	-	-	-	5	4	Yes
Mr. Gokul M. Jaykrishna	2	5	-	-	5	5	No
Mr. Munjal M. Jaykrishna	1	6	-	-	5	5	Yes

@Resigned as Director with effect from 30.01.2013.

2.4 Information placed before the Board of Directors

The Board has complete access to all the information of the Company. The following information is regularly provided to the Board:

- The minutes of the meetings of the Board, Audit Committee and Shareholder/Investor Grievances Committee.
- Quarterly, half yearly and annual financial results of the Company and its operating divisions.
- Annual operating plans and budgets and any updates thereon.
- Capital budgets and any updates thereof.
- The information on recruitment and remuneration of senior officers just below the board level, including the appointment or removal of Chief Financial Officer and the Company Secretary.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal courses of business.
- Quarterly 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 agreements and shareholders service such as non-payment of dividend, delay in share transfer etc.

16. Appointment of statutory auditor, secretarial auditor, cost auditor and internal auditor.
17. General Disclosure of Interest.
18. Contracts in which director(s) are deemed to be interested.
19. Details of investment of surplus funds available with the Company.
20. Cost Audit Report / Secretarial Audit Report.

2.5 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

Mr. Param J. Shah and Dr. Pradeep Jha, the directors of the Company, retire by rotation at the ensuing Annual General Meeting and offers themselves for re-appointment.

2.6 Code of Conduct

The Company has laid down a Code of a Conduct for its Board of directors and senior level employees which is adhered to by all the concerned persons.

3. COMMITTEE OF THE BOARD

The Company has three Board level Committees, namely:

1. Audit Committee
2. Remuneration Committee
3. Shareholders' / Investor Grievances Committee

3.1 Audit Committee

i) Composition of Audit Committee

The Audit Committee constituted by the Board of Directors as per the provisions of Clause 49 of the listing Agreements as well as Section 292A of the Companies Act, 1956, comprises of three members, who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the Audit Committee Meeting. The following are members of Audit Committee:

1. Mr. Kiran J. Mehta - Chairman
2. Dr. Pradeep Jha - Member
3. Mr. Param J. Shah - Member

The Managing Director, Joint Managing Directors, Senior Management Executives, Head of Accounts, Internal Auditors and the Statutory Auditors are also invited to attend the Meetings.

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

ii) Meeting and Attendance of the Audit Committee:

During the year under review, the Audit Committee met four (4) times. The details of meeting and attendance of the members are as below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Kiran J. Mehta	4	4
Dr. Pradeep Jha	4	4
Mr. Param J. Shah	4	1

iii) Terms of reference of Audit Committee:

The terms of reference of Audit Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement with the Stock Exchange(s) as well as Section 292A of the Companies Act, 1956 and are as follows:

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 to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of

- section 217 of the Companies Act, 1956
- ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- 5A. 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 stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the Internal Control Systems.
 7. 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.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. 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.
10. 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.
 11. 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.
 12. To review the functioning of the whistle blower mechanism, in case the same is existing.
 - 12(a) Approval of appointment of CFO after assessing the qualification, experience & background, etc. of the candidate.
 13. Carrying out any other function as in mentioned in terms of reference of the Audit committee.
- iv) **Review of information by Audit Committee**
The Audit Committee shall mandatory review the following information in their meetings:
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief Internal auditor shall be subject to review by the Audit Committee.
 - v) **Subsidiary Company**
During the year under review, your Company does not have any Subsidiary Company.

3.2. Remuneration Committee

Your Company has a Remuneration Committee which reviews the remuneration to the Executive Directors and recommends the same to the Board of Directors.

All the remuneration is decided by the Board of Directors in accordance with the Shareholder's approval, if necessary. Apart from sitting fees, there is no other remuneration to the Non-Executive Directors.

The Committee comprises of:

1. Mr. Kiran J. Mehta, Chairman
2. Dr. Pradeep Jha, Member
3. Mr. Param J. Shah, Member.

Constitution of Remuneration Committee:

The Committee is consisting of three (3) Independent Directors.

Attendance of Remuneration Committee:

During the period under review the Committee met for one (1) time.

The details of members and their attendance are as below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Kiran J. Mehta	1	1
Dr. Pradeep Jha	1	1
Mr. Param J. Shah	1	-

Details of the remuneration paid to the Whole-time Directors are as below:

Whole – Time Director	Business relationship with the Company	Remuneration paid during the year 2012-2013 All elements of remuneration package i.e. salary, benefits, bonus, pension etc. paid during the year
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	Nil
Mr. Gokul M. Jaykrishna	Joint Managing Director	Rs. 6,00,000
Mr. Munjal M. Jaykrishna	Joint Managing Director	Rs. 6,00,000

1. Service Contract, Notice Period and Severance Fees:

The employment of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director, Mr. Gokul M. Jaykrishna, Joint Managing Director and Mr. Munjal M. Jaykrishna, Joint Managing Director is contractual.

2. Stock Option details, if any : NIL

Non Executive Director

Non-Executive Directors were paid sitting fees for attending the Board Meeting and Committee Meetings, except Mr. Param J. Shah, who has voluntarily consented not to avail any benefits including sitting fees from the Company. Details of the sitting fees paid for meetings of the Committees of the Board are given at the respective places of this report.

Shareholding of Directors

None of the Non-Executives Directors of the Company are holding any shares in the Company.

3.3. Shareholders'/Investors' Grievances Committee

The shareholder's/investor's grievances committee has been constituted to attend and to redress the investor grievances.

The Committee comprises of:

1. Mr. Kiran J. Mehta, Chairman
2. Dr. Pradeep Jha, Member
3. Mr. Param J. Shah, Member

The committee meets as and when required and following are the details of meeting held of Shareholders/ Investor Grievance Committee.

Name of Members	No. of Meetings	
	Held	Attended
Mr. Kiran J. Mehta	1	1
Dr. Pradeep Jha	1	1
Mr. Param J. Shah	1	-

The committee is responsible for:

A. To monitor work related to:

- Transfer and/or transmission of the shares of the Company.
- Dematerialization / rematerialisation of the shares of the Company.
- Sub-division, consolidation of any share certificate(s) of the Company.

B. Approval of issue of duplicate share certificates against the original share certificates.

C. To look into the redressing of shareholders and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, review of dematerialization, rematerialisation, shareholding pattern, distribution schedule etc.

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 Investors Grievances Committee.

Complaint Status

The status of complaints during the year under review is as under:

Number of complaints received	1
Number of complaints solved	1
Number of pending complaints	-

All the complaints received from the shareholders during the year were duly resolved. There are no complaints remaining unresolved as at the beginning and end of the year.

4. Management

The Management Discussion and Analysis Report forms part of Annual Report as per Clause 49 of the Listing Agreement.

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.

5. CEO/CFO Certification

A certificate from Mrs. Paru M. Jaykrishna, Chairperson and Managing Director, Mr. Gokul M. Jaykrishna, Joint Managing Director and Mr. Munjal M. Jaykrishna, Joint Managing Director of the Company on the financial reporting and internal controls was placed before the Board in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

6. 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.

7. General Body Meetings

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

Year	Location	Date	Time
2009-10	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	25.09.2010	11.00 a.m
2010-11	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	30.08.2011	11.30 a.m
2011-12	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	28.09.2012	11.30 a.m

7.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2012-13.

7.3 Special Resolution passed in the last three years at the Annual General Meetings

At the Annual General held on August 30, 2011 Special Resolution was passed approving the reappointment of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company.

7.4 Special Resolution passed last year through Postal Ballot

No resolution was passed through Postal Ballot in the Financial Year 2012-13.

7.5 Whether any Special Resolutions are proposed to be passed through Postal Ballot.

None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through postal ballot.

7.6 Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered addresses of all the shareholders of the Company along with a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairperson and Managing Director of the Company, who on the basis of the report announces the results.

8. Disclosures

1. Related party transactions

The audit committee reviews periodically the significant related party transactions that may have potential conflict with the interest of the Company at large.

There are no materially significant party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management

or relatives etc. that may have potential conflict with the interest of Company at large. Transactions with related parties as per the requirement of Accounting Standard (AS-18) – “Related Party Disclosure” are disclosed in Notes to Financial Statement.

2. Details of Non Compliances

The Company has complied with the requirements of the Stock Exchange, Securities Exchange Board of India (SEBI) and other authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

3. Whistle Blower

The Company has adopted a Whistle Blower policy and has established necessary mechanism in line with Clause 49 of the Listing Agreement with Stock Exchanges for employees to report concerns about the unethical behaviour. No employee is denied the opportunity to meet the Audit Committee members of the Company.

4. Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with non-mandatory requirements of remuneration committee and whistle blower policy to the extent detail above.

5. Accounting Treatment

The Company's financial statements are prepared in accordance with the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 in line with the Accounting Standards recommended by the Institute of Chartered Accountants of India.

6. Risk Management

The Audit Committee regularly reviews the risk assessment and control process of the Company. The Board also periodically review the risk assessment procedures laid by the Company.

7. Proceed from public issues, rights issue, preferential issue etc.,

During the period under review the Company has not

raised any proceeds from public issue, right issue, preferential issue etc.,

8. Secretarial Audit

a. Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchange(s), certificates on half yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.

b. A Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issue / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

9. Transfer to Investor Education and Protection Fund

During the year under review, the Company transferred Rs. 2,14,181/- to Investor Education and Protection Fund established by the Central Government.

9. Means Of Communication

Results

The Board of Directors of the Company approves and takes on record the Financial Results and announces the said financial results to the BSE Limited and Ahmedabad Stock Exchange Limited where the shares of the Company are listed. Further, the quarterly/half yearly results are generally published in Local English and Vernacular language newspapers. The shareholding pattern, financial results, corporate governance report other announcements are also filed electronically on BSE Ltd.

Website

The financial results are posted on the website of the Company at www.aksharchemindia.com.

Presentation to Institutional Investors or to analysts

The presentation of Company's performance are made to the Institutional Investors / Financial Analysts as and when felt expedient.

Management Discussion & Analysis Report

The management discussion and analysis report forms part of Directors Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risk and concern internal controls and systems are discussed in the said report.

10. General Shareholder's Information

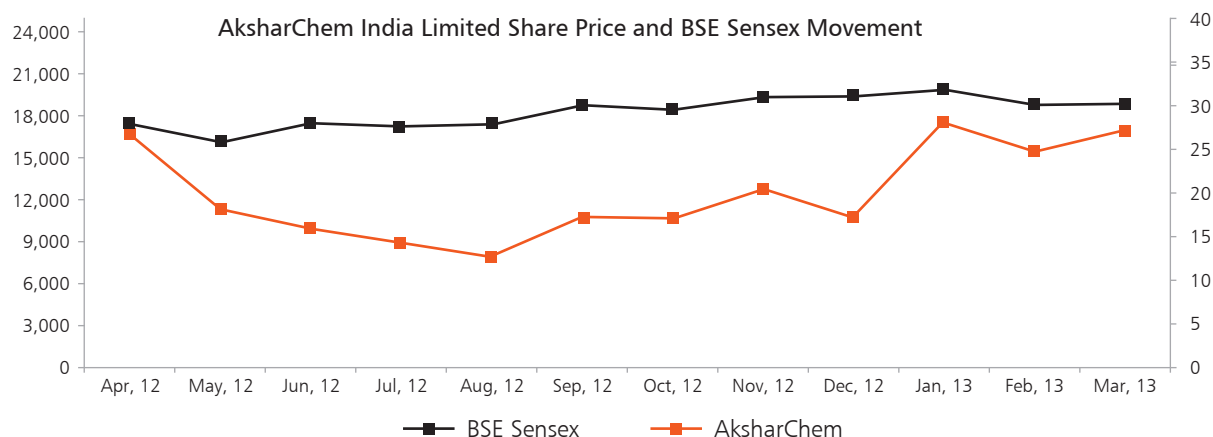
<p>i. Annual General Meeting Day, Date, Time & Venue</p>	<p>Friday, 27th September, 2013 at 3.30 P. M. at the Registered Office of the Company situated at 166-169, Village : Indrad, Kadi – Kalol Road, Dist : Mehsana.</p>
<p>ii. Financial Year Calendar (2013-14) Tentative Financial Year Annual General Meeting Results for quarter ended on 30th June, 2013 30th September, 2013 31st December, 2013 Annual Results 2013-14</p>	<p>1st April, 2013 to 31st March, 2014 August / September, 2014 On or before 29th July, 2013 On or before 14th November, 2013 On or before 14th February, 2014 On or before 29th May, 2014</p>
<p>iii. Date of Book Closure <i>Closure of Register of Members and Share Transfer Books</i></p>	<p>The Book Closure is from 19th September, 2013 to 27th September, 2013 (both days inclusive).</p>

iv. Dividend Payment Date	<p>Final Dividend of Rs. 0.50 per share (5%) for the Financial Year 2012-13 is proposed. The payment of final dividend upon declaration by the shareholders at the forthcoming Annual General Meeting will made:</p> <ol style="list-style-type: none"> 1. to all those shareholders holding shares in physical and whose names appear in Company' Register of Members as on 18th September, 2013. 2. 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 18th September, 2013.
v. Listing of Equity Shares on Stock Exchange at	<p>The Equity Shares of the Company are listed at BSE Limited and Ahmedabad Stock Exchange Ltd and Annual Listing Fees for the Financial Year 2013-14 has been paid to the above stock exchanges.</p> <p>Name and Address of Stock Exchange(s)</p> <p><u>BSE Limited</u> P. J. Towers, Dalal Streets, Mumbai - 400 001</p> <p><u>Ahmedabad Stock Exchange Ltd</u> Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 380 015.</p>
vi. Stock Code	<p>524598 (BSE) 6408 (ASEL)</p>

vii. Market Price Data

The monthly High, Low (based on closing prices) during each month in the year 2012-13 on BSE Limited is given below:

Month	High (Rs.)	Low (Rs.)
April, 2012	29.55	16.00
May, 2012	27.00	18.20
June, 2012	17.35	15.10
July, 2012	17.40	14.35
August, 2012	15.73	12.40
September, 2012	17.10	10.90
October, 2012	18.35	14.75
November, 2012	21.00	17.30
December, 2012	22.45	17.20
January, 2013	30.20	16.35
February, 2013	26.95	26.10
March, 2013	27.20	23.50



viii. Registrar and Transfer Agent

The Company in compliance with Securities Exchange Board of India (SEBI) guidelines has appointed M/s. Link Intime India Pvt. Ltd. to act as Registrar and Transfer agent to handle all investor services relating to shares held in physical form as well as in electronic mode. Their address is given below :

Link Intime India Pvt Ltd

Mumbai Office

C-133, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
Tel : 022-25960320-28
Fax : 022-25960329

Ahmedabad Branch Office

303, Shoppers Plaza V, Opp. Municipal Market
Off. C. G. Road, Navrangpura
Ahmedabad - 380009
Tel : 079-26465179

ix. Share Transfer System

The Register and Transfer Agent deal with Share Transfer both in Physical and Demat Mode. The Demat shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Transfer Agent and approved by the Shareholder / Investor Grievance Committee and transferred within the time stipulated by the Stock Exchange(s) and in terms of Clause 47 of Listing Agreement.

x. Payment of Dividend through National Electronic Clearing Services (NECS)

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, members who hold shares in demat mode should inform their Depository Participant and members holding shares in physical mode should update the bank details with the Register and Shares Transfer Agent.

xi. Distribution of shareholding

The distribution of shareholding as on 31st March, 2013 is as under:

a. Distribution by number of shares

Number of Equity Shares Held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
001-500	4,259	95.09	591,460	11.94
501-1000	112	2.50	93,620	1.89
1001-2000	47	1.05	74,763	1.51
2001-3000	23	0.52	56,584	1.14
3001-4000	5	0.11	17,088	0.35
4001-5000	2	0.04	8,106	0.16
5001-10000	12	0.27	86,926	1.76
10001 & above	19	0.42	4,024,303	81.25
Total	4,479	100.00	4,952,850	100.00

b. Shareholding Pattern as on 31st March, 2013 (category wise)

	Category	No of Shares	% of Shareholding
A.	Promoters		
1.	Indian Promoters		
	Individuals	3,283,441	66.29
	Bodies Corporate	323,922	6.54
2.	Foreign Promoters	-	-
	Total Promoters Holding	3,607,363	72.83
B.	Non Promoters		
1.	Institutional Investors		
a.	Mutual Funds	5,500	0.11
b.	Banks, Financial Institutions, Insurance Companies	-	-
c.	Foreign Institution Investors	-	-
	Sub Total	5,500	0.11
2.	Others		
a.	Bodies Corporate	82,236	1.66
b.	Indian Public	1,228,516	24.81
c.	NRIs/OCBs	18,172	0.37
d.	Clearing Members / Clearing House	11,063	0.22
	Sub Total	1,339,987	27.06
	Grand Total	4,952,850	100.00

xii. Dematerialization of Shares and Liquidity

For Dematerialisation of Equity Shares, the Company has entered into a tripartite agreement with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Link Intime India Private Limited to facilitate the shareholders to demat their share with any of the depositories, under ISIN No. – INE542B01011.

The Equity Shares of the Company are frequently traded on the BSE Limited.

Details of Demat Shares as at 31st March, 2013

	No of shareholders	No of Shares	% of Capital
CDSL	439	256,717	5.18
NSDL	979	4,195,813	84.72
Physical Form	3,061	500,320	10.10
Total	4,479	4,952,850	100.00

xiii. Outstanding GDRs / ADRs /Warrants or any Convertible Instruments, conversion date and likely impact on Equity

There are no outstanding GDRs / ADRs / Warrants or any convertible instruments.

xiv. Plant Locations

166-169, Village: Indrad
Kadi-Kalol Rd, Mehsana, Gujarat – 382 727

xv. Address for correspondence

At Company
AksharChem (India) Limited
"Asahi House", Kadi – Kalol Road,
Village : Indrad, Dist : Mehsana - 382 727, Gujarat.
Tel : (02764) 233007-10
Fax: (02764) 233020
Email: cs@aksharchemindia.com

At Registrar and Transfer Agent

Link Intime India Private Limited
 303, Shoppers Plaza V
 Opp. Municipal Market
 Off. C. G. Road, Navrangpura
 Ahmedabad – 380009.
 Tel : (079) 26465179
 Fax :(079) 26465179
 Email: ahmedabad@linkintime.co.in

B. Non-Mandatory Requirements

1. The Board – A non executive Chairman may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expense incurred in performance of his/her duties:

The Chairman of the Company is Executive Chariman and hence not applicable.

Independent Directors may have a tenure not exceeding in the aggregate a period of nine years on the Board of the Company:

No maximum tenure for Independent Directors has been specifically determined by the Board.

The Company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him/her to contribute effectively to the Company in his/her capacity as an independent director:

This is ensured.

2. Remuneration Committee:
The Company has already set up an Remuneration Committee.
3. Shareholder Rights – A half yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of Shareholders:
As the Company's half yearly results are published in leading English newspapers having circulation all over

India and in vernacular newspaper and also in the Company's website, the same are not sent to the shareholders of the Company. The annual results are approved by the Board and published in the newspaper and communicated to the shareholders through the Annual Report.

4. Audit qualification – Company may move towards a regime of unqualified financial statements:
There are no audit qualification in the Companies Financial Statement for the year ended March 31, 2013.

5. Training of Board Members – A Company may train its Board Members in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as directors and the best ways to discharge them:

The Board of Directors are periodically updated with business, market and Company profile.

6. Mechanism for evaluating non-executive Board Members – The performance evaluation of non-executive directors could be done by a Peer Group comprising the entire Board of Directors excluding the director being evaluated; and Peer Group evaluation could be the mechanism to determine whether to extend / continue the terms of appointment of non – executive directors:

At present, the Company does not have any such mechanism for evaluating the performance of Non-Executive Board Members.

7. Whistle Blower Policy:
The Audit Committee of Directors reviews the whistle blower policy of the Company.

For and on behalf of the Board

Date: 19/06/2013
Place: Ahmedabad

Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

Declaration on Code of Conduct

To the Members of
AksharChem (India) Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Level Employees of the Company.

It is further confirmed that all Directors and Senior Level Employees of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2013, as envisaged in Clause 49 of the Listing Agreement with Stock Exchange(s).

For and on behalf of the Board

Date: 19/06/2013
Place: Ahmedabad

Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

Auditors' Certificate on Corporate Governance

To the Members of
AksharChem (India) Limited

We have examined the compliance of conditions of corporate governance by AksharChem (India) Limited for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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

For, Trushit Chokshi & Associates
Chartered Accountants
Firm Registration No : 111072W

Date : 19/06/2013
Place : Ahmedabad

Trushit Chokshi
Proprietor
Membership No. : 040847

Annexure – IV to the Directors' Report

COMPLIANCE CERTIFICATE

Company No.:04:12441

Nominal Capital :Rs.500 Lacs.

To,
The Members
AksharChem (India) Limited

I have examined the registers, records, books and papers of M/s AksharChem (India) Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Associations of the Company for the financial year ended on 31st March, 2013. In My opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. the Company is a Public limited company and having the paid up capital exceeding minimum capital under the Act. The other comments are not required.
4. the Board of Directors duly met 5 times on 14/05/2012, 14/08/2012, 06/11/2012, 30/01/2013 and 30/03/2013 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. the Company has closed its Register of Members during the year in accordance with the provisions of Section 154 of the Act.
6. the annual general meeting for the financial year ended on 31/03/2012 was held on 28/09/2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. no Extra Ordinary General meeting was held during the year.
8. as per the information provided and explanation given, the Company has not advanced loan to its directors and/or persons firms or companies referred in Section 295 of the Companies Act, 1956.
9. the Company has duly entered into Contract falling within the purview of Section 297 of the Act during the year under review.
10. the Company has made necessary entries in the register maintained under Section 301 of the Act.
11. one relative of Directors is drawing salary after obtaining approval of Board of directors in accordance with the provisions of Section 314 of the Companies Act, 1956.
12. the Board of Directors or committee of Directors has not approved the issue of duplicate share certificates.
13. the Company has:
 - (i) not made allotment of securities during the year. The Company has delivered all the certificates on lodgment thereof for transfer/ transmission within the time prescribed under the provisions of the Act barring few exception of delayed transfer.
 - (ii) not deposited the amount of dividend since it has not declared the dividend during the year.

- (iii) not paid/posted warrants for dividends to all the members and deposited unpaid dividend as required under the Act as it has not declared any dividend during the year.
 - (iv) transferred the amounts of unpaid dividend for the year 2004-2005 along with interest which have remained unclaimed or unpaid for a period of 7 years to Investor Education and Protection Fund during the year under review. Except this there is no other case of transfer of amount.
 - (v) duly complied with the requirement of Section 217 of the Act to the extent applicable to it.
14. the Board of Directors of the Company is duly constituted and appointment of directors have been duly made.
 15. there is no appointment of managerial personnel during the year under review.
 16. the Company has not appointed sole selling agent.
 17. there were no transactions requiring the Company to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
 18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. the Company has not issued shares/debentures or other securities during the financial year.
 20. the Company has not bought back any shares during the year under scrutiny.
 21. the Company has not redeemed any preference shares/debentures during the year.
 22. there were no instances requiring the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. the Company has not invited or accepted deposit falling within purview of Section 58A of the Act during the year.
 24. the Company had borrowed moneys in accordance with the provisions of Section 293 (1) (d) of the Act.
 25. The Company has made investment in accordance with the provisions of Section 372A of the Act. However as explained, the Company has not advanced loan or given guarantees or provided securities to other bodies corporate.
 26. the Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
 27. the Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
 28. the Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
 29. the Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
 30. the Company has not altered its articles of association during the year under review.
 31. as informed to me by the Management that no prosecution has been initiated against or show cause notices received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company.
 32. the Company has not received any sum as security as referred to in Section 417 (1) of the Act, from its employees during the year under certification.
 33. the Company has not created any fund referred to Section 418 of the Companies Act, 1956 and hence said Section is not applicable to the Company.

Signature:

Name of Company Secy.: Bipin L. Makwana
C.P. No.: 5265

Date : 19/06/2013
Place: Ahmedabad

Annexure 'A'

Registers as maintained by the Company:

1. Register of Members u/s 150.
2. Register of Directors u/s 303.
3. Register of Directors' Shareholdings u/s 307.
4. Register of Contracts u/s 301.
5. Register of Fixed Assets.
6. Register of Charges u/s 143.

Signature:

Date : 19/06/2013
Place: Ahmedabad

Name of Company Secy.: Bipin L. Makwana
C.P. No.: 5265

Annexure 'B'

Forms and returns as filed by the Company with the Registrar of Companies during the financial year. The Company has not filed any form with Company Law Board or Regional Director.

Sl. No.	Nature of Document	Date of Filing	Filed within prescribed time	Not filed within prescribed time but filed with additional fees
01	Form No. 5 INV	31/07/2012	Yes	-
02	Form No.23D	13/10/2012	Yes	-
03	Form No. 66 for submission of Compliance Certificate u/s 383A of the Act.	17/10/2012	Yes	-
04	Form No.20B (Annual Return made up to 28/09/2012) u/s 159 of the Act.	20/11/2012	Yes	-
05	Form No.1 NV – Statement of amount credited to IEPF as per IEPF Rules.	18/12/2012	Yes	-
06	Form No. 5 INV	27/12/2012	Yes	-
07	Form No 1- XBRL	29/12/2012	Yes	-
08	Form No.23ACXBRL, Form No.23ACA XBRL (Balance Sheet, P& L A/c for the year ending 31.03.2012) u/s 220 of the Act.	14/01/2013	Yes	-
09	Form No.32 for resignation of director- Mr. Gurcharan Singh u/s 303 (2) of the Act.	28/03/2013	Yes	-

Signature:

Date : 19/06/2013
Place: Ahmedabad

Name of Company Secy.: Bipin L. Makwana
C.P. No.: 5265

Financial section

INDEPENDENT AUDITOR'S REPORT

To the Members of AksharChem (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of AksharChem (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For, Trushit Chokshi & Associates
Firm Registration No: 111072W
Chartered Accountants

Trushit Chokshi
Proprietor
Membership No. : 040847

Place: Ahmedabad
Date: 19.06.2013

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of the Auditors' Report of even date to the members of AksharChem (India) Limited on the financial statements as at and for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in phased verification programme, which in our opinion, is reasonable looking to the size of the Company and the nature of its business. As explained to us, on such physical verification of fixed assets, no major discrepancies have been noticed.
(c) The Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
2. (a) During the year, the inventories have been physically verified, by the Management at regular intervals, except for the stock lying with the outside parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedure of the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of records of the inventories, we are of the opinion that, the Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured loans to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 3(b), 3(c) and 3(d) of Paragraph 4 of the Order are not applicable to the Company for the current year.
(b) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured loans from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 3(f) and 3(g) of Paragraph 4 of the Order are not applicable to the Company for the current year.
4. In our opinion and as per the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, no major weaknesses in the internal control system have been noticed and there is no continuing failure in the same.
5. a) Based on the audit procedure applied by us and according to the information and explanations and representations given to us by the management, we are of the opinion that the transactions in which directors were interested and which need to be entered into the register to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and as per the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year is reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and as per the information and explanations given to us, as the Company has not accepted any deposits from the public, paragraph 4(vi) of the order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of business.
8. According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 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 not, however, carried out a detailed examination of the same.
9. (a) In our opinion and as per the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales tax, service tax, Value added Tax, custom duty, excise duty and cess and other statutory dues, if any, with the appropriate authorities. No undisputed

amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.

- (b) There are no amounts in respects of Excise Duty, Custom and Wealth Tax and cess that have not been deposited

with the appropriate authorities on account of any dispute.

- (c) The disputed dues on account of income tax, sales tax, VAT which have remained unpaid as on 31.03.2013 are as follows:

Name of the Statute	Nature of Dues	Amount of Demand net of Deposits	Year to Which Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	669,293	2001-2002	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	4,427,236	2003-2004	High Court of Gujarat
Gujarat VAT Act, 2003	Sales Tax	1,803,341	2004-2005	Ahmedabad VAT Tribunal
Income Tax Act, 1961	Income Tax	293,669	2004-2005	Commissioner of Income Tax, Circle (1), Ahmedabad

10. The Company has neither accumulated losses at the end of the financial year as at 31st March 2013, nor has it incurred cash losses in the current financial year ended on that date. The Company has incurred cash losses in the previous financial year.
11. In our opinion and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks and Financial Institutions and debenture holders.
12. In our opinion and as per the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi, Mutual Benefit Fund and / or a Society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loans were applied by the Company for the purpose for which they were obtained.
17. According to the information and explanations given to us, and on verification of Cash flow and on an overall examination of

the balance sheet of the Company, in our opinion, there are no funds raised on short-term basis used for long-term investments.

18. According to the information and explanations given to us, during the period covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. On the basis of the records and documents examined by us, the Company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by Company was noticed or reported in the course of our audit during the year.

For, Trushit Chokshi & Associates
Firm Registration No: 111072W
Chartered Accountants

Trushit Chokshi
Proprietor
Membership No. : 040847

Place: Ahmedabad
Date: 19.06.2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rupees)

Particulars	Notes	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	49,528,500	49,528,500
(b) Reserves and surplus	3	119,992,161	84,956,700
		169,520,661	134,485,200
2. Non-current liabilities			
(a) Long-term borrowings	4	-	-
(b) Deferred tax liabilities (Net)	5	-	3,856,839
(c) Long-term Provisions	6	1,140,112	898,350
		1,140,112	4,755,189
3. Current liabilities			
(a) Short-term borrowings	7	139,559,383	135,091,091
(b) Trade payables	8	122,273,680	113,477,072
(c) Other current liabilities	9	2,646,180	9,179,362
(d) Short-term provisions	10	3,193,421	245,537
		267,672,664	257,993,062
TOTAL		438,333,437	397,233,451
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		155,246,193	165,318,388
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(b) Non-current investments	12	554,768	554,768
(c) Deferred tax assets (Net)	5	210,436	-
(d) Long-term loans and advances	13	7,313,296	8,114,908
		163,324,693	173,988,064
2. Current assets			
(a) Inventories	14	36,679,045	46,541,346
(b) Trade receivables	15	82,118,301	71,396,433
(c) Cash and Cash equivalents	16	4,842,185	4,934,271
(d) Short-term loans and advances	17	150,895,488	99,899,612
(e) Other current assets	18	473,725	473,725
		275,008,744	223,245,387
TOTAL		438,333,437	397,233,451
Significant Accounting Policies	1		
The accompanying notes are an integral part of financial statements	2 - 38		

As per our Report of even date attached.

For and on behalf of the Board

For, Trushit Chokshi & Associates
Firm Registration No. 111072W
Chartered Accountants

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Trushit Chokshi
(Proprietor)
Membership No. 040847
Place : Ahmedabad
Date: 19/06/2013

Gokul M. Jaykrishna
Joint Managing Director

Munjal M. Jaykrishna
Joint Managing Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013*(Amount in Rupees)*

Particulars	Notes	Year ended 31st March, 2013	Year ended 31st March, 2012
I. Revenue from operations	19	958,302,518	518,940,088
II. Other income	20	689,681	746,739
III. Total Revenue		958,992,199	519,686,827
IV. Expenses:			
Cost of Materials consumed	21	700,527,225	368,098,326
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	5,427,685	40,177,367
Employee benefits expense	23	16,963,418	15,120,940
Finance costs	24	15,928,586	15,751,517
Depreciation and amortization expense	25	11,858,969	9,190,161
Other Expenses	26	174,414,453	113,594,933
Total expenses		925,120,336	561,933,244
V. Profit/(Loss) before tax		33,871,863	(42,246,417)
VI. Tax expense:			
1. Current tax		6,384	19,217
2. Deferred tax		(4,067,275)	(3,396,525)
VII. Profit/(Loss) after tax		37,932,754	(38,869,109)
VIII. Earning per equity shares: (face value of Rs. 10/- per share)	27		
(1) Basic		7.66	(7.85)
(2) Diluted		7.66	(8.23)
Significant Accounting Policies	1		
The accompanying notes are an integral part of financial statements	2 - 38		

As per our Report of even date attached.

For, Trushit Chokshi & Associates
Firm Registration No. 111072W
Chartered Accountants

Trushit Chokshi
(Proprietor)
Membership No. 040847
Place : Ahmedabad
Date: 19/06/2013

For and on behalf of the Board

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Gokul M. Jaykrishna
Joint Managing Director

Munjal M. Jaykrishna
Joint Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rupees)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
A. Cash Flow from Operating Activities				
Net Profit Before Tax		33,871,863		(42,246,417)
Add: Depreciation and Amortisation Expenses	11,858,969		9,190,161	
Finance Cost	15,928,586		15,751,517	
Less: Interest Received	(653,021)		(510,918)	
Profit from sale of Current Investment / assets	96,941		344,936	
Dividend Income	(3,272)	27,228,203	(226,174)	24,549,522
Operating Profit Before Working Capital Changes		61,100,066		(17,696,895)
Working Capital Changes				
Increase/(Decrease) Trade & Other receivables	(10,721,868)		(14,529,991)	
Increase/(Decrease) Inventories	9,862,301		49,980,983	
Increase/ (Decrease) Trade & other payable	7,568,884	-	(54,134,271)	
Changes in Loans and Advances	(43,089,911)	(36,380,594)	27,050,203	8,366,924
Cash Generated from Operating Activities		24,719,472		(9,329,971)
Direct taxes paid	(7,110,737)		(1,340,210)	
		(7,110,737)		(1,340,210)
Net Cash from / (used in) Operating Activities		17,608,735		(10,670,181)
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(2,013,715)		(47,923,462)	
Proceeds from sale of Fixed Assets / Investments	130,000		360,000	
Purchase of Investments	-		(53,001,000)	
Sale of Current Investments	-		53,000,000	
Interest and Other Income	656,293	(1,227,422)	746,739	(46,817,723)
Net Cash from / (used in) Investing Activities		(1,227,422)		(46,817,723)
C. Cash Flow from Financing Activities				
Proceed from Share Capital & Premium	-		28,675,000	
Availment/(Repayment) Long term borrowings	(5,013,105)		(13,189,882)	
Availment/(Repayment) Short term borrowings	4,468,292		45,653,632	
Interest Paid	(15,928,586)	(16,473,399)	(15,751,517)	45,387,233
Net Cash from / (used in) Financing Activities		(16,473,399)		45,387,233
Net increase / (decrease) in cash and cash equivalents		(92,086)		(12,100,671)
Cash and cash equivalent at the beginning of the year		2,344,271		14,444,942
Cash and cash equivalent at the end of the year		2,252,185		2,344,271

CASH FLOW STATEMENT (Contd.) FOR THE YEAR ENDED 31ST MARCH, 2013*(Amount in Rupees)*

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
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 - 16)		4,842,185		4,934,271
Less: Margin money not considered as cash and cash equivalents as defined in AS 3 "Cash Flow Statement"		2,590,000		2,590,000
		2,252,185		2,344,271
2. Components of cash and cash equivalents:				
Cash on hand		232,560		450,852
In current accounts		400,109		382,427
Unclaimed share application money in escrow accounts		136,584		350,865
In deposit accounts		1,482,932		1,160,127
		2,252,185		2,344,271

3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
4. The cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by Institute of Chartered Accountants of India.

As per our Report of even date attached.

For, **Trushit Chokshi & Associates**
Firm Registration No. 111072W
Chartered Accountants

Trushit Chokshi
(Proprietor)
Membership No. 040847
Place : Ahmedabad
Date: 19/06/2013

For and on behalf of the Board

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Gokul M. Jaykrishna
Joint Managing Director

Munjal M. Jaykrishna
Joint Managing Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

a. Disclosure of Accounting Policies

The Financial Statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

1.2 Valuation of Inventories

a. Raw material, are valued at lower of the cost on FIFO basis including incidental expenses to bring the inventories to their present location and condition and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

b. Packing Materials and Stores & Spares are valued at cost on FIFO basis.

c. Finished goods and work in process include cost, cost of conversion and other cost incurred in bringing the inventories to their present location and condition; and market realizable value whichever is lower. Trading goods are valued at cost on FIFO basis or market value whichever is lower. By products are valued at net realizable value.

d. The Company is mainly engaged in the export business, the closing stock at the year end is generally exported in the next year. Exports are being exempted from excise duty, Hence no provision for excise duty has been made in Statement of Profit & Loss and Finished goods are valued without adding therein excise duty. However the said liability if accounted would have no effect on the profit for the year.

1.3 Cash Flow Statements

The Cash Flow Statement is prepared under "Indirect method". The cash flow from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents comprises of Cash at Bank, Cash on Hand, Current and other accounts held with Banks.

1.4 Contingencies and Event Occurring after the Balance Sheet Date

a. Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.

b. Dividends, which are proposed/declared by the Company after the Balance Sheet date but before the approval of the financial statements are adjusted.

1.5 Net Profit or Loss for the period, Prior Period items and Changes in accounting Policies

Significant items or Extra-ordinary items and Prior Period Incomes and Expenditures are accounted in accordance with Accounting Standard.

1.6 Depreciation of Fixed Assets

a. Depreciation on tangible fixed assets has been provided on Straight Line Method corresponding to the rates prescribed under Schedule XIV to the Companies Act, 1956.

b. Depreciation on additions / deductions in respect of fixed assets are charged on pro-rata from / up to date on which asset is available for use / disposal.

c. In respect of Individual assets costing less the Rs. 5000/- are depreciated fully in the year / period of the purchase.

d. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realizable values.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

1.7 Revenue Recognition

- a. Sales are recognized when goods are supplied and are recorded net of trade discounts, rebates and VAT but include, wherever applicable, excise duties, export incentives such as Duty Drawbacks and premiums on sale of Import Licenses.
- b. Export benefits / incentives are accounted on accrual basis. Accordingly, estimated export benefits against exports affected during the year are taken into account as estimated incentives accrued till the end of the year. In case of License not revalidated after the date of expiry, the proportionate export benefit / incentive taken credit in earlier year(s) is written off in the year of expiry of License and /or changes made by the Central Government during the year in the rate of tariff of Import Duty.
- c. Incomes from services rendered are booked based on agreements/ arrangements with the concerned parties.
- d. Income form investments are booked on accrual basis inclusive of Tax deducted at source.

1.8 Accounting of Fixed Assets

- a. Fixed assets are stated at cost of acquisition or construction /erection, less accumulated depreciation / amortization. Cost of acquisition or construction is inclusive of purchase price, freight, and other incidental expenses related to acquisition and installation and exclusive of VAT, Excise Duty etc. credit availed as per prevailing rules thereof and any directly attributable cost of bringing the asset to its working condition for the intended use. Interest incurred during the period of erection of Fixed Assets on Borrowing Finance for such fixed assets is capitalized.
- b. Depreciation is provided on the straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- c. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realisable value.
- d. Capital Work-in-progress is stated in the assets schedule at the amount spent up to the date of the Balance Sheet, however pending completion of the project, no depreciation is provided on the same.

1.9 The Effects of Changes in Foreign Exchange Rates

- a. Foreign Currency loans in respect of fixed assets are translated at exchange rate prevalent on the last day of accounting year. Any loss or gain arising due to foreign exchange fluctuation of the foreign currency loan of fixed assets outstanding on the last day of the year is charged to Statement of Profit & Loss for the same year.
- b. Current assets and liabilities in foreign currency outstanding at the last day of the accounting year are valued at exchange rate prevalent at the last day of the accounting year. The loss or gain due to fluctuation of exchange rates is charged to Statement of Profit & Loss. Treatment of Forward Contract Transactions are dealt with as per AS – 11.

1.10 Accounting for Government Grants

Government grants are recognized when there is reasonable assurance that the same will be received. Government grants relating to revenue are recognized on accrual and are shown under other income. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets and other Capital grants are treated as Capital Reserve.

1.11 Accounting for Investments

Investments those are already realisable and intended to be held for more then a year from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Long-term Investments.

Current investments are carried at lower cost or fair value. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is permanent in the opinion of the management.

1.12 Employee Benefits

a. Defined Contribution Plan

Provident Fund and Employee State Insurance Scheme are defined contribution Scheme and the contribution are charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b. Defined Benefit Plan

Gratuity liability for eligible employees is defined benefit obligation and are provided for on the basis of an actuarial valuation at the end of the each financial year.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

1.13 Borrowing Costs

Borrowing cost that is attributable to the acquisition or construction of qualifying assets are capitalized for the period until the asset is ready for its intended use. All other borrowing costs are charged to revenue.

1.14 Segment Reporting

The Company has only one main reportable segment i.e. Dye Intermediates.

1.15 Related Party Disclosures

Transactions with Key Managerial Personnel and Related Parties as defined under Accounting Standard, other than Independent Non- Executive Directors is disclosed as "Related Party Transactions" in the Notes to Financial Statements.

1.16 Accounting for Leases

All leases are classified into operating and finance lease at the inception of the lease. Leases that transfer substantially all risks and rewards from lessor to lessees are classified as finance lease and others being classified as operating lease.

There is no any finance or operating lease transactions entered into by the Company.

1.17 Earning Per Share

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.18 Accounting for Taxes on Income

- a. Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period.
- b. Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.
- c. MAT credit entitlements are treated as advance payment of tax.

1.19 Discontinuing Operations

The Company has not discontinued any operations during the year.

1.20 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

1.21 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the Statement of profit and loss.

1.22 Provisions, Contingent Liabilities and Contingent Assets

- a. The provisions are recognized and measured by using a substantial degree of estimation.
- b. Contingent Liabilities
Disputed liabilities and claims against the Company including claims raised by the authorities (e.g. Commercial Tax, Value Added Tax, Income Tax, Excise etc.) pending in appeal / Court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in Notes forming part of Financial Statements.
- c. Contingent Assets are neither recognized nor disclosed.

1.23 Accounting of Derivative Financial Instruments

Presently, the Company is not engaged in Derivative Financial Instruments. However, for derivative contracts, premium paid and gains/losses on settlement will be charged to Statement of Profit and Loss. Losses arising on the restatement of the outstanding derivative contracts as at the year end by marking them to market will be charged to the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

2. SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Authorised Shares		
5,000,000 (Previous Year 5,000,000) Equity Shares of Rs. 10 each	50,000,000	50,000,000
b. Issued, Subscribed and Paid-up		
4,952,850 (Previous Year 4,952,850) Equity Shares of Rs. 10 each fully paid	49,528,500	49,528,500
Total	49,528,500	49,528,500

c. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
At the beginning of the period	4,952,850	49,528,500	3,402,850	34,028,500
Add: Shares Issued during the year	-	-	1,550,000	15,500,000
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the period	4,952,850	49,528,500	4,952,850	49,528,500

d. Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pay 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.

Particulars	As at 31st March, 2013	As at 31st March, 2012
e. Shares held by holding / ultimate holding company / or their subsidiaries / associates	-	-

f. Details of shareholders holding more than 5% of total number of shares issued by the Company

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No of Equity Shares	% of holding in the class	No of Equity Shares	% of holding in the class
Mrs. Paru M. Jaykrishna	1,636,871	33.05	1,636,871	33.05
Mr. Gokul M. Jaykrishna	823,643	16.63	823,643	16.63
Mr. Munjal M. Jaykrishna	822,927	16.62	822,927	16.62
M/s Intercon Finance Private Ltd.	323,722	6.54	323,722	6.54
	3,607,163	72.84	3,607,163	72.84

As per records of the Company, including its register of members and other declarations received from them regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of the shares.

- g. 1. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: NIL
2. Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares : NIL
3. Aggregate number and class of shares bought back: NIL

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

3. RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at	As at
	31st March, 2013	31st March, 2012
a. Securities Premium Account		
Balance at the beginning of the year	23,976,600	10,801,600
Add : Securities premium credited on Share issue	-	13,175,000
Balance at the end of the year	23,976,600	23,976,600
b. General Reserve		
Balance at the beginning of the year	16,300,297	16,300,297
Balance at the end of the year	16,300,297	16,300,297
c. Surplus in statement of Profit and Loss		
Balance at the beginning of the year	44,679,803	83,548,912
Add: Net Profit/(Loss) for the year	37,932,754	(38,869,109)
Less : Appropriation		
Proposed Dividend for the year Rs. 0.50 (Previous year Rs. Nil) per Equity Share	2,476,425	-
Tax on Proposed Dividend	420,868	-
Balance at the end of the year	79,715,264	44,679,803
Total	119,992,161	84,956,700

4. LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Secured Loans				
a. Term Loans				
Indian Rupees Loan (a)				
From State Bank of India	-	-	-	5,013,105
Amount disclosed under the other current liabilities (see Note: 9)	-	-	-	(5,013,105)
Total	-	-	-	-

a. Secured loans are covered by:

Term Loan from State Bank of India is secured by Equitable mortgage of Land and Buildings and a first charge by way of hypothecation of the whole of the movable properties of the Company including its movable plant & machinery, stores, tools & accessories, present & future and other movables save & except book debts & current assets and further secured by personal guarantee of three Directors of the Company.

b. Repayment terms of outstanding long term borrowings as on March 31, 2013

1. There was no default in repayment of loan or interest.
2. Repayment terms of secured term loan in Indian Rupee Borrowings
Amount payable within 12 Months Rs. Nil (Previous Year Rs. 5,013,105/-)

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

5. DEFERRED TAX LIABILITIES (NET)

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Deferred Tax Liabilities	26,312,373	19,516,510
b. Deferred Tax Assets	26,522,809	15,659,671
Total	(210,436)	3,856,839

6. LONG-TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Provisions for employees benefits	1,140,112	898,350
Total	1,140,112	898,350

7. SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Secured Loans:		
a. Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	122,641,824	109,823,455
Cash Credit Account	8,548,381	6,361,416
Total	131,190,205	116,184,871
Unsecured		
b. Deposits from others	869,178	18,906,220
Unsecured Loan From Directors	7,500,000	-
Total	139,559,383	135,091,091

* Secured loans are secured by hypothecation of raw materials, finished goods, stock in process and book debts, and further secured by first charge over the fixed assets of the Company and personal guarantee of three Directors of the Company.

8. TRADE PAYABLES

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Trade payable - Micro, Small and Medium Enterprises	8,771,345	2,866,924
b. Others	113,502,335	110,610,148
Total	122,273,680	113,477,072

(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, 2013.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

8. TRADE PAYABLES (Contd.)

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	8,771,345	2,866,924
Interest	-	-
b. The amount of interest paid by the buyer in terms of Section - 16 of the MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the 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 MDMED Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
Total	8,771,345	2,866,924

(2) There are no Micro, Small & Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March, 2013. This information is disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of the information available with the Company.

9. OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Unclaimed Dividends	136,584	350,865
b. Current maturities of long term borrowings (See note: 4)	-	5,013,105
c. Others		
Statutory liabilities	1,004,196	976,641
Payables for fixed assets	1,073,350	1,663,457
Other Current liabilities and payables	432,050	1,175,294
Total	2,646,180	9,179,362

10. SHORT TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Proposed Dividend	2,476,425	-
b. Tax on Proposed Dividend	420,868	-
c. Provision for employee benefits		
Gratuity	296,128	245,537
Total	3,193,421	245,537

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

11. FIXED ASSETS

(Amount in Rupees)

Sl. No	Nature of Assets	Gross Block			Depreciation				Net Block		
		As at 01-04-2012	Additions	Disposal	As at 31-03-2013	As at 01-04-2012	Depreciation charge for the year	On disposals	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
A	Tangible Assets										
	Own Assets										
	Freehold Land	661,013	-	-	661,013	-	-	-	-	661,013	661,013
	Buildings	26,776,950	-	-	26,776,950	6,147,069	894,350	-	7,041,419	19,735,531	20,629,881
	Plant & Machinery	222,041,315	2,000,340	-	224,041,655	82,991,149	9,974,843	-	92,965,992	131,075,663	139,050,166
	Furniture and Fixtures	2,171,617	-	-	2,171,617	1,307,697	137,463	-	1,445,160	726,457	863,920
	Office equipment	4,473,077	13,375	-	4,486,452	3,701,601	146,164	-	3,847,765	638,687	771,476
	Vehicles	7,514,748	-	902,523	6,612,225	4,172,816	706,149	675,582	4,203,383	2,408,842	3,341,932
	Total	263,638,720	2,013,715	902,523	264,749,912	98,320,332	11,858,969	675,582	109,503,719	155,246,193	165,318,388
	Previous Year	207,348,810	57,300,455	1,010,545	263,638,720	89,426,133	9,190,161	295,962	98,320,332	165,318,388	117,922,677
B	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
C	Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	Previous Year	9,376,993	50,389,505	59,766,498	-	-	-	-	-	-	9,376,993
	Total	263,638,720	2,013,715	902,523	264,749,912	98,320,332	11,858,969	675,582	109,503,719	155,246,193	165,318,388

12. NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Investment in Equity Instruments (Other Companies)		
Quoted - At Cost - Fully paid up		
400 (Previous Year 400) fully paid Equity Shares of Rs. 10/- each of DCL Finance Ltd.	3,413	3,413
600 (Previous Year 600) fully paid Equity Shares of Rs. 10/- each of Ipitata Sponge Iron Ltd.	70,500	70,500
180 (Previous Year 180) fully paid equity shares of Rs. 10/- each of Larsen & Toubro Ltd.	10,530	10,530
500 (Previous Year 500) fully paid Equity Shares of Rs.10/- each of Ultratech Cement Co. Ltd.	11,500	11,500
150 (Previous Year 150) fully paid Equity Shares of Rs.10/- each of Raymond Synthetic Ltd.	3,100	3,100
1,500 (Previous Year 1500) fully paid Equity Shares of Rs.10/- each of Bihar Sponge Iron Ltd.	18,750	18,750
100 (Previous Year 100) fully paid Equity Shares of Rs.10/- each of Tata Chemicals Ltd.	10,215	10,215
1500 (Previous Year 1500) fully paid Equity Shares of Rs.10/- each of Nath Seeds Ltd.	79,573	79,573
100 (Previous Year 100) fully paid Equity Shares of Rs.5/- each of Huges Software Ltd.	142,005	142,005
1000 (Previous Year 1000) fully paid Equity Shares of Rs.10/- each of Hindustan Unilever Ltd.	134,310	134,310
50 (Previous Year 50) fully paid Equity Shares of Rs.10/- each of Moser Bear (I) Ltd.	24,689	24,689
2700 (Previous Year 2700) fully paid Equity Shares of Rs.10/- each of Futura Polysters Ltd.	35,183	35,183
	543,768	543,768

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

12. NON CURRENT INVESTMENTS (Contd.)

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
b. UnQuoted - At Cost - Fully paid up		
1000 (Previous Year 1000) fully paid Equity shares of Rs.10/- each of Asahi Powertech Pvt Ltd	10,000	10,000
100 (Previous Year Nil) fully paid Equity shares of Rs.10/- each of Akshar Silica Pvt. Ltd	1,000	1,000
	11,000	11,000
Total	554,768	554,768
Aggregate amount of quoted investments	543,768	543,768
Market Value of quoted investments	1,016,415	985,061
Aggregate amount of unquoted investments	11,000	11,000

13. LONG TERM LOANS AND ADVANCES

(unsecured, considered good unless otherwise stated)

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Captial advances	164,775	155,290
b. Security Deposit	7,148,521	7,148,521
c. Advance to Suppliers	-	811,097
Total	7,313,296	8,114,908

14. INVENTORIES (Valued at lower of cost or net realized value, as taken and valued)

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Raw materials	9,796,432	13,389,719
b. Work in progress	8,647,434	13,518,970
c. Finished goods	14,531,619	15,087,768
d. Stores and spares	1,908,511	2,276,222
e. Packing Material	505,985	663,782
f. Fuel & Oil	1,289,064	1,604,885
Total	36,679,045	46,541,346

15. TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Trade receivable outstanding for a period less than six months unsecured, considered good.	80,277,419	69,245,278
b. Trade receivable outstanding for a period more than six months unsecured, considered good.	1,840,882	2,151,155
Total	82,118,301	71,396,433

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

16. CASH & CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Cash and Cash Equivalents:		
Balance with Banks in Current accounts	400,109	382,427
Deposits	1,482,932	1,160,127
Cash on hand	232,560	450,852
b. Other Bank Balances		
Unpaid Dividend accounts	136,584	350,865
Margin money deposits	2,590,000	2,590,000
Total	4,842,185	4,934,271

17. SHORT TERM LOANS AND ADVANCES

(unsecured, considered good unless otherwise stated)

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Loans and advances to Employees	412,552	988,411
b. Advances to Capital Goods Suppliers	-	-
c. Prepaid expenses	894,550	838,014
d. Balance with government authorities		
i) CENVAT credit receivables	52,978,210	28,572,799
ii) VAT - CST credit receivables	31,291,472	22,552,177
iii) Export Incentive Receivable	26,125,198	20,060,714
iv) Advance payment of tax (Net of Provisions)	28,455,477	21,351,125
v) Insurance Claim Receivable	468,922	468,922
vi) Sales Tax - against appeals	287,874	287,874
e. Others - Advance to suppliers	9,981,233	4,779,576
f. Others - Advance	-	-
Total	150,895,488	99,899,612

18. OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest receivables on deposits	473,725	473,725
Total	473,725	473,725

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

19. REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of Product		
a. Export Sales	812,492,892	442,275,023
b. Domestic Sales	99,457,155	47,070,916
Less : Excise Duty	9,961,038	3,695,209
Net Domestic Sales	89,496,117	43,375,707
Total Sale of Products	901,989,009	485,650,730
c. Other operating revenues (Refer 1 below)	56,313,509	33,289,358
Total	958,302,518	518,940,088
1 Other Operating revenues		
Sale of Scrap	1,641,210	911,721
Export incentives	39,480,458	25,118,278
Exchange Rate differences	15,191,841	7,259,359
Total - Other Operating revenues	56,313,509	33,289,358

20. OTHER INCOME

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a. Interest from Fixed Deposits with Bank	653,021	510,918
b. Dividend Income	3,272	226,174
c. Gain/ (Loss) on Investment on Shares	-	9,647
d. Cash Discount Income	33,388	-
Total	689,681	746,739

21. COST OF RAW MATERIALS CONSUMED

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a. Raw Material		
Opening Stock	13,389,719	22,862,760
Add : Purchases	691,662,103	355,619,940
	705,051,822	378,482,700
Less : Closing Stock	9,796,432	13,389,719
Cost of Raw Material Consumed	695,255,390	365,092,981
b. Packing Material		
Opening Stock	663,782	655,406
Add : Purchases	5,114,038	3,013,721
	5,777,820	3,669,127
Less : Closing Stock	505,985	663,782
Cost of Packing Material Consumed	5,271,835	3,005,345
Cost of Total material consumed	700,527,225	368,098,326

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a. Inventories at the end of the year		
Finished goods	14,531,619	15,087,768
Work-in-progress	8,647,434	13,518,970
Total	23,179,053	28,606,738
b. Inventories at the beginning of the year		
Finished goods	15,087,768	28,498,823
Work-in-progress	13,518,970	40,285,282
Total	28,606,738	68,784,105
Net (Increase) / decrease	5,427,685	40,177,367

23. EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a. Salaries, Wages and Bonus	14,739,598	12,939,588
b. Contribution to Provident and other funds	771,870	788,835
c. Staff welfare expenses	251,950	292,517
d. Directors Remuneration	1,200,000	1,100,000
Total	16,963,418	15,120,940

24. FINANCE COSTS

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a. Interest		
On long term borrowings	188,285	1,720,677
On short term borrowings	11,763,260	11,094,561
Other Interest	1,436,826	1,594,315
b. Bank and other charges		
Bank Charges	2,540,215	1,341,964
Total	15,928,586	15,751,517

25. DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Depreciation and amortisation for the year on tangible assets	11,858,969	9,190,161
Depreciation and amortisation for the year on intangible assets	-	-
Depreciation and amortisation relating to continuing operations	11,858,969	9,190,161

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

26. OTHER EXPENSES

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
a. Manufacturing Expenses		
Power and Fuel	63,913,115	38,552,553
Consumption of Stores and Spares parts	5,819,302	5,160,901
Pollution Treatment Expenses	48,173,006	26,333,263
Repairs to Machinery	7,074,111	2,419,832
Repairs to Building	245,063	848,625
Manufacturing & Labour Charges	19,989,407	16,291,180
	145,214,004	89,606,354
b. Selling and Distribution Expenses	21,882,019	16,401,483
c. Establishment Expenses		
Rent	174,000	174,000
Rates & Taxes (excluding taxes on income)	24,305	-
Insurance	492,616	659,467
Travelling, Conveyance & Vehicle Expenses	1,552,625	1,411,049
Stationery and Printing Expenses	185,134	224,859
Communication Expenses	543,800	855,580
Auditors Remuneration (Refer Note No. 32)	234,000	106,750
Cost Audit fees	16,000	16,000
Internal Audit Fees	29,000	29,000
Directors Sitting Fees	18,000	29,500
Legal & Professional Expenses	2,515,370	2,259,712
General Charges	592,720	716,062
Other Repairs	8,934	87,950
Donation	-	50,000
Freight, Handling ,Transportation & other Expenses	834,985	612,584
Loss on sale of assets	96,941	354,583
Total	174,414,453	113,594,933

27. EARNING PER EQUITY SHARES

(Amount in Rupees)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Net profit/(Loss) after tax as per statement of profit and loss	37,932,754	(38,869,109)
Net profit/(Loss) before exceptional item	37,932,754	(38,869,109)
Closing balance of equity shares used as Denominator for calculating Basic EPS	4,952,850	4,952,850
Weighted average number of Equity Shares used as Denominator for Calculating EPS	4,952,850	4,723,535
Basic Earning per Share Rs.	7.66	(7.85)
Basic Earning per Share Rs. (Before exceptional)	7.66	(7.85)
Diluted Earning per Share Rs.	7.66	(8.23)
Diluted Earning per Share Rs. (Before exceptional)	7.66	(8.23)

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

28. CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

(Amount in Rupees)

Particulars	31st March, 2013	31st March, 2012
1. Income Tax: order U/s 154 Passed by ACIT Circle -1 Ahmedabad for Asst Year. 2001-02.	669,293	669,293
2. 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).	1,803,341	1,803,341
3. The Commissioner of Income Tax -1 Ahmedabad has filed an appeal in the High Court of Gujarat, Ahmedabad for the Asst. Year 2003-04	4,427,236	4,427,236
4. The Commissioner of Income Tax -1 Ahmedabad has filed an appeal for the Asst. Year 2004-05	293,669	293,669
5. Estimated amount of contracts remaining to be executed on capital account & not provided for	-	-
6. Bills discounted against Letter of Credit but not realized and credited to the parties accounts	5,636,505	12,411,154
7. Guarantees Issued .by the banks on behalf of the Company	-	837,105

29. SUNDRY DEBTORS, SUNDRY CREDITORS AND LOANS AND ADVANCES

The Company has received balance confirmations from major parties and for few exceptions, the management is in the opinion that the current assets, loans and advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated.

30. AUDITORS REMUNERATION

(Amount in Rupees)

Particulars	31st March, 2013	31st March, 2012
Audit fees (Including tax audit fees)	125,000	75,000
For others (Certification work)	109,000	31,750
Total	234,000	106,750

31. VALUE OF RAW MATERIAL AND PACKING MATERIAL CONSUMED

Particulars	2012-13		2011-12	
	Amount (Rs.)	%	Amount (Rs.)	%
A. Raw Materials				
Imported	-	-	-	-
Indigenous	695,255,390	100.00	365,092,981	100.00
Total	695,255,390	100.00	365,092,981	100.00
B. Packing Materials				
Imported	-	-	-	-
Indigenous	5,271,835	100.00	3,005,345	100.00
Total	5,271,835	100.00	3,005,345	100.00

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

32. FOREIGN CURRENCY TRANSACTIONS

(Amount in Rupees)

Particulars	2012-2013	2011-2012
a) Value of Imports Calculated on CIF Basis		
Raw Materials	-	-
Capital Goods	-	-
b) Expenditure in Foreign Currency		
Purchase of Raw Materials	-	-
Capital Goods	-	-
Commission	1,477,662	1,014,430
c) Dividends remitted in Foreign Currency	-	-
d) Earnings in Foreign Exchange		
Export of Goods (FOB)	810,925,625	441,445,409
e) Effect of Exchange Fluctuations including Forward Contracts		
Profit and Loss Account	15,191,841	7,259,359

33. EMPLOYEES BENEFITS

In compliance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) notified by Companies (Accounting Standards) Rules, 2006, the following disclosures have been made:

1. Defined Contribution Plan

The Company has recognized the following amount as an expense:

(Amount in Rupees)

Particulars	31st March, 2013	31st March, 2012
i) Contribution to Provident and Other Funds'	579,488	560,113
ii) Contribution to ESI	192,382	228,722

2. Defined Benefit Plan

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation using the Projected Unit Credit Method as recommended under AS – 15.

I. Assumption	April 2012 – March 2013
Discount Rate Previous Period	8.75%
Discount Rate Current Period	8.25%
Rate of Return on Plan Assets Previous Period	8.75%
Rate of Return on Plan Assets Current Period	8.25%
Salary Escalation Previous Period	6.00%
Salary Escalation Current Period	6.00%
II. Total showing change in benefit obligations	April 2012 – March 2013
Liability at the beginning of the Period	1,143,887
Interest Cost	100,090
Current Service Cost	156,962
Benefit Paid	-
Actuarial (gain)/loss on obligations	35,301
Liability at the end of the period	1,436,240

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

34. SEGMENT REPORTING

The Company has only one identified reportable business segment namely "Dyes & Intermediates" and does not fall under secondary segment for the purpose of Accounting Standard on "Segment Reporting" (AS 17) notified by Companies (Accounting Standards) Rules, 2006.

35. RELATED PARTY DISCLOSURES

Pursuant to the Accounting Standard on "Related Party Disclosure" (AS 18) notified by Companies (Accounting Standards) Rules, 2006, the following persons will be considered as related persons for the year ended on March 31, 2013.

1. Related Parties and Nature of Relationship

a) The Parties over which significant influence is exercised:

Names	Relationship
Asahi Songwon Colors Ltd	One or more directors are director
Skyjet Aviation Pvt Ltd	One or more directors are director
Skyways	One or more directors are trustee
Asahi Energy Pvt Ltd	One or more directors are director
Asahi Powertech Pvt Ltd	One or more directors are director
Flyover Communication Pvt Ltd	One or more directors are director
Akshar Silica Pvt. Ltd	One or more directors are director

b) Key Management Personnel and their Relatives:

Names	Relationship
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director
Mr. Gokul M. Jaykrishna	Joint Managing Director
Mr. Munjal M. Jaykrishna	Joint Managing Director
Mr. Mrugesh Jaykrishna	Spouse of the Chairperson and Managing Director and Father of Joint Managing Directors

2. Details of Transactions

(Amount in Rupees)

Particulars	31st March, 2013	31st March, 2012
a. Sale of Goods		
Asahi Songwon Colors Ltd	1,255,932	916,035
b. Rent Paid		
Skyways	174,000	174,000
c. Remuneration Paid	1,200,000	1,200,000
d. Consultancy	120,000	75,000

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

36. ACCOUNTING FOR TAX ON INCOME

Provision for current tax is made under normal computation. Provision of Income Tax has been made in the accounts taking into consideration various concessions available and depreciation under the Income Tax Act 1961. MAT Credit entitlement has been treated as advance payment of Tax.

37. IMPAIRMENT OF ASSETS

No material impairment of Assets has been identified by the Company and as such no provision is required as per Accounting Standard 28 issued by The Institute of Chartered Accountants of India.

38. Previous year's figures have been regrouped / reclassified, wherever necessary to make them comparable with the figures of the current year financial statements.

As per our Report of even date attached.

For, **Trushit Chokshi & Associates**
Firm Registration No. 111072W
Chartered Accountants

Trushit Chokshi
(Proprietor)
Membership No. 040847
Place : Ahmedabad
Date: 19/06/2013

For and on behalf of the Board

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Gokul M. Jaykrishna
Joint Managing Director

Munjal M. Jaykrishna
Joint Managing Director

AksharChem (India) Limited

Regd. Office :166-169, Indrad Village, Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 727.

ATTENDANCE SLIP

DP Id* _____ Name and Address of the Registered Shareholders
Client Id* _____
Regd. Folio No. _____

* Applicable where shares are held in electronic form.

I certify that I am member/proxy for the member of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company held on Friday, 27th September, 2013 at 166-169, Village : Indrad, Kadi– Kalol Road, Dist: Mehsana, Gujarat – 382727 at 3.30 P.M.

Member's/Proxy Name in Block Letters

Signature of Member / Proxy

Note : Please sign this attendance slip and hand it over at the entrance of the meeting hall.



AksharChem (India) Limited

Regd. Office :166-169, Indrad Village, Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 727.

PROXY FORM

I/We _____ of _____ being
a member / members of the above named Company, hereby appoint _____
of _____ or failing him/her _____ of _____

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on Friday, 27th September, 2013 at 166-169, Village : Indrad, Kadi– Kalol Road, Dist: Mehsana, Gujarat – 382727 at 3.30 P.M. or at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____, 2013

Signed by the said _____

Please affix
Re. 1/-
Revenue
Stamp

Name and address of the Registered Shareholders

DP Id* _____ Name and Address of the Registered Shareholders
Client Id* _____
Regd. Folio No. _____

* Applicable where shares are held in electronic form.

The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the schedule time of the meeting.

A **Redpro** product
redprocommunication@gmail.com

AksharChem

AksharChem (India) Limited

166/169, Indrad Village, Kadi-Kalol Road,

Dist. Mehsana, Gujarat-382 727

Tel: +91 2764 233 007/08/09/10

Fax: +91 2764 233 550

Website: www.akharchemindia.com