

KNOWLEDGE




FORWARD LOOKING STATEMENTS

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS - WRITTEN AND ORAL - THAT WE PERIODICALLY MAKE, CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT ANTICIPATED RESULTS BASED ON THE MANAGEMENT'S PLANS AND ASSUMPTIONS. WE HAVE TRIED WHEREVER POSSIBLE TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATE', 'ESTIMATE', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES', AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE.

WE CANNOT GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED OR PROJECTED. READERS SHOULD BEAR THIS IN MIND. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

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WHEN you only make investments in fixed assets, returns decline over time.

However, when you make investments in acquiring product, process and domain knowledge you gain core competence. This allows you to become a niche player and attain leadership position.

This is what we have achieved over the years.

On one hand we grew our capacities, while on the other we focused on achieving quality excellence.

On one hand we strengthened our team with experts, while on the other we continuously focused on operational excellence.

On one hand we spread out to newer geographies and gained new customers, while on the other we strengthened relations with existing customers.

These efforts define our character and intent. They have made us a much stronger, reliable and reputed dyes and pigments manufacturer on a global scale.

KNOWLEDGE IS

THE EDGE.



AT AksharChem, we leveraged the power of knowledge to create an organisation of repute using unique processes for manufacturing quality products with a concern for environment.

Resulting in higher margins on one hand and maintaining customer base on the other.

Legacy

The Company was promoted by Mrs. Paru M. Jaykrishna in 1989. It is headquartered in the chemical belt of Mehsana (Gujarat). It is engaged in the business of dyes and pigments manufacturing. The Company's shares are listed in the BSE Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE).

Awards and accolades

Recipient of following awards from CHEMEXCIL for outstanding export performance in Merchant Exporters Panel in the respective year:

- First Award (2011-12)
- Gold Award (2012-13)
- Trishul Award (2014-15)

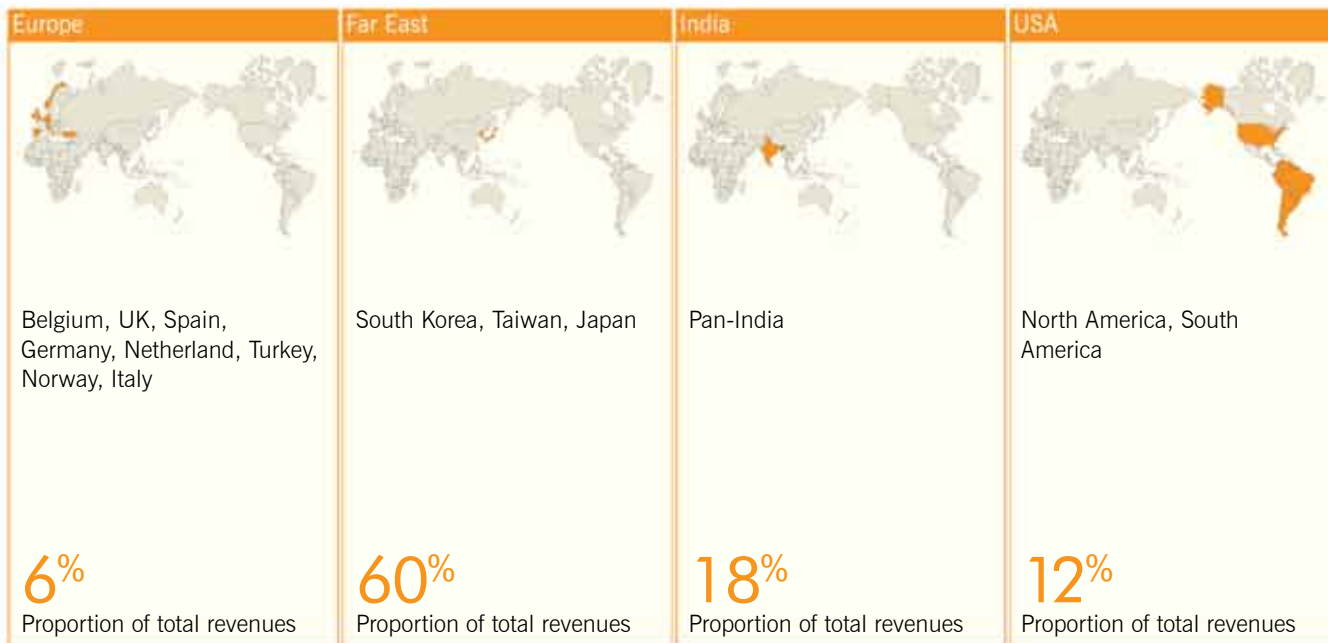
Recipient of following awards from The Gujarat Dyestuffs Manufacturers Association (GDMA):

- Second Award for self-manufactured direct export of Dye Intermediates during the year 2014-15
- Special Trophy for self-manufactured direct export of Dyes of Rs. 25 Crores and above during the year 2014-15
- Trophy for self-manufactured domestic sale of Dye Intermediates between Rs. 5 Crores to Rs. 15 Crores during the year 2014-15

Manufacturing capacity

9,240^{MT}
Dyes and pigments

Presence in key markets



Key marketing strategies:

- Increase participation in trade exhibition, advertisements in trade journals and improving packing and product safety as major tools for market and brand promotions.
- Increase focus and strengthen presence in the South-east Asian markets, which is one of the fastest growing markets, to achieve an estimated 5% annual revenue growth from the region.

- Expand domestic sales through enhancing focus on plastic industries that continues to grow at 10% annually for past several years offering significant opportunities for colorants industries.
- Enhance customer base in the plastic and packaging inks industry that are expected to grow strongly in the coming years.

Distribution and logistics

- Focus on integrate strategies for betterment planning and supply chain management.
- Scheduling production, managing stock level and shipping of product to customers worldwide.
- Reducing logistic complexity and offering better customer service through various distribution channels.
- Intensify focus on production, application profile and research and development to explore possibilities for new market segment.



Accomplishments

ISO 9001: 2008
Quality

ISO 14001:2004
Environment protection

CARE A/CARE A1
Credit rating indicating very strong degree of safety regarding timely payment of financial obligations.

KNOWLEDGE

and its role in our performance over the years.

Dyes and pigments production (metric tonnes)



Revenue from operations (Rs. lacs)



EBITDA (Rs. lacs)



Profit after tax (Rs. lacs)



Note: Year 2013-14 does not include the figures of pigments.

37.91%

Revenue growth – CAGR FY12-16

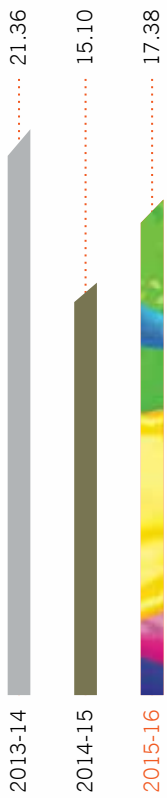
58.56%

Net Worth growth – CAGR FY12-16

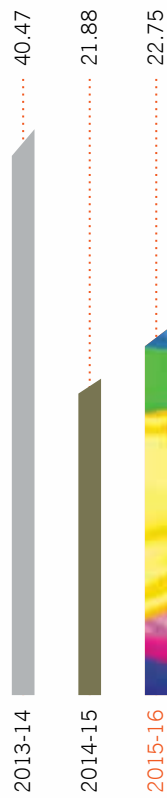
81.76%

Proportion of exports sales in 2015-16

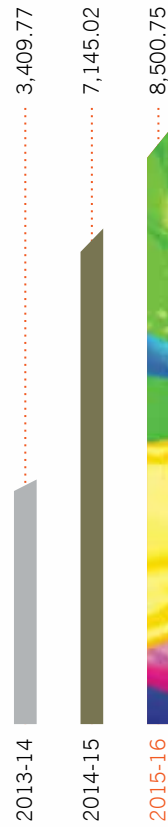
EBITDA margin
(in %)



Earnings per share
(In Rs.)



Net Worth
(Rs. lacs)



0.37

Debt:equity as on
March 31, 2016

11,985.84

Market capitalization as on
March 31, 2016.

105

Employee strength as
on March 31, 2016

I believe that knowledge is the single-most important element in any business. The quest for knowledge is interminable. The moment you stop seeking knowledge, you stop growing. It is this hunger for knowledge that has brought us here and it is the desire to gain more knowledge that shall take us beyond.



Dear Shareholders,

I am pleased to present to you the 2015-16 annual report of the Company. The year has been a challenging one for the industry as slowing global economy led to sluggish demand from the global textiles and paints industry. Geopolitical tensions, slowdown in global trade, weakening oil prices and instability in financial markets continue to weigh down the global economic sentiments.

This turbulence led to a decline in the prices of our products. As a result, despite a 5.31% growth in sales volumes our revenues declined 6% from Rs. 19,982 lakhs in 2014-15 to Rs. 18,771 lakhs in 2015-16. However, initiatives to enhance shop floor management, operational efficiencies, supply chain efficiencies and optimum utilisation of resources enabled us to reduce overheads and achieve higher margins. Our EBITDA and PAT margins increased 228 and 86 basis points respectively to 17.38% and 8.86% respectively in 2015-16.

The key challenges faced by the industry in the international market are the escalating manufacturing costs driven by high finance and electricity costs. Though, your Company is in a comfortable

position with an interest cover of 11.61x in 2015-16 compared to 9.56x in 2014-15 and a debt:equity of 0.37 as on March 31, 2016; a decline in such costs would make our product more competitive in the international markets and enhance overseas revenues that account for nearly 81.76% of the total sales.

The knowledge edge

The chemical business space is all about knowledge cycle – acquiring, exploring, reaching depths, widening scope, innovating and then again acquiring new one. I am glad that through years of hard work and perseverance we developed core competencies (in the field of dyes and pigments manufacturing) and an ability to constantly improve processes and quality. This puts us amongst the unique league of low-cost, quality-conscious and environment-friendly companies. Our reputation in the industry has enabled us to expand geographically, even to countries that have strict quality and environment compliance norms. Moreover, most of our customers are leading and internationally renowned downstream chemical companies. Some of the initiatives undertaken by us to sharpen

our knowledge edge include:

- Employing the best R&D experts and providing them a conducive work and learning environment to enable them nurture their skills and focus on product and process improvements. These experts are also motivated to participate in various international seminars to gain and share knowledge.
- Providing regular training to employees from internal as well as external sources for advancement and upgradation of the technology and work culture.
- Being proactive and setting-up a world-class environment management systems and effluent treatment plant to reduce carbon footprint. Placing us amongst the few companies meeting the stringent international environment compliances. Though, such investments led to increase in debt cost in short-term, in the long-run it shall provide significant revenue growth visibility by providing us the necessary environment clearance to easily enter new region and market our products.

Demand scenario

As per the IMF, the global economy is expected to witness slower growth in

2016 growing 3.1% and then pick up momentum by growing 3.4% in 2017. The US market is expected to improve backed by reviving housing industry, strengthening balance sheet and no fiscal drag. Euro area would remain sluggish driven by ageing population, low demand and implications of Brexit. While the emerging and developing nations are expected to sustain its growth momentum and drive the overall global economy growth. The economic growth in these nations is expected to drive the global textiles and paints industry in the near future.

The global textile market is expected to grow from 76 million tonnes (worth USD 1,500 bn) in 2012 to 95 million tonnes (USD 1,800 bn) in 2020 driven by strong apparel demand from the Asia Pacific, Middle East & Africa and Latin America. While the global paints and coatings market is expected to grow at a compounded rate of 5.5% during 2014-20 from USD 121.9 bn in 2013 to USD 176.5 bn in 2020. (Source: World Economic Outlook: IMF, GherziTextil Organisation, Persistence Market Research)

Message to shareholders

We strongly focus on augmenting our research and development activities with the objective of widening our product line and customer base. Further, the Company plans to debottleneck existing capacities to enhance production capacity with relatively lower capital investment.

With the expected near-term revival of the global textiles and paints market, the Company through its knowledge, experience, scale and strong product portfolio is ready to capitalise on the opportunity and grow strongly in the coming years while reinforcing our positions the most profitable dyes and pigments manufacturer in the world.

Regards,



Mrs. Paru M. Jaykrishna
Chairperson

Highlights 2015-16

- Achieved 80% capacity utilisation through better planning and ensuring higher plant uptime.
- Invested in packaging

automation system for better packaging quality, reducing manual errors and speeding up operations.

- Enhanced negotiation skills with suppliers and secured

supply of key raw materials by entering into long term contracts.

- Provided training to technical and shop floor personnel with a focus on

enhancing productivity.

- Enhanced overseas operations through acquiring new customers.



KNOWLEDGE LEADS TO...

PROCESS AND QUALITY EXCELLENCE

In a competitive global market where quality and cost matters it is essential to constantly improve and invest in modern technologies.

AT AksharChem, we made significant investments in setting-up a large-scale state-of-the-art manufacturing plant and an advanced laboratory equipped with modern facilities. We believe in gradual and continuous improvement whereby we concentrate on consistent product and process improvement. Our investments in process

automation technologies resulted in enhanced process efficiency, product quality and reduction in human error. We also undertake various initiatives focused on enhancing shop floor management and providing regular skill training to employees. Our research experts are motivated to attend various international seminars that provide knowledge sharing platform.

We further intend to leverage our knowledge and deep research capabilities to widen our product portfolio with value-added products.

THE RESULT: Our products and processes meet the stringent quality standards of leading downstream chemical companies.



KNOWLEDGE LEADS TO...

EXPANDING FOOTPRINTS

In a commodity business that is driven by volumes it is essential to widen and deepen marketing reach to make the most of the unaddressed opportunities.

WE commenced operations with a presence in just Indian market. However, over the years we extended our footprints beyond the national boundaries dealing with leading international

companies. Today, we have a presence in more than 20 countries with overseas operations accounting for 81.76% of the total revenues. We created a robust distribution network to ensure efficient servicing of

overseas customers. We also undertook various branding and marketing initiatives and participation in international fairs to enhance brand visibility and awareness.

We focus on extending our presence in South East Asia, NAFTA and India to further strengthen our international business and reduce dependency on each market.



THE RESULT: Our operations are relatively diversified geographically which protects our revenues in case of demand downturn in a particular region.



KNOWLEDGE LEADS TO...

TRUST AND CREDIBILITY

In a chemical business where a brand is recognised by the list of customers it does business with, the challenge lies in providing high quality and environment compliant products, unmatched services and supply reliability.

AT AksharChem, our R&D efforts focus on continuous improvement in products and processes. Our products comply with all international quality standards and environment protection norms. Through operational efficiency, planning and extensive

marketing network we ensure product supply reliability enabling our customers to grow their business. Moreover, we focus on developing strong business relationships with our customers. As a result, most of our customers have been doing business with us for

over 20 years. This trust and credibility has enabled us to gain new customers.

THE RESULT: The Company is being able to maintain its customer base for more than two decades.

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that led to a stronger organisation

Brand equity

With a focus on excellent product quality, services and maintaining relations with leading international chemical companies, we are amongst the world's most reputed and trusted dyes and pigments suppliers. Most of our customers have been doing business with us for over 20 years.

Experience of top management

The top management's sharp business acumen, knowledge in the chemical field and strong relationships with leading downstream companies has enabled us to overcome tough challenges and emerge as a leading player.

Superior technology

Investments in a state-of-the-art production facility, world-class technology, advanced laboratories and environment protection systems makes us one of the most preferred dye and pigment companies.

Economies of scale

Large scale of production (9,240 MTPA of dyes and pigments manufacturing capacity) enables us to ensure optimum utilisation of resources and reduce overhead costs making us one of the most competitive dyes and pigments manufacturers globally.

Logistics advantage

Our plant, being strategically located in the chemical belt of Gujarat, is in close proximity to raw material suppliers and downstream chemical companies. Connectivity with rail, national highway and sea-port ensures faster goods movement, lower logistics cost and business development opportunity.

Marketing

Extensive supply chain network and strong relations with chemical companies in Europe, South East Asia, North America and South America enable efficient distribution of products.

Strong intellectual capital

Skilled R&D experts and executives enable us to attain leadership position in the industry.

Financials

Robust balance sheet with a net debt-equity ratio of 0.37:1 as on March 31, 2016 and a cash profit of Rs. 20.88 cr for 2015-16.



KNOWLEDGE

that led to a sustainable organisation

At AksharChem, environment sustainability is not just compliance to laws it is more about our concern. It is as important to us as our business growth. We being a proactive organisation emphasised on investment to develop environment management systems, install effluent treatment plants and developing a green belt within the factory premises by planting various species of trees.

We are amongst the few dyes and pigments manufacturing companies globally to have internationally recognised processes that ensure minimum waste generated per unit, treat wastes to permissible limits before disposal, emits fewer pollutants and recycle & reuse wastes. We take our concern for environment one step ahead by motivating and providing regular training to employees for encouraging them to reduce water, fuel and energy consumption.

During 2015-16, the Company spent a significant sum of money for setting-up water sanitation facility in nearby village and donating to Charitable Trust.

Management Team



01

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

02 Mr. Gautam M. Jain
He is B.Sc. (Chemistry) and LL.B. He has been the founder of Metrochem Industries Limited. He is an Industrialist with experience of more than 40 years in Chemical Industry. He is



02

the Chairman of the Gujarat Research and Medical Institute (Rajasthan Hospital) and also a member of the Executive Committee of GCCI. He has been elected as a President of Gujarat Dyestuff Manufacturers Association and Rajasthan Seva Samiti.

03 Mr. Jayprakash M. Patel
He is a B.E. (Chemical Engineer - USA) and industrialist with more than 40 years of experience in Dyes and Chemicals Industry. He is having in-depth and expert knowledge in the field of dyes and intermediates industry. He is the founder of Loxim Industries Limited.

04 Mr. Param J. Shah
He is MBA (International Business, Corporate Laws), M.Com. (Costing), LL.B., PG Diploma in IPR. He has been faculty in esteemed colleges of Ahmedabad. He was Dy. Secretary General at Gujarat Chambers of Commerce and Industry. Presently he is the Head of Gujarat State Council of Federation of Indian



03

Chambers of Commerce & Industry (FICCI). He is associated with the Company since 2010.

05 Dr. Pradeep Jha
He has over 39 years of experience in teaching. He is a research guide at many universities and more than 20 research articles are written by him. In addition to this, he designs soft skill programs for corporate executives. He has authored many books on Mathematics and Operations Research. He is associated with the Company Since 2002.

06 Mr. Kiran J. Mehta
He is Practicing Cost Accountant, practicing in the field of Cost & Management Accountancy since last more than 40 years. He is a M. Com, LL.B., FICWA and FIISA. He was Chairman of the Western Region of the Institute of Cost Accountants of India. He is proficient in the field of Cost and Management Accountancy. He is associated with the Company since



04

2003.

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

08 Mr. Munjal M. Jaykrishna
He is the Joint Managing Director & CFO of the Company. He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He undertakes the responsibility of Production, Finance, Marketing, Quality Control and Overall Developments of the Company. He has an experience of working with Bank of California (San Francisco) as Financial Analyst and Paragon Knits, Bethlehem, (USA) as a Consultant.

Corporate information

BOARD OF DIRECTORS

Mrs. Paru M. Jaykrishna	Chairperson & Managing Director
Mr. Gautam M. Jain	Independent Director
Mr. Jayprakash M. Patel	Independent Director
Mr. Param J. Shah	Independent Director
Dr. Pradeep Jha	Independent Director
Mr. Kiran J. Mehta	Independent Director
Mr. Gokul M. Jaykrishna	Director
Mr. Munjal M. Jaykrishna	Joint Managing Director & CFO

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Meet J. Joshi

AUDITOR

M/s. Trushit Chokshi & Associates
Chartered Accountant
Ahmedabad

REGISTERED OFFICE

166/169, Village Indrad,
Kadi Kalol Road, Dist. Mehsana
Gujarat - 382 715 (India)
Tel : +91 2764 233007 to 10
Fax: +91 2764 233550
email : cs@aksharchemindia.com
Website: www.aksharchemindia.com
CIN: L24110GJ1989PLC012441

WORKS

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

BANKERS

State Bank of India

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
Unit No 303, 3rd Floor,
Shoppers Plaza V, Opp. Municipal Market,
Behind Shoppers Plaza II, Off C G Road,
Ahmedabad - 380 009

Notice of 27th Annual General Meeting

NOTICE is hereby given that the 27th Annual General Meeting of the members of AKSHARCHEM (INDIA) LIMITED will be held on Monday, 26th day of September, 2016, at the registered office of the Company situated at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat at 3:15 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Consolidated and Standalone Audited Financial Statements of the Company for the year ended on March 31, 2016 including Audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend already paid to the equity shareholders as final dividend for the financial year 2015-2016.
3. To appoint a director in place of Mr. Munjal M. Jaykrishna (DIN: 00671693) Joint Managing Director who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Trushit Choksi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) (in the capacity of Partnership Firm), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 28th Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company in consultation with said auditors."

SPECIAL BUSINESS:

5. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member

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

"**RESOLVED THAT** pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a Member for delivery of any document through a particular mode, an amount

of Rs. 200/- (Rupees Two Hundred Only) per each such document, over and above reimbursement of actual expenses of delivery of the documents incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member ten days in advance to the Company, before dispatch of such document and that no such request shall be entertained by the company post the dispatch of such document by the company to the Member.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

For and on behalf of Board of Directors

Place : Indrad, Mehsana

Date : August 22, 2016

Registered Office:

166-169, Village Indrad,
Kadi – Kalol Road, Dist : Mehsana
Gujarat – 382 715 (India)
CIN: L24110GJ1989PLC012441

Paru M. Jaykrishna

Chairperson and Managing Director
DIN: 00671721

NOTES

1. The Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, in respect of the business under Item No. 5 of the Notice, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent

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

3. The Company has received Notice(s) under section 141 of the Companies Act, 2013 from the Statutory Auditors of the Company, namely M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) confirming that their appointment if made, will be within the prescribed limits as per section 141 of the Companies Act, 2013. The auditors also informed that they had subjected themselves to the Peer Review Process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI.

The Audit Committee and the Board of Directors recommends the appointment of M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) as the Statutory Auditors of the Company for the financial year 2016-17 till the conclusion of the next Annual General Meeting.

The re-appointments proposed are within the time frame for transition under the third proviso to sub-section (2) of Section 139 of the Companies Act, 2013.

4. Register of members and share transfer books of the Company will remain closed from 21st September, 2016 to 26th September, 2016 (both days inclusive).
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to notify immediately any change in their address, to their DP in respect of their Demat Accounts and to the Registrar in respect of their physical shares, as the case may be. To support 'Green Initiative' Members holding share in physical

mode are requested to register their email id with the Company/ Registrar.

7. Members are requested to bring their attendance slip along with their copy of Annual Report at the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. All documents referred to in the notice are available for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays, upto the date of Meeting and will also be available at the venue of the Meeting.
10. The Register of Directors and key managerial personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at the venue of the Meeting by the Members attending the meeting.
11. The Register of contracts or arrangements, in which Directors are interested shall be produced at the commencement of Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
12. At the ensuing Annual General Meeting, Mr. Munjal M. Jaykrishna, retire by rotation and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), are as under.

Mr. Munjal M. Jaykrishna, aged 46 years, is Joint Managing Director of the Company. He is a Major in Finance and Marketing from Lehigh University, Bethlehem (USA). He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders. He is associated with the Company since 1994. During all these years the business activities of the Company has increased substantially. He is on the Board of Asahi Songwon Colors Limited, Flyover Communication Private Limited, Akshar Pigments Private Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Asahi Energy Private Limited and Skyjet Aviation Private Limited. As on 31.03.2016, he is holding

16,30,361 Equity Shares of the Company as a Trustee(s) of M/s. Munjal M. Jaykrishna Family Trust. Mr. Munjal M. Jaykrishna is son of Mrs. Paru M. Jaykrishna and brother of Mr. Gokul M. Jaykrishna.

13. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.
14. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.aksharchemindia.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.
15. Route Map showing directions to reach to the venue of the Annual General Meeting is given at the end of the annual report.
16. Voting Options

I. Voting through electronic means:

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

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

II. The process and manner for remote e-voting are as under:

A. In case a Member receiving e-mail from NSDL [for Members whose email IDs are registered with the Company/ Depository Participants(s)]:

- (i) Open email and open PDF file viz.; "AKSHARCHEM.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password. You will not receive any PDF file in case you are already registered with NSDL
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login

- (iv) In case you are logging in for the first time –
 - a. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - b. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of e-voting will open. Click on e-voting → Active Voting Cycles
- (vi) Select "EVEN" of AksharChem (India) Limited. You can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period i.e. till 5.00 p.m. IST on September 25, 2016.
- (vii) Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (x) Please note that once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. and preferably with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to makwanabipin577@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of Annual General Meeting [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the Ballot Form for the AGM
EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the "Downloads" section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

2. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 4. Voting at Annual General Meeting:**
- The members who have not cast their vote by remote e-voting can exercise their voting rights at the meeting. The Company will make arrangements of ballot papers in this regards at the meeting venue.
17. The remote e-voting period will commence on Friday, September 23, 2016 (9:00 a.m. IST) and ends on Sunday, September 25, 2016 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2016, may cast their vote electronically. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 21, 2016.
 19. Any person who acquires shares of the Company and become member of the Company after the dispatch of the Notice and holding shares as of the cut-off date i.e. September 21, 2016, may obtain the login ID and password by sending an email to the Company at cs@aksharchemindia.com or at evoting@nsdl.co.in by mentioning their Folio No./ DP ID and Client ID No.
 20. A person, whose name is recorded in the register of members or in the beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through Ballot Form.
 21. Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
 22. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the

Company. Scrutinizer shall within 3 days of the conclusion of the meeting submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the Results of the voting forthwith.

23. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited (BSE) & Ahmedabad Stock Exchange Limited (ASE).

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is desirable to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Ordinary Resolution at item no. 5 of the accompanying notice, for the approval of the members of the Company.

None of the Directors or Key managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the accompanying Notice.

For and on behalf of Board of Directors

Place : Indrad, Mehsana

Date : August 22, 2016

Registered Office:

166-169, Village Indrad,
Kadi - Kalol Road, Dist : Mehsana
Gujarat - 382 715 (India)
CIN: L24110GJ1989PLC012441

Paru M. Jaykrishna

Chairperson and Managing Director

DIN: 00671721

Directors' report

DEAR SHAREHOLDERS,

Your Directors are pleased to present their Twenty Seventh Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	Current Year 2015-16	Previous Year 2014-15	Current Year 2015-16	Previous Year 2014-15
Revenue from operations	18,770.61	19,981.58	18,770.61	19,981.58
Other Operating Income	12.53	17.58	12.53	17.58
Other Income from investment	116.83	205.99	116.83	205.99
Total Income	18,899.97	20,205.15	18,899.97	20,205.15
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item/Exceptional Items, Prior period adjustments and Tax Expenses	3,351.73	2,951.44	3,351.56	2,951.44
Less: Finance Costs	334.63	325.33	334.63	325.33
Profit for the year before Depreciation, Extra Ordinary Item/Exceptional Items, Prior period adjustments and Tax Expenses	3,017.10	2,626.11	3,016.93	2,626.11
Less: Depreciation	424.18	390.79	424.18	390.79
Profit for the year before Extra Ordinary Item/Exceptional Items, Prior period adjustments and Tax Expenses	2,592.92	2,235.31	2,592.75	2,235.31
Add/(Less): Extra Ordinary Item/ Exceptional Items	Nil	Nil	Nil	Nil
Profit for the year before Prior period adjustments and Tax Expenses	2,592.92	2,235.31	2,592.75	2,235.31
Add/(Less): Prior Period Adjustments	Nil	115.65	Nil	115.65
Profit for the year before Tax Expenses	2,592.92	2,350.96	2,592.75	2,350.96
Less: Current Tax	768.00	647.30	768.00	647.30
Less: Deferred Tax	161.13	103.65	161.13	103.65
Net Profit for the year	1,663.79	1,600.01	1,663.62	1,600.01
Add: Balance brought forward from last year	3,429.61	2,286.72	3,429.61	2,286.72
Surplus available for Appropriation	5,093.40	3,886.73	5,093.22	3,886.73
Appropriation				
Transfer to General Reserve	Nil	150.00	Nil	150.00
Proposed Dividend of Rs. Nil per Equity Share (P. Y. Rs. 3.50 per Equity Share)	Nil	255.95	Nil	255.95
Interim Dividend of Rs. 3.50 per Equity Share (P. Y. Rs. Nil per Equity Share)	255.95	Nil	255.95	Nil
Tax on dividend	52.11	51.18	52.11	51.18
Balance carried over to Balance Sheet	4,785.34	3,429.60	4,785.16	3,429.60
Total	5,093.40	3,886.73	5,093.22	3,886.73

DIVIDEND

After considering the profitability, cash flow and overall financial performance of the Company, your Board of Directors of the Company have declared interim dividend of Rs. 3.50 per equity share (35% on the face value of Rs. 10/- each) for the year ended March 31, 2016 and the total outgo was Rs. 255.95 Lacs towards dividend and Rs. 52.11 Lacs towards dividend distribution tax.

During the previous financial year, the Company has paid final dividend of Rs 3.50 per equity share (35% on face value of Rs. 10 each), and the total outgo was Rs. 255.95 Lacs towards dividend and Rs. 51.18 Lacs towards dividend distribution tax.

TRANSFER TO RESERVES

Your Company has not transferred any amount to General Reserve (Previous Year the Company has transferred Rs. 150 Lacs to General Reserve). Your company has retained amount of Rs. 4785 Lacs in the Statement of Profit and Loss.

STATE OF COMPANY'S AFFAIRS

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

General

As the global economy particularly Europe is not stable and there were lot of uncertainties in the global economy, the commodity prices and capital markets was too volatile and unpredictable, which has affected the overall performance of the Company. Despite of this your company has been able to improve profitability.

Results of Operations

During the year under review, the turnover of the Company was Rs. 18,899 Lacs as compared to Rs. 20,205 Lacs of the previous year. However, the Profit after Tax (PAT) has increased from Rs. 1,600 Lacs to Rs. 1,664 Lacs.

Exports

The export turnover has decreased from Rs. 17,475 Lacs to Rs. 15,346 Lacs compared to previous year. The company is making continuous efforts to increase the export sales.

Capital Expenditure

During the year under review the Company has incurred capital expenditure of Rs. 808.16 Lacs.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

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

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

AUTHORISED SHARE CAPITAL

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

SHARE CAPITAL

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

Issue of Shares with differential rights

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

Issue of Sweat Equity Shares

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

Issue of Employee Stock Options

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

FINANCE AND INSURANCE

During the year under review the Company has availed Rs. 6.73 Crores Corporate loan from the Corporate Loan of Rs. 9.50 Crores sanctioned by State Bank of India, hence the Company has been financed by State Bank of India for Working capital, Term Loan and Corporate Loan.

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

PUBLIC DEPOSITS

The Company has not accepted deposit from public during the year and there was no deposit outstanding on March 31, 2016.

SUBSIDIARY COMPANIES

During the year under review the Company has acquired one subsidiary namely M/s. Akshar Pigments Pvt. Ltd. by acquiring 99.90% stake

therein and also subscribed 5100 Equity Shares of Rs. 10 each (51% stake) equity shares of M/s. Chhatral Environment Management System Private Limited, however subsequently sold the entire stake in M/s. Chhatral Environment System Pvt. Ltd.. Hence, at the end of the financial year the Company has one subsidiary company namely M/s. Akshar Pigments Private Limited. The Board reviewed the affairs of the Company's subsidiary during the year at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary, which form part of this Annual Report. The consolidated Financial Statement have been prepared on the basis of audited financial statements of the Company and its subsidiary Company, as approved by their respective Board of Directors. Further a statement containing salient features of the Financial Statements of each subsidiary in Form AOC-1 forms part of the Consolidated Financial Statements.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries as approved by the respective Board of Directors.

CERTIFICATIONS

Your Company has ISO 14001:2004 certification and ISO 9001-2008 for quality management system for plant at Village Indrad.

AWARDS AND RECOGNITION

During the year under review, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company was adjudged:

- Best Woman Entrepreneur at SME Business Excellence Awards 2014 organized by Dun & Bradstreet in association with Federal Bank Limited and Times Group.
- Runners' up in the Best Woman Entrepreneur Exporter category at ECGC-D&B Indian Exporters' Excellence Awards 2015 organized by Dun & Bradstreet in association with Export Credit Guarantee Corporation of India Ltd (ECGC).

CREDIT RATING

The CARE has upgraded rating of the Company from "CARE A-" (Single A Minus) to "CARE A" (Single A) assigned to the long term bank loans/facilities. The CARE has also upgraded rating assigned to the short term bank loans/facilities from "CARE A2+" (A Two Plus) to "CARE A1" (A One).

LISTING

The Equity Shares of the Company continue to be listed on BSE Limited and Ahmedabad Stock Exchange Limited and required Listing Fees for the year 2015-16 has been paid.

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly all listed entities were required to enter into the Listing Agreement within the six months from the effective date. The Company entered into Uniform Listing Agreement with BSE Limited and Ahmedabad Stock Exchange Limited during December, 2015.

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

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

RISK MANAGEMENT

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules framed there under, the Company has a Corporate Social Responsibility Committee of Directors comprising Mrs. Paru M. Jaykrishna - Chairperson, Mr. Gautam Jain and Mr. Kiran J. Mehta has inter alia also formulated a CSR Policy.

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

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

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The salient aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which forms part of this report. And the remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy as mandated under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

The Chairperson and Managing Director Joint Managing Directors of your Company does not receive remuneration from the subsidiary of your Company.

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

DISCLOSURES ON MANAGERIAL REMUNERATION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Gokul M. Jaykrishna, has resigned from the post of the Joint Managing Director of the Company and appointed as Non-Executive Director w.e.f. October 9, 2015.

Retirement by Rotation

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

Re-Appointment of Chairperson & Managing Director

Mrs. Paru M. Jaykrishna has been re-appointed as Chairperson & Managing Director of the Company for a further period of 5 years w.e.f. 01.04.2016 in the meeting of Board of directors held on 14th March, 2016 and the same has been approved by the shareholders of the Company in the Extraordinary General Meeting held on August 22, 2016.

Key Managerial Personnel

The following persons are the Key Managerial Personnel:

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director
Mr. Munjal M. Jaykrishna, Joint Managing Director & CFO
Mr. Meet J. Joshi, Company Secretary

Women Director

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

Independent Directors

All the Independent directors have been appointed for the term of five consecutive years from the date of Annual General Meeting of the Company held on 24th September, 2014 till the date of 30th Annual General Meeting in the year 2019, hence no Independent Director of the Company are liable to retire during the year under review.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors/ Board/ Committees was carried out.

PARTICULARS OF EMPLOYEES

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

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2015-2016, the Board of Directors of the Company, met 6 (Six) times on May 21, 2015, August 12, 2015, October 9, 2015, October 29, 2015, January 25, 2016, and March 14, 2016.

INDEPENDENT DIRECTORS' MEETING

A separate Meeting of the Independent Directors of the Company was also held on March 14, 2016, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

AUDIT COMMITTEE

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

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

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

STATUTORY AUDITORS AND AUDITORS' REPORT

During the year under review, M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad tendered their resignation from the position of Statutory Auditors of the Company on account of change in their constitution/status from proprietorship firm to partnership firm. However, there is no change in their registration number. Members at the Extra Ordinary General Meeting held on August 22, 2016 appointed M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.111072W) (in the capacity of Partnership Firm) as Statutory Auditor of the Company from the conclusion of the Extra Ordinary General Meeting until the conclusion of the ensuing Annual General Meeting of the Company.

On the recommendation of the Audit Committee M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad, it is proposed to appoint them as Statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company.

The Company has received a letter to the effect that their re-appointment, if made, would be within the prescribed limit under Section 139 (1) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act and rules framed thereunder.

As required under SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2016. Your Board of Directors recommend their appointment as Independent Auditors for the financial year 2016-17.

SECRETARIAL AUDITORS

Mr. Bipin L. Makawana, Practicing Company Secretary (Membership No. A15650), was appointed to conduct the secretarial audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules there under. Secretarial Audit Report for F.Y. 2015-16 forms part of the Annual Report as "Annexure E" to the Board's report.

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

COST AUDITOR

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

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

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

Further, there were no material related party transactions which are

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

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

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. A separate Corporate Governance Report as stipulated under Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as "Annexure H" to this Report together with certificate from M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad, confirming compliance with the conditions of Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

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

In line with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under, the Company has adopted a policy for the same. During the year, no case was reported to the Committee constituted under the said Act.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The management believes in the philosophy of the development of the Company as well as its employees. The management assigns the works by considering this philosophy and also gives them proper guidance and time for fulfillment of any of their responsibility. Hence, the employees also feel faithful and perform their duties with dedication. The Company is providing various types of training to the employees of the Company and also sponsors the training and seminars to be attended by the employees for advancement and upgradation of the technology and work culture. The attrition rate of the Company is very low as compare to other companies in the concerned market. Industrial relations remained harmonious with a focus on productivity, quality and safety throughout the year.

ENVIRONMENT SAFETY AND HEALTH

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

Solid waste generated at the Works, after treatment of its liquid effluent

is shifted to a Gujarat Pollution Control Board (GPCB) approved site.

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

Your Company has ISO 14001:2004 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 Board of Directors

Place : Indrad, Mehsana

Date : August 22, 2016

Registered Office:

166-169, Village Indrad,
Kadi – Kalol Road, Dist : Mehsana
Gujarat – 382 715 (India)
CIN: L24110GJ1989PLC012441

Paru M. Jaykrishna

Chairperson and Managing Director

DIN: 00671721

ANNEXURE A TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

i) the steps taken or impact on conservation of energy

The Company mainly focuses on the conservation of the energy and its utilization. Main efforts taken by the Company for the same is upgradation and maintenance of machineries of the plant at necessary intervals and replacement of pumps with appropriate and efficient pumps and use of DG set as standby for continuous power supply.

The above measures can help out the company to operate the plant in an efficient manner and with less operation cost so that the income of the company will get the positive effect.

ii) Steps taken by the Company for utilising alternate sources of energy –

The Company has not used any alternate source of energy except of the natural gas during the year under review.

iii) The capital investment on energy conservation equipments

During the year under review the capital investment on energy conservation equipments is Rs. 5 Lacs.

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption

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

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

Reduction in energy consumption and improvement in product quality are some of the benefits derived during the year under review.

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

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

iv) Expenditure incurred on Research and Development

(Rs. in Lacs)

Sr. No.	Particulars	2015-16	2014-15
1	Capital	Nil	Nil
2	Revenue	11.05	10.80
	Total	11.05	10.80
	Total Expenditure as a % of Turnover	0.06%	0.05%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Company exports its product to South Korea, Taiwan, USA 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 and CPC Green valuing to Rs. 15,283.50 Lacs (Previous Year Rs. 17,448 Lacs) to various countries around the World. Continuous efforts are being taken to increase exports by exploring new markets.

ii) Total Foreign exchange Earned and Used

(Rs. in Lacs)

Particulars	2015-16	2014-15
Foreign Exchange earned in terms of Actual Inflows	15,283.50	17,448.47
Foreign Exchange outgo in terms of Actual Outflows	215.04	31.21

Annual Report on CSR Activities

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

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

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

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

- To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well being of the local populace.
- To serve the socially and economically weak, disadvantaged, underprivileged and destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
- To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to local areas that have so far not been attended to.

To generate, through its CSR initiatives, a community goodwill for ACIL and help reinforce a positive & socially responsible image of ACIL as a corporate entity.

2. Composition of the CSR Committee:

The CSR Committee comprises of the following directors:

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

3. Average net profit of the Company for last three financial years: Rs. 2,056.62 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 41.13 Lacs

5. Details of CSR spend for the financial year :

- a) Total Amount to be spent for the financial year: Rs. 41.13 Lacs
- b) Amount unspent, if any : Rs. 27.13 Lacs
- c) Manner in which the amount spent during the financial year: As per Annexure attached

6. Reason for not spending the amount at 5(d) :

The amount required to be spent on CSR activities during the year under report in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder is Rs. 41.13 Lacs and the Company has spent Rs. 14.00 Lacs during the financial year ended 31st March, 2016. The shortfall in the spending during the year under report is intended to be utilized in a phased manner in future, upon identification of suitable projects within the Company's CSR Policy.

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

Chairperson of the CSR Committee

Joint Managing Director

Place : Indrad, Mehsana

Date : August 22, 2016

MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which Project is covered	Project or Programmes (1) Local area or other (2) Specify the State and District where project or programs was undertaken	Amount outlay (Budget) Project or Programme Wise	Amount Spent on the projects or programmes (1) Direct Expenditure on programs (2) Overheads	Cumulative Expenditure upto the reporting date	Amount Spent direct or through implementing agency
1	To provide facility for safe drinking water to the People residing in Local areas	Sanitation and Healthcare	Built a borewell to provide facility of safe drinking water to villagers (Village-Indrad, Dist: Mehsana, Gujarat)	Rs. 9 Lacs	Rs. 9 Lacs	Rs. 9 Lacs	Direct
2	To provide facility of education to poor and under privileged children	Promotion of Education	Donation given to the trust engaged in the educational activity (Ahmedabad, Gujarat)	Rs. 5 Lacs	Rs. 5 Lacs	Rs. 14 Lacs	All India Social Education Charitable Trust
3	The Company is having one project to provide facility for safe drinking water to the schools situated in Local area	Sanitation and Healthcare	(Village – Indrad, Dist: Mehsana, Gujarat)	Rs. 1 Lac	-	-	-
4	The Company is having one project to build a Prayer Hall in schools situated in Local area	Promotion of Education	(Village-Acharasan, Dist: Mehsana, Gujarat)	Rs. 6 Lacs	-	-	-
5	The Company is having one project to build a Prayer Hall in schools situated in Local area	Promotion of Education	(Village-Acharasan, Dist: Mehsana, Gujarat)	Rs. 5 Lacs	-	-	-
	Total			Rs. 26 Lacs	Rs. 14 Lacs	Rs. 14 Lacs	

ANNEXURE C TO DIRECTORS' REPORT

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

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

Executive directors	Ratio to median Remuneration
Mrs. Paru M. Jaykrishna	24.44
Mr. Munjal M. Jaykrishna	16.29

Non-executive directors	Ratio to median remuneration
Mr. Gokul M. Jaykrishna#	N.A.
Dr. Pradeep J. Jha	N.A.
Mr. Param J. Shah	N.A.
Mr. Kiran J. Mehta	N.A.
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jayprakash M. Patel	N.A.

#Mr. Gokul M. Jaykrishna has not drawn any salary or remuneration from the Company during the year 2015-16.

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mrs. Paru M. Jaykrishna	8.50
Mr. Gokul M. Jaykrishna	Nil
Mr. Munjal M. Jaykrishna	22.51
Dr. Pradeep J. Jha	N.A.
Mr. Param J. Shah	N.A.
Mr. Kiran J. Mehta	N.A.
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jayprakash M. Patel	N.A.
Mr. Meet J. Joshi, Company Secretary (w.e.f. 23rd February, 2015)*	Nil

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

- iii. **The percentage increase in the median remuneration of**

employees in the financial year: 10%

- iv. **The number of permanent employees on the rolls of Company:**
105

- v. **The explanation on the relationship between average increase in remuneration and Company performance:**

The average increase in remuneration during Financial Year 2015-16 was 10% as compared with previous financial year. Net revenues of the Company during the financial year of Rs. 187.70 Crores were almost at par to that of the previous year at Rs. 199.81 Crores. The total employee cost for the Financial Year ended March 31, 2016 was Rs. 5.05 crores against Rs. 4.35 crores for the Financial Year ended March 31, 2015. The total employee cost as a percentage of net revenues was 2.69% (last year 2.18%). The performance of the Company was under pressure due to the challenges it faced during the year.

Average increase in remuneration is guided by factors like inflation, normal salary revisions, external competitiveness and talent retention.

- vi. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY 16 (Rs. Lacs)	124.14
Revenue (Rs. Lacs)	18,770.61
Remuneration of KMPs (as % of revenue)	0.66
Profit before Tax (PBT) (Rs. Lacs)	2,592.92
Remuneration of KMP (as % of PBT)	4.79

- vii. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation (Rs. Lacs)	11,985.84	11,539.76	3.87
Price Earnings Ratio	7.20	7.21	(0.11)

- viii. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2016	June 14, 1994 (IPO)	% Change
Market Price (BSE)	163.9	14.00	1,070.71

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

The average percentile increase was of 9.98% for employees other than managerial personnel. In comparison, there was a decline in the aggregate managerial remuneration for the year 2015-16 as Mr. Gokul M. Jaykrishna has not drawn any salary or remuneration from the Company during the year 2015-16.

- x. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	Mrs. Paru M. Jaykrishna, Chairperson and Managing Director	Mr. Munjal M. Jaykrishna, Joint Managing Director & CFO	Mr. Meet J. Joshi, Company Secretary
Remuneration in FY16 (Rs. Lacs)	72.00	48.00	4.14
Revenue	18,770.61		
Remuneration as % of revenue	0.38	0.26	0.02
Profit before Tax (PBT)	2,592.92		
Remuneration (as % of PBT)	2.78	1.85	0.16

- xi. **The key parameters for any variable component of remuneration availed by the directors:**

During the year under review any of the directors has not given remuneration which is variable, only fixed pay was availed by the KMP as fixed by the Company with the approval of the members and Non executive directors except who has consented not to avail any benefits including sitting fees have been paid the sitting fees for every board and committees meeting held.

- xii. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** None

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

ANNEXURE D TO DIRECTORS' REPORT

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

List of employees of the Company employed throughout the financial year 2015-16 and were paid remuneration not less than Rs. 60 lakhs per annum:

Name	: Mrs. Paru M. Jaykrishna
Designation	: Chairperson & Managing Director
Remuneration received (Rs. In Lacs)	: 72.00
Nature of Employment	: Contractual
Qualification	: M.A., LL.B.
Experience (Years)	: 46
Date of Commencement of employment	: Since Inception
Age (Years)	: 73
Last Employment	: Skyjet Aviation Pvt. Ltd.
Percentage of Equity Shares held in the Company as on 31.03.2016	: 34.78 %
Relationship with Directors of the Company	: Mother of Mr. Munjal M. Jaykrishna, Joint Managing Director & CFO and Mr. Gokul M. Jaykrishna, Director of the Company

ANNEXURE E TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

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

To,

The Members,

AksharChem (India) Limited

166/169, Village: Indrad,

Kadi Kalol Road, Dist: Mehsana: 382715

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by AksharChem (India) Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulation, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) I further report that with respect to the compliance of below mentioned laws, I have relied on compliance system prevailing in the Company and based on the representation received from the Company.
 1. Indian Boiler Act, 1923 and rules made thereunder.
 2. Explosive Act, 1984 and rules made thereunder.
 3. Applicable Environmental Laws and rules made thereunder and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
 4. Applicable Labour Laws and rules made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreement entered into by the Company with Stock Exchange (s) and SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015.

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

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

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

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

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting

views by any member of the Board of Directors during the period under review.

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

I further report during the period under review that

- (i) The Company has acquired one subsidiary namely M/s. Akshar Pigments Pvt. Ltd. by acquiring 99.90% stake therein.
- (ii) The Company has formed one subsidiary namely M/s. Chhatral Environment Management System Private Limited by subscribing 5100 Equity Shares of Rs. 10 each (51% stake in the Company) and subsequently sold the same.
- (iii) The Company is in receipt of intimation from Mrugesh Jaykrishna Family Trust 2 that they are in receipt of the SEBI order dated March 10, 2016 bearing reference no. WTM/PS/186/CFDCCR/MAR/2016 granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the proposed acquisition of shares of the Target company i.e AksharChem (India) Limited. Accordingly, as on 31 March 2016, Mrs. Paru M. Jaykrishna and Mr. Gokul M. Jaykrishna are in the process of transferring the holding in Equity Shares of the Target Company to Mrugesh Jaykrishna Family Trust 2 (Trust) by way of block deal in a phased manner at a price prevailing on the stock exchange on the date of respective tranche of acquisition. As on 31 March 2016, 25,43,571 shares owned by Mrs. Paru M. Jaykrishna and out of 11,25,804 shares owned by Mr. Gokul M. Jaykrishna; 6,21,247 shares were under the process of being transferred to the Trust pursuant to the direction of aforesaid SEBI order.

Bipin L. Makwana,

Place: Ahmedabad

Company Secretary in Practice

Date: 22/08/2016

ACS 15650/ C. P. No.5265

Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2016

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

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

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are responsibility of management of the Company. My responsibility is to express an opinion on these Secretarial records and compliance based on my audit.
2. I have followed audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide reasonable basis for my opinion.
3. I have not verified correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 22/08/2016

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

ANNEXURE F TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	: L24110GJ1989PLC012441
ii) Registration Date	: 04th July, 1989
iii) Name of the Company	: AksharChem (India) Limited
iv) Category / Sub-Category of the Company	: Company Limited by Shares Indian Non Government Company
v) Address of the Registered office and contact details	: 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat
vi) Whether Listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Link Intime India Pvt. Ltd. 303, Shoppers' Plaza - V, Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad - 380009 Phone: (079) 26465179

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Vinyl Sulphone	20114	60.00%
2	CPC Green	20222	40.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	Akshar Pigments Private Limited	U24100GJ2015PTC083435	Subsidiary	99.90	2 (87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	47,95,179	0	47,95,179	65.57	47,95,179	0	47,95,179	65.57	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	3,24,037	0	3,24,037	4.43	3,24,037	0	3,24,037	4.43	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	51,19,216	0	51,19,216	70.00	51,19,216	0	51,19,216	70.00	0.00
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	51,19,216	0	51,19,216	70.00	51,19,216	0	51,19,216	70.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	4,500	4,500	0.06	0	4,500	4,500	0.06	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	4,500	4,500	0.06	0	4,500	4,500	0.06	0.00
2. Non- Institutions									
a) Bodies Corporate									
i. Indian	3,40,239	3,600	3,43,839	4.70	2,59,178	1,500	2,60,678	3.56	(1.14)
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals				0.00			0	0.00	0.00
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	9,28,895	4,41,326	13,70,221	18.74	10,11,761	4,29,113	14,40,874	19.70	0.97
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,32,737	0	2,32,737	3.18	2,19,487	0	2,19,487	3.00	(0.18)
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
NRI/OBC	24,241	15,714	39,955	0.55	24,241	11,739	35,980	0.49	(0.05)
Clearing Member/ House	36,048	0	36,048	0.49	20,230	0	20,230	0.28	(0.22)
Foreign Company	0	1,66,384	1,66,384	2.28	0	1,66,384	1,66,384	2.28	0.00
HUF	0	0	0	0.00	45,551	0	45,551	0.62	0.62
Sub-total (B)(2):-	15,62,160	6,27,024	21,89,184	29.94	15,80,448	6,08,736	21,89,184	29.94	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	15,62,160	6,31,524	21,93,684	30.00	15,80,448	6,13,236	21,93,684	30.00	0.00
C. Shares held by Custodian for GDRs Et ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	66,81,376	6,31,524	73,12,900	100.00	66,99,664	6,13,236	73,12,900	100.00	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Paru M. Jaykrishna	25,43,571	34.78	0.00	25,43,571	34.78	0.00	0.00
2	Mr. Gokul M. Jaykrishna	11,25,804	15.39	0.00	11,25,804	15.39	0.00	0.00
3	Mr. Munjal M. Jaykrishna	11,25,804	15.39	0.00	11,25,804	15.39	0.00	0.00
4	Intercon Finance Private Limited	3,23,837	4.43	0.00	3,23,837	4.43	0.00	0.00
5	Skyjet Aviation Private Limited	200	0.00	0.00	200	0.00	0.00	0.00
	Total	51,19,216	70.00	0.00	51,19,216	70.00	0.00	0.00

(iii) Change in Promoters' Shareholding*

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mrs. Paru M. Jaykrishna				
	At the beginning of the year	25,43,571	34.78	25,43,571	34.78
	At the End of the year	-	-	25,43,571	34.78
2	Mr. Gokul M. Jaykrishna				
	At the beginning of the year	11,25,804	15.39	11,25,804	15.39
	At the End of the year	-	-	11,25,804	15.39
3	Mr. Munjal M. Jaykrishna				
	At the beginning of the year	11,25,804	15.39	11,25,804	15.39
	At the End of the year	-	-	11,25,804	15.39
4	Intercon Finance Private Limited				
	At the beginning of the year	3,23,837	4.43	3,23,837	4.43
	At the End of the year	-	-	3,23,837	4.43
5	Skyjet Aviation Private Limited				
	At the beginning of the year	200	0.00	200	0.00
	At the End of the year	-	-	200	0.00

*Mrugesh Jaykrishna Family Trust 2 is in receipt of the SEBI order dated March 10, 2016 bearing reference no. WTM/PS/186/CFDDCR/ MAR/2016 granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the proposed acquisition of shares of the Target company i.e AksharChem (India) Limited. Accordingly, as on 31 March 2016, Mrs. Paru M. Jaykrishna and Mr. Gokul M. Jaykrishna are in the process of transferring the holding in Equity Shares of the Target Company to Mrugesh Jaykrishna Family Trust 2 (Trust) by way of block deal in a phased manner at a price prevailing on the stock exchange on the date of respective tranche of acquisition. As on 31 March 2016, 25,43,571 shares owned by Mrs. Paru M. Jaykrishna and out of 11,25,804 shares owned by Mr. Gokul M. Jaykrishna; 6,21,247 shares were under the process of being transferred to the Trust pursuant to the direction of aforesaid SEBI order.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	DIC Corporation				
	At the beginning of the year	1,66,384	2.28	1,66,384	2.28
	Transfer	-	-	1,66,384	2.28
	Transfer	-	-	1,66,384	2.28
	At the End of the year	-	-	1,66,384	2.28
2	Clariant Chemicals India Limited				
	At the beginning of the year	1,38,192	1.89	1,38,192	1.89
	Transfer	-	-	1,38,192	1.89
	Transfer	-	-	1,38,192	1.89
	At the End of the year	-	-	1,38,192	1.89
3	Seemadevi Pramodkumar Agarwal				
	At the beginning of the year	1,17,035	1.60	1,17,035	1.60
	Transfer	(6,308)	(0.09)	1,10,727	1.51
	Transfer	(949)	(0.01)	1,09,778	1.50
	Transfer	(2,000)	(0.03)	1,07,778	1.47
	Transfer	(6,500)	(0.09)	1,01,278	1.38
	Transfer	(4,069)	(0.06)	97,209	1.33
	At the End of the year	-	-	97,209	1.33
4	Samir D. Jani				
	At the beginning of the year	33,745	0.46	33,745	0.46
	Transfer	(1)	(0.00)	33,744	0.46
	Transfer	1	0.00	33,745	0.46
	At the End of the year	-	-	33,745	0.46
5	D Srimathi				
	At the beginning of the year	33,014	0.45	33,014	0.45
	Transfer	(5,375)	(0.07)	27,639	0.38
	Transfer	5,375	0.07	33,014	0.45
	Transfer	5,372	0.07	38,386	0.52
	Transfer	2,000	0.03	40,386	0.55
	Transfer	(3,142)	(0.04)	37,244	0.51
	Transfer	(2,360)	(0.03)	34,884	0.48
	Transfer	(3,000)	(0.04)	31,884	0.44
	At the End of the year	-	-	31,884	0.44

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
6	Venkata Rao Chukkapalli				
	At the beginning of the year	36,943	0.51	36,943	0.51
	Transfer	5,200	0.07	42,143	0.58
	Transfer	17,800	0.24	59,943	0.82
	Transfer	500	0.01	60,443	0.83
	Transfer	6,005	0.08	66,448	0.91
	Transfer	750	0.01	67,198	0.92
	Transfer	1,051	0.01	68,249	0.93
	At the End of the year	-	-	68,249	0.93
7	Ushadevi Rajendrakumar Agarwal				
	At the beginning of the year	33,994	0.46	33,994	0.46
	Transfer	(4,000)	(0.05)	29,994	0.41
	Transfer	(6,000)	(0.08)	23,994	0.33
	At the End of the year	-	-	23,994	0.33
8	Proeco Stockcom Private Limited				
	At the beginning of the year	18,000	0.25	18,000	0.25
	Transfer	(1,730)	(0.02)	16,270	0.22
	Transfer	1,730	0.02	18,000	0.25
	Transfer	70	0.00	18,070	0.25
	Transfer	(1,196)	(0.02)	16,874	0.23
	Transfer	(64)	(0.00)	16,810	0.23
	At the End of the year	-	-	16,810	0.23
9	Sudhir Chukkapalli				
	At the beginning of the year	-	-	-	-
	Transfer	18,000	0.25	18,000	0.25
	At the End of the year	-	-	18,000	0.25
10	Seema Saraf				
	At the beginning of the year	-	-	-	-
	Transfer	17,444	0.24	17,444	0.24
	At the End of the year	-	-	17,444	0.24

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mrs. Paru M. Jaykrishna				
	At the beginning of the year	25,43,571	34.78	25,43,571	34.78
	At the End of the year	-	-	25,43,571	34.78
2	Mr. Gokul M. Jaykrishna				
	At the beginning of the year	11,25,804	15.39	11,25,804	15.39
	At the End of the year	-	-	11,25,804	15.39
3	Mr. Munjal M. Jaykrishna				
	At the beginning of the year	11,25,804	15.39	11,25,804	15.39
	At the End of the year	-	-	11,25,804	15.39
4	Dr. Pradeep J. Jha				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	-	-	0	0.00
5	Mr. Param J. Shah				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	-	-	0	0.00
6	Mr. Kiran J. Mehta				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	-	-	0	0.00
7	Mr. Gautamkumar M. Jain				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	-	-	0	0.00
8	Mr. Jayprakash M. Patel				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	-	-	0	0.00
9	Mr. Meet J. Joshi				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	-	-	0	0.00

None of the Independent Directors and Company Secretary hold shares in the Company during the financial year ended on 31st March, 2016.

INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	23,98,07,976	0	0	23,98,07,976
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	23,98,07,976	0	0	23,98,07,976
Change in Indebtedness during the financial year				
• Addition	7,10,17,495	0	0	7,10,17,495
• Reduction	0	0	0	0
Net Change	7,10,17,495	0	0	7,10,17,495
Indebtedness at the end of the financial year				
i. Principal Amount	31,08,25,471	0	0	31,08,25,471
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	31,08,25,471	0	0	31,08,25,471

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mrs. Paru M. Jaykrishna (CMD)	Mr. Munjal M. Jaykrishna (JMD & CFO)	Mr. Gokul M. Jaykrishna (Director)*	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.00	48.00	-	120.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	72.00	48.00	-	120.00
	Ceiling as per the Act	Rs. 275.84 Lacs (being 10% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)			

*Mr. Gokul M. Jaykrishna has resigned as Joint Managing Director of the Company on October 9, 2015, however he remains the director of the Company, but he has not drawn any salary during the year.

B. Remuneration to other directors:

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Kiran J. Mehta	Dr. Pradeep Jha	
1.	Independent Directors			
	• Fee for attending board committee meetings	0.185	0.165	0.350
	• Commission	0	0	0
	• Others, please specify	0	0	0
	Total (1)	0.185	0.165	0.350
2.	Other Non-Executive Directors			
	• Fee for attending board committee meetings	0	0	0
	• Commission	0	0	0
	• Others, please specify	0	0	0
	Total (2)	0	0	0
3.	Total (3)=(1+2)	0.185	0.165	0.350
	Total Managerial Remuneration	0.185	0.165	0.350
	Overall Ceiling as per the Act	Rs. 303.43 Lacs (being 10% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)		

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

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.14	4.14
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	4.14	4.14

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no instances of any penalties/punishment/compounding of offences for the year ended 31st March, 2016.

Management Discussion and Analysis Report

OVERVIEW

AksharChem (India) Limited is one of the leading producers of Dyes & Pigments. The Products of the Company are Vinyl Sulphone and CPC Green. Both the products of the company are being exported in the Far East, Europe, South East Asia, North America and South America. Vinyl Sulphone is the raw material for reactive dyes used in textile business and CPC Green is raw material for the industries like printing inks, paints, rubber, plastics and leather. The system of operation and internal business reporting of both the products are same and accordingly the business segment based on the nature of products, risks, returns and the internal business reporting system as per the Accounting Standard -17. Accordingly the Company is principally engaged in single segment of Dyes and Pigments.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is manufacturing two products namely Vinyl Sulphone and CPC Green. The production of the Company was 80% of the Total capacity which shows the increase as compare to last year. However the increase in crude price and fall of selling price of the products had affected the turnover of the Company.

OPPORTUNITIES AND THREATS

The country had stable and more vibrant government at the centre and Gujarat has a political stability for last two decades has created positive sentiments in the trade and industry. High cost of finance and electricity are still remain bottleneck to compete in the international market and furthermore turbulence in global economy is continuing, particularly in Europe coupled with lot of uncertainties in the global economy which has gave rise of events of unpredictable volatility in commodity prices and capital markets too. Such situation had put pressure on prices of our products and affected our top line. In spite of improvement in volume our top line is comparatively lower than the previous year. However, our continuous efforts to improve the shop

floor management which result into reduction of overheads and we have been able to have growth in bottom line.

OUTLOOK

The marketing of products depend upon the growth in textile and paint industry. In last few years different sentiments in the global economy has created challenge for the growth. However there has been positive news from U.S. regarding improvement in their economy while economic situation in Europe still not optimistic. To meet the challenge we are trying to expand our customer base.

RISKS AND CONCERNS

In spite of all odds our efforts have been able to yield reasonable improvement in profitability however we accept that we have to make more rigorous efforts to improve our performance.

We are optimistic that pessimism in the global economy will be over in time to come and domestically our sizable middle class and young population with intending towards consumption will give boost to textile and paint industry and we hope to have greater time in the years to come. Furthermore the management of the company is now focusing more on product development and research and making efforts to launch new products in coming period.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial year 2015-16 was having uncertainties for global and Indian economy. Despite the adverse conditions, the Company managed to reach at the fixed level of top line. Further as on 31.03.2016 the company was having a subsidiary i.e. Akshar Pigments Private Limited, but the same is not operative and significantly not affecting the consolidated figures of the Company. However for the purpose of good corporate governance standalone as well as consolidated financial figures have been disclosed as below.

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from operations	18,770.61	19,981.58	18,770.61	19,981.58
Other Operating Income	12.53	17.58	12.53	17.58
Other Income from Investment	116.83	205.99	116.83	205.99
Total Income	18,899.97	20,205.15	18,899.96	20,205.15
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item/Exceptional Items, Prior period adjustments and Tax Expenses	3,351.73	2,951.44	3,351.56	2,951.44
Less : Finance Costs	334.63	325.33	334.63	325.33
Profit for the year before Depreciation, Extra Ordinary Item/ Exceptional Items, Prior period adjustments and Tax Expenses	3,017.10	2,626.11	3,016.93	2,626.11
Less : Depreciation	424.18	390.79	424.18	390.79
Profit for the year before Extra Ordinary Item/Exceptional Items, Prior period adjustments and Tax Expenses	2,592.92	2,235.31	2,592.75	2,235.31
Add/(Less): Extra Ordinary Item/ Exceptional Items	Nil	Nil	Nil	Nil
Profit for the year before Prior period adjustments and Tax Expenses	2,592.92	2,235.31	2,592.75	2,235.31
Add/(Less): Prior Period Adjustments	Nil	115.65	Nil	115.65
Profit for the year before Tax Expenses	2,592.92	2,350.96	2,592.75	2,350.96
Less: Current Tax	768.00	647.30	768.00	647.30
Less: Deferred Tax	161.13	103.65	161.13	103.65
Net Profit for the year	1,663.79	1,600.01	1,663.62	1,600.01

The certification of ISO 9001 and ISO 14001 is a testimony to the Company's commitment towards quality, safety and sustainable environment friendly approach.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature and size of its business operations. The Audit Committee of the Company, which consists all the Independent Directors, reviews the systems at regular intervals and monitors the effectiveness of controls and also provides an independent and objective assessment of overall governance processes in the company.

HUMAN RESOURCES DEVELOPMENT

The management believes in the philosophy of the development of the Company as well as its employees. The management assigns the works by considering this philosophy and also gives them proper guidance and time for fulfillment of any of their responsibility. Hence, the employees also feel faithful and perform their duties with dedication. The Company is providing various types of training to the employees of the Company and also sponsors the training and seminars to be attended by the employees for advancement and upgradation of the technology and work culture. The attrition rate of the Company is

very low as compare to other companies in the concerned market. The Company has 105 employees as on year ended 31st March, 2016.

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.

Report on Corporate Governance

The Directors present a detail report on Corporate Governance for the financial year ended March 31, 2016 as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Securities Exchange Board of India ("SEBI") on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with an aim to consolidate and streamline the provisions of the Listing Regulations for differed segments of capital markets to ensure better enforceability. The Listing Regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Uniform Listing Agreement with BSE Limited (BSE) and the Ahmedabad Stock Exchange Limited (ASE) during the month of December, 2015.

Our governance practice is to build the trusts between the Company and its stakeholder's viz. shareholders, customers, suppliers and employees. The Company believes that Corporate Governance is a perquisite for attaining sustained growth in this competitive world.

In line with this philosophy, your company continuously strives for excellence through timely compliances and maximum disclosure of information to investors.

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. The Board also provides strategic guidance and independent view to the Company's senior management which discharging its fiduciary responsibilities. As at March 31, 2016, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with one women director

and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and half of the board of directors is comprised of Independent Directors. The Board meets at least four times a year. In addition to the above, the Board also meets as and when necessary to address specific issued concerning to business of your Company. During the financial year 2015-16, the time gap between two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Chairperson and Managing Director and Joint Managing Director of the Company looks after the day-to-day business affairs of the Company, the Board of Directors reviews the overall business operations at least once in quarter based on updates on the Company's performance provided by the Chairperson and Managing Director/Joint Managing Director.

2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2016, the total strength of the Board of Directors of the Company was eight (8) members including two executive directors and six non executive directors and five of them are independent directors. There are two directors in whole time employment being the Managing Directors of the Company.

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

Independent Directors

Mr. Gautam M. Jain, Mr. Jayprakash M. Patel, Mr. Param J. Shah, Dr. Pradeep Jha, 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 respective fields. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than five committees across all companies in which they are directors. The necessary disclosures regarding compliance have been made by the directors.

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

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

As at March 31, 2016, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of the Director	Promoter/ Non-Promoter	Category
1.	Mrs. Paru M. Jaykrishna	Promoter	Executive Chairperson and Managing Director
2.	Mr. Munjal M. Jaykrishna		Executive Joint Managing Director
3.*	Mr. Gokul M. Jaykrishna		Non-Executive Director
4.	Mr. Gautam M. Jain	Non-Promoter	Independent Director
5.	Mr. Jayprakash M. Patel		Independent Director
6.	Mr. Param J. Shah		Independent Director
7.	Dr. Pradeep Jha		Independent Director
8.	Mr. Kiran J. Mehta		Independent Director

*On 09.10.2015 Mr. Gokul M. Jaykrishna has resigned as Joint Managing Director of the Company, however he remains a non-executive director of the Company.

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

Sr. No.	Date of Board Meeting	Place	Number of Directors Present
1.	21.05.2015	Indrad, Mehsana	8
2.	12.08.2015	Indrad, Mehsana	8
3.	09.10.2015	Indrad, Mehsana	8
4.	29.10.2015	Indrad, Mehsana	8
5.	25.01.2016	Indrad, Mehsana	8
6.	14.03.2016	Indrad, Mehsana	8

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

Name of the Director	No. of Outside Directorship Held		No. of Outside Committee Positions Held		Attendance in AGM 29.09.2015
	Public	Private	Public	Private	
Mrs. Paru M. Jaykrishna	1	5	2	-	No
Mr. Gautam M. Jain	3	13	1	-	No
Mr. Jayprakash M. Patel	2	1	2	-	No
Mr. Param J. Shah	-	-	-	-	Yes
Dr. Pradeep Jha	1	-	4	-	Yes
Mr. Kiran J. Mehta	1	-	1	-	Yes
Mr. Gokul M. Jaykrishna	2	5	-	-	Yes
Mr. Munjal M. Jaykrishna	1	6	-	-	No

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

During the financial year 2015-16, Six (6) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

Board Procedures

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

The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulations. Regular updates provided to the Board, inter alia, include:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions or business segments;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material defaults in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problem involving human resource management;

- Sale of a material nature, or of investments, subsidiaries and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer; and
- Any other information which is relevant for decision making by the Board.

2.5 Disclosure of relationships between Directors inter-sec:

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

2.6 Reappointment of Director liable to retire by rotation

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

2.7 Reappointment of Whole time Directors

The term of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company expired on March 31, 2016. The Board of Directors at their meeting held on March 14, 2016 has reappointed her as Chairperson and Managing Director for further period of 5 years with effect from April 1, 2016 and the same has been approved by the shareholders in the Extraordinary General Meeting of the Company held on August 22, 2016.

2.8 Familiarisation Programme:

Your Company has put in place a well structured induction and familiarisation programme for all its directors including independent directors of the Company. They are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/technical staff, wherever required

for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively. The details regarding Independent Directors' Familiarisation Programme is available on Companies website.

2.9 Evaluation of Board

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2015-16.

2.10 Code of Conduct

The Board has formulated Code of Conduct for all Board members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board member and senior level employees for the financial year 2015-16. Annual Declaration by the Chairperson and Managing Director to this effect is annexed at the end of this report.

2.11 Separate Meeting of Independent Directors

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years. Their appointment was approved by the shareholders of your company at their Annual General Meeting held on 25th September, 2014. During the reporting financial year, a separate Meeting of the Independent Directors of the company was held on March 14, 2016, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

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

3. RELATED PARTY DISCLOSURE

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

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

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

The policy is placed on the Company's website.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

5. DISCLOSURE OF ACCOUNTING TREATMENT

The Company follows the Accounting Standards in preparation of its financial statements.

6. SUBSIDIARIES

The Company has no material non - listed Indian subsidiary company and therefore, the requirement of inducting an Independent Director of Holding Company on the Board of Directors of the subsidiary company does not arise.

The financial statements of the unlisted subsidiary company is reviewed quarterly by the Audit Committee of the Company, the minutes of the meetings of subsidiary company are placed before the Company's Board regularly.

During the year under review the subsidiary company has not commenced any operation.

The policy for determining Material Subsidiary as approved by the Board may be accessed on the Company's website at www.aksharchemindia.com.

7. COMMITTEES OF THE BOARD

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

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

7.1. Audit Committee

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

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, General Manager Accounts and CFO & Company Secretary, Vice President – Finance, Statutory Auditor and Internal Auditor to attend the meetings of the Committee.

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

A. Brief description of terms of reference:

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Considering such other matters the Board may specify;
21. Reviewing other areas that may be brought under the preview of role of Audit Committee as specified in

Securities Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Composition, Name of Members and Chairman

The Audit Committee comprises of three Non Executive Directors as members. All of the members are independent directors. All members of the Audit Committee are financially literate and a majority having accounting or financial management expertise.

The following are members of Audit Committee:

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

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

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Audit Committee Meetings held on				
		21.05.2015	12.08.2015	29.10.2015	25.01.2016	14.03.2016
1.	Mr. Kiran J. Mehta	√	√	√	√	√
2.	Dr. Pradeep Jha	√	√	√	√	√
3.	Mr. Param J. Shah	√	√	√	√	√

7.2. Nomination and Remuneration Committee

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

A. Brief description of terms of reference:

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

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

terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Director and the Board of Directors;
3. Devising a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal

5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
6. To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
7. Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and
8. Undertake any other matters as the Board may decide from time to time.

B. Composition, Name of Members and Chairman

The Nomination and Remuneration Committee comprises of three (3) Non-Executive Independent Directors:

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

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

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Nomination and Remuneration Committee Meetings held on		
		12.08.2015	25.01.2016	14.03.2016
1.	Mr. Kiran J. Mehta	√	√	√
2.	Dr. Pradeep Jha	√	√	√
3.	Mr. Param J. Shah	√	√	√

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

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

F. Details of remuneration paid to Executive Directors

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company and Mr. Munjal M. Jaykrishna, Joint Managing Director of the Company are the Executive Directors on the Board. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to them within the ceiling fixed by the shareholders as per the Resolution passed at the General Meeting.

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

Whole – Time Director	Business relationship with the Company	Remuneration during the year 2015–16 (inclusive of P. F. Contribution, Perquisites and Commission) (Rs. in Lac)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	80.64
Mr. Munjal M. Jaykrishna	Joint Managing Director	53.76
Total		134.40

1. Service Contract, Severance Fees and Notice Period:
The appointment of the Managing Director and whole time directors are governed by Articles of Association of the Company and the resolution passed by Board of Directors and the members of the Company. These covers and terms and condition of such appointment. No separate service contract is entered into by the Company with Managing Directors. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors.

2. Stock Option details, if any
The Company does not have any stock option plan for the Executive Directors.

Non Executive Directors

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

Shareholding of Non-Executive Directors

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

7.3. Stakeholders Relationship Committee

The constitution and terms of reference of Stakeholder Relationship Committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

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

A. Terms of Reference

The Committee approves the matters relating to:

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

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

B. Composition of the Committee

The Committee comprises of following directors:

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

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Quorum

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

E. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Stakeholders Relationship Committee Meetings held on		
		12.08.2015	25.01.2016	14.03.2016
1.	Mr. Kiran J. Mehta	√	√	√
2.	Dr. Pradeep Jha	√	√	√
3.	Mr. Param J. Shah	√	√	√

F. Details of Shareholders Complaints

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

Number of complaints received : 48

Number of complaints solved : 47

Number of pending complaints: 01

There were no share transfers pending for registration for more than 15 days as on the said date.

G. Compliance Officer

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

7.4. Corporate Social Responsibility (CSR) Committee

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

A. Terms of Reference

The Committee looks into the matters relating to:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule

VII of the Companies Act, 2013 and rules made there under;

2. To recommend the amount of expenditure to be incurred on CSR activities; and
3. To monitor the implementation of framework of CSR policy.
4. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may applicable or as may be necessary or appropriate for performance of its duties.

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

B. Composition of the Committee

The Committee comprises of following directors:

1.	Mrs. Paru M. Jaykrishna	Chairman
2.	Mr. Gautam M. Jain	Member
3.	Mr. Kiran J. Mehta	Member

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Corporate Social Responsibility Committee Meetings held on			
		12.08.2015	29.10.2015	25.01.2016	14.03.2016
1.	Mrs. Paru M. Jaykrishna	√	√	√	√
2.	Mr. Gautam M. Jain	√	√	√	√
3.	Mr. Kiran J. Mehta	√	√	√	√

8. MANAGEMENT

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

9. CEO/CFO CERTIFICATION

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

10. PREVENTION OF INSIDER TRADING

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

11. ANNUAL GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2012-13	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	27.09.2013	3.30 p.m.
2013-14	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	25.09.2014	11.30 a.m
2014-15	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	29.09.2015	11.30 a.m

11.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2015-16.

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

At the Annual General held on September 25, 2014 following Special Resolution were passed.

1. Revision in the terms of appointment and remuneration of Mrs. Paru M. Jaykrishna (holding DIN: 00671721), the Chairperson and Managing Director of the Company
2. Revision in the terms of appointment and remuneration of Mr. Gokul M. Jaykrishna (holding DIN: 00671652), the Joint Managing Director of the Company
3. Reappointment of Mr. Munjal M. Jaykrishna (holding DIN: 00671693) as Joint Managing Director of the Company
4. Borrowing powers to the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013 up to Rs. 200 crores
5. Authority to charge/mortgage assets of the Company both present and future
6. Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
7. Maintenance of Register of Member and other statutory registers at a place other than the registered office of the Company

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

No resolution was passed through Postal Ballot in the Financial Year 2015-16.

11.5 Special Resolution proposed to be conducted through postal ballot

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

12. MEANS OF COMMUNICATION

- i. Financial Results:** The Company publishes limited reviewed un-audited standalone and consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited standalone and consolidated financial results for the complete financial year. They are normally published in widely circulating national and local dailies such as "Business Standard" in English and 'Jaihind' in Gujarati. The shareholding pattern, financial results, corporate governance report other announcements are also filed electronically on BSE Ltd. and Ahmedabad Stock Exchange Limited.
- ii. Website, where displayed**
The Annual Report of the Company as well as the quarterly/ half yearly and annual results are posted on the website of the Company at www.aksharchemindia.com and can be downloaded by the shareholders.
- iii.** The Company's website contains separate dedicated section for investors, where shareholder information is available.
- iv.** The Company intimates to the Stock Exchanges all the price sensitive matter which in its opinion are material and of relevance to the shareholders.
- v.** Corporate presentations made to institution investors or to analyst are posted on the Company's website.

13. GENERAL SHAREHOLDER'S INFORMATION

1.	Annual General Meeting Day, Date, Time & Venue	Monday, September 26, 2016 at 3.15 P.M. at the Registered Office of the Company situated at 166-169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana - 382 715.												
2.	Financial Year Calendar (2016-17) (Tentative)	<table border="1"> <tr> <td>Financial Year</td> <td>April 1, 2016 to March 31, 2017</td> </tr> <tr> <td>Annual General Meeting</td> <td>August/ September, 2017</td> </tr> <tr> <td>First Quarter Results</td> <td>On or before August 14, 2016</td> </tr> <tr> <td>Half Yearly Results</td> <td>On or before November 14, 2016</td> </tr> <tr> <td>Third Quarter Results</td> <td>On or before February 14, 2017</td> </tr> <tr> <td>Audited Results for the year 2016-17</td> <td>On or before May 29, 2017</td> </tr> </table>	Financial Year	April 1, 2016 to March 31, 2017	Annual General Meeting	August/ September, 2017	First Quarter Results	On or before August 14, 2016	Half Yearly Results	On or before November 14, 2016	Third Quarter Results	On or before February 14, 2017	Audited Results for the year 2016-17	On or before May 29, 2017
Financial Year	April 1, 2016 to March 31, 2017													
Annual General Meeting	August/ September, 2017													
First Quarter Results	On or before August 14, 2016													
Half Yearly Results	On or before November 14, 2016													
Third Quarter Results	On or before February 14, 2017													
Audited Results for the year 2016-17	On or before May 29, 2017													
3.	Date of Book Closure													
	Closure of Register of Members and Share Transfer Books	September 21, 2016 to September 26, 2016 (both days inclusive).												
4.	Dividend payment date	<p>Interim dividend paid on March 14, 2016 is proposed as final dividend and no additional dividend is recommended.</p> <p>Unclaimed Dividends Pursuant to provision Section 125A of Companies Act, 2013, There is no amount of unpaid or unclaimed amount required to be transferred to the Investor Education and Protection Fund administered by the Central Government.</p>												
5.	Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s)	<p>The Equity Shares of the Company are listed at BSE Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE).</p> <p>Name and Address of Stock Exchange BSE Limited Floor 25, P. J. Towers Dalal Street, Fort Mumbai - 400 001</p> <p>Ahmedabad Stock Exchange Ltd. Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 380 015</p> <p>The Required Annual Listing Fees for the Financial Year 2016-17 have been paid to the stock exchanges within the stipulated time.</p>												
6.	Stock Code	524598 (BSE) 06408 (ASEL)												
7.	Corporate identification Number (CIN) of the Company	The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India is L24110GJ1989PLC012441.												
8.	International Securities Identification Number (ISIN)	The Company's scrip form part of Securities Exchange Board of India (SEBI) compulsory demat segment bearing ISIN No. INE542B01011.												

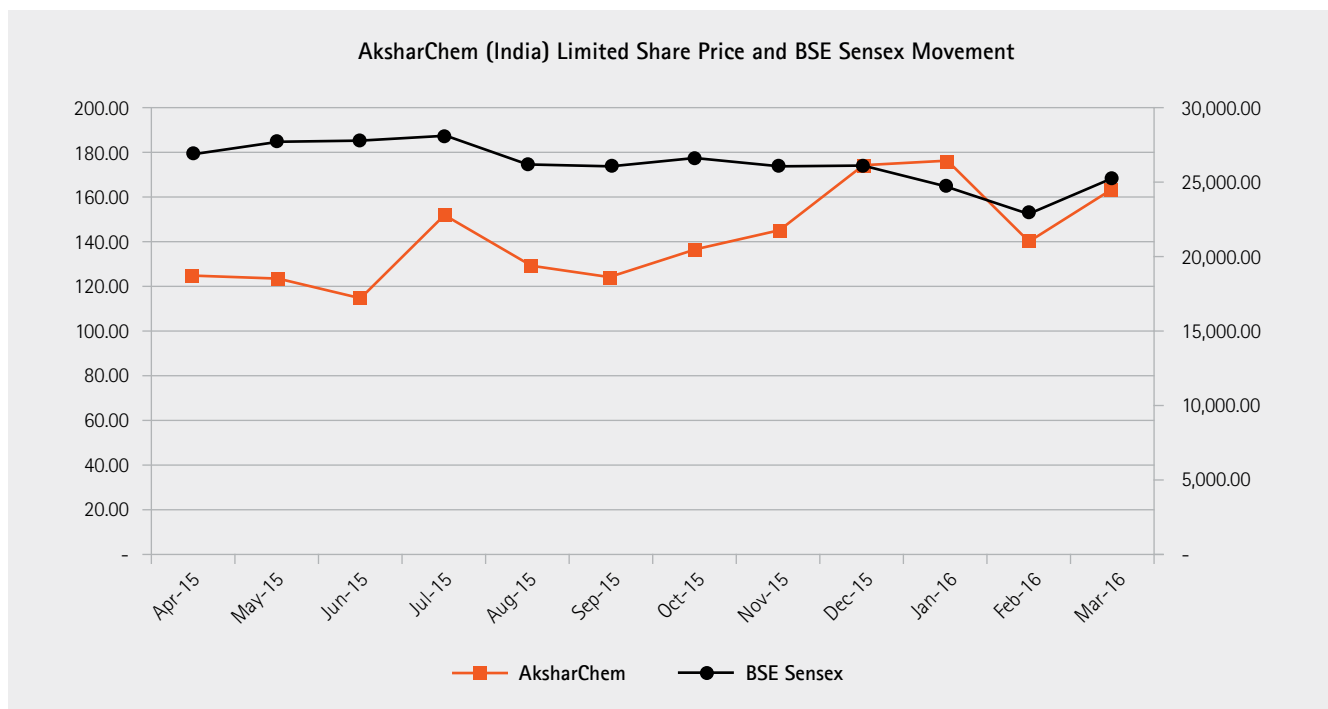
9. Market Price Data –high, low during each month in last financial year

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2015-16 on BSE Limited are given below:

Month	High (Rs.)	Low (Rs.)	Volume (No of Shares)
April, 2015	179.90	121.30	2,15,671.00
May, 2015	142.90	122.00	72,990.00
June, 2015	129.00	107.00	95,453.00
July, 2015	164.00	114.20	2,20,446.00
August, 2015	162.00	112.30	1,19,332.00
September, 2015	128.80	114.60	60,660.00
October, 2015	148.00	121.50	62,576.00
November, 2015	153.00	125.00	79,451.00
December, 2015	178.50	138.60	2,28,679.00
January, 2016	186.10	130.50	1,63,680.00
February, 2016	184.00	140.00	50,818.00
March, 2016	180.00	141.10	50,586.00

Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2015-16

The chart below provides the relative movement of the closing price of the Company's share and the BSE Sensex. The period covered is April 1, 2015 to March 31, 2016. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



10. In case the securities are suspended from trading the Directors Report shall explain the reason thereof : Not Applicable

11. Registrar and Transfer Agent

Link Intime India Private Limited

UNIT : AKSHARCHEM (INDIA) LIMITED

Mumbai Office

C-133, Pannalal Silk Mills Compound

Kantilal Maganlal Ind. Estate, 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.

12. Share Transfer System

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

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

13. Distribution of shareholding

The distribution of shareholding as on March 31, 2016 is as under:

a. Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	8,474	95.02	8,53,363	11.67
501-1000	247	2.77	1,92,651	2.63
1001-2000	115	1.29	1,73,060	2.37
2001-3000	24	0.27	62,399	0.85
3001-4000	11	0.12	40,009	0.55
4001-5000	12	0.13	53,804	0.74
5001-10000	11	0.12	88,380	1.21
10001 and above	24	0.27	58,49,234	79.99
Total	8,918	100.00	73,12,900	100.00

b. Shareholding Pattern as on March 31, 2016 (Categorywise)

Sr. No.	Name of Members	No of Shares	% of Shareholding
A.	Promoters		
1.	Indian Promoters		
	Individuals	47,95,179	65.57
	Bodies Corporate	3,24,037	4.43
	Family Trust	-	-
2.	Foreign Promoters	-	-
	Total Promoters Holding	51,19,216	70.00
B.	Non Promoters		
1.	Institutional Investors	-	-
a.	Mutual Funds	4,500	0.06
b.	Banks, Financial Institutions, Insurance Companies	-	-
c.	Foreign Institution Investors	-	-
	Sub Total	4,500	0.06
2.	Others		
a.	Bodies Corporate	2,60,678	3.56
b.	Indian Public	16,60,361	22.70
c.	NRIs/OCBs	35,980	0.49
d.	Clearing Members	20,230	0.28
e.	HUF	45,551	0.62
f.	Foreign Bodies Corporate	1,66,384	2.28
	Sub Total	21,89,184	29.94
	Grand Total	73,12,900	100.00

List of Shareholders other than Promoters holding more than 1% as on March 31, 2016

Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	1,66,384	2.28
2.	Clariant Chemicals India Limited	1,38,192	1.89
3.	Seemadevi Pramodkumar Agarwal	97,209	1.33
	Total	4,01,785	5.50

14. Dematerialization of Shares and Liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE542B01011. Nearly 91.56% of total listed Equity Shares have been dematerialised as on March 31, 2016. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE.

Details of Dematerialised Shares as at March 31, 2016

Particulars	As on March 31, 2016		As on March 31, 2015	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	61,59,918	84.23	42,45,501	58.06
CDSL	5,35,885	7.33	2,43,529	3.33
Shares in Physical Form	6,17,097	8.44	28,23,870	38.61
Total	73,12,900	100.00	73,12,900	100.00

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

There are no Global Depository Receipts or American Depository Receipts or Warrants outstanding as on 31st March, 2016.

16. Plant Locations:

166-169, Village Intrad,
Kadi-Kalol Road, Mehsana
Gujarat – 382 715

17. Address for correspondence with the Company

The Company Secretary
AksharChem (India) Limited
166/169, Village Intrad,
Kadi-Kalol Road, Dist : Mehsana - 382 715, Gujarat.
Tel : (02764) 233007 to 10
Fax: (02764) 233550
Email: cs@aksharchemindia.com

Address for correspondence with the 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

14. Other Disclosures

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

During the financial year 2015-16, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board has approved a policy on related party transaction. The

Registrar of Contracts/Statement of related party transactions is placed before the Board / Audit Committee regularly. Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 37 to the Financial Statements in the Annual Report and they are not in conflict with the interest of the Company at large.

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

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

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

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

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

The ombudsman had not received any complaint during the financial year ended March 31, 2016.

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

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

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

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Code & Policies' in the 'Corporate Governance' section and can be accessed at www.aksharchemindia.com.

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

The policy on dealing with related party transactions is available on the website of the Company under 'Code & Policies' in the 'Corporate Governance' section and can be accessed at www.aksharchemindia.com.

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

1. The Company has an Executive Chairperson.
2. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
3. The Company's financial statements for the financial year 2015-16 do not contain any audit qualification.
4. The internal auditors report to the Audit Committee.

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

The Company has obtained affirmation from Chairperson and

Managing Director that all the members of the board and senior managerial personnel have complied with the Code of Conduct for Board members and Senior Managerial Personnel for the year ended 31st March, 2016.

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

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

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

The disclosure as required under schedule V of the Listing Regulations is given below:

- a) Aggregate number of shareholders and the outstanding share in the suspense account lying at the beginning of the year: Nil
- b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- c) Number of shareholders to whom shares were transferred from suspense account during the year : Nil
- d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : Nil
- e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares : NA

For and on behalf of Board of Directors

Paru M. Jaykrishna

Place : Indrad, Mehsana

Chairperson and Managing Director

Date : August 22, 2016

DIN: 00671721

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
AksharChem (India) Limited

We have examined the compliance of the conditions of Corporate Governance by AksharChem (India) Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the said Company with the stock exchanges in India for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provision of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, ('Listing Regulation') as referred to in Regulation 15(2) of the Listing Regulation for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause and applicable Regulations. It is neither an audit nor an expression of the 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement/ Listing Regulations, as applicable.

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

Trushit Chokshi
Partner

Place : Ahmedabad
Date : August 22, 2016

Membership No. 040847

CERTIFICATE

We, Paru M. Jaykrishna, Chairperson & Managing Director and Munjal M. Jaykrishna, Joint Managing Director & CFO of AksharChem (India) Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For AksharChem (India) Limited

Paru M. Jaykrishna
Chairperson & Managing Director
DIN: 00671721

Munjal M. Jaykrishna
Joint Managing Director & CFO
DIN: 00671693

Place : Indrad, Mehsana
Date : August 22, 2016

Independent Auditor's Report

To,
The Members of AksharChem (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of AksharChem (India) Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss, the 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

Independent Auditor's Report (Contd...)

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;
 - (b) The Company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
 - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

Place: Ahmedabad
Date: August 22, 2016

Trushit Chokshi
Partner
Membership No.: 040847

Annexure to the Independent Auditors' Report

Annexure "A" to the Independent Auditors' Report of even date on the standalone financial statements of AksharChem (India) Limited.

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) According to the information and explanation given to us, the inventories have been physically verified by the management during the year. In our opinion, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause (iii)(a) and (iii)(b) of paragraph of the Order are not applicable to the Company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanation provided for the provisions of clause 3(vi) of the Order are not applicable to the Company as the Company is not covered by the Company (Cost Records and Audit) Rules, 2014. The Company does maintain cost records in accounting system as per financial data, however the detailed examination has not been made to determine whether they are sufficient accurate or correct.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at March 31, 2016, there are no such undisputed dues payable for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at March 31, 2016 which have not been deposited on account of any dispute 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
Gujarat Vat Act, 2003	Sales Tax	18,03,341	2004-2005	Ahmedabad VAT Tribunal
Income Tax Act, 1961	Income Tax	44,27,236	2003-2004	High Court of Gujarat
Income Tax Act, 1961	Income Tax	2,93,669	2004-2005	Commissioner of Income Tax, Circle (1), Ahmedabad

- (viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or due to debenture holders during the year.

Annexure to the Independent Auditors' Report (Contd...)

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year has been utilized by the Company for the purpose for which the same has been taken.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and on the basis of our examination of the books of account, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Ahmedabad
Date: August 22, 2016

Trushit Chokshi
Partner
Membership No.: 040847

ANNEXURE "B" Report on the Internal Financial Control clause (i) of subsection 3 of section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of AksharChem (India) Limited ("the Company") as at March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Annexure to the Independent Auditors' Report (Contd...)

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No: 111072W

Trushit Chokshi

Partner

Membership No.: 040847

Place: Ahmedabad

Date: August 22, 2016

Balance Sheet As at 31st March, 2016

(Amount in Rupees)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	7,31,29,000	7,31,29,000
(b) Reserves and Surplus	3	77,69,45,629	64,13,73,438
		85,00,74,629	71,45,02,438
2 Non-current Liabilities			
(a) Long-term Borrowings	4	6,51,12,960	2,13,03,661
(b) Deferred Tax Liabilities (Net)	5	8,30,95,444	6,69,82,727
(c) Long-term Provisions	6	-	1,51,82,000
		14,82,08,404	10,34,68,388
3 Current Liabilities			
(a) Short-term Borrowings	7	22,22,85,407	20,76,97,387
(b) Trade Payables	8	28,60,16,636	37,71,84,930
(c) Other Current Liabilities	9	4,30,41,066	3,00,64,769
(d) Short-term Provisions	10	14,98,675	3,18,98,608
		55,28,41,784	64,68,45,694
TOTAL		1,55,11,24,817	1,46,48,16,520
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		56,43,25,196	54,82,07,283
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		3,82,89,259	1,63,25,976
(iv) Intangible Assets under Development		21,26,180	21,26,180
(b) Non-current Investments	12	22,50,15,800	18,34,01,253
(c) Long-term Loans and Advances	13	1,50,62,645	1,60,80,645
		84,48,19,080	76,61,41,337
2 Current assets			
(a) Inventories	14	15,98,18,568	18,14,81,795
(b) Trade Receivables	15	22,79,18,105	21,00,73,626
(c) Cash and Cash Equivalents	16	82,80,404	86,07,610
(d) Short-term Loans and Advances	17	30,88,03,664	29,67,35,767
(e) Other Current Assets	18	14,84,996	17,76,385
		70,63,05,737	69,86,75,183
TOTAL		1,55,11,24,817	1,46,48,16,520

Significant Accounting Policies

1

The accompanying notes are an integral part of financial statements

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As per our Report of even date attached.

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

Trushit Chokshi

(Partner)

Membership No. 040847

Place: Ahmedabad

Date: 22/08/2016

For and on behalf of the Board

Paru M. Jaykrishna

Chairperson & Managing Director

DIN: 00671721

Meet J. Joshi

Company Secretary

Munjal M. Jaykrishna

Joint Managing Director & CFO

DIN: 00671693

Place: Indrad, Mehsana

Date: 22/08/2016

Statement of Profit & Loss For the year ended 31st March, 2016

(Amount in Rupees)

Particulars	Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
I. Revenue from Operations	19	1,87,70,60,553	1,99,81,58,121
II. Other Operating Income	20	12,52,871	17,58,286
III. Other Income from Investment	21	1,16,82,986	2,05,98,918
IV. Total Revenue		1,88,99,96,410	2,02,05,15,325
V. Expenses:			
Cost of Materials Consumed	22	1,06,51,47,885	1,18,07,75,028
Purchase of Stock-in-Trade	23	3,70,32,557	4,53,75,700
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(88,37,163)	3,15,44,182
Employee Benefits Expense	25	6,25,10,073	5,76,31,622
Finance Costs	26	3,34,63,249	3,25,33,025
Depreciation and Amortization Expense	27	4,24,18,448	3,90,78,760
Other Expenses	28	39,89,70,733	41,00,44,545
Total Expenses		1,63,07,05,782	1,79,69,82,862
VI. Profit Before Prior Period Adjustments and Tax Expenses.		25,92,90,628	22,35,32,463
Prior Period Adjustments (Expenses)/Income	40	-	1,15,65,000
VII. Profit Before Tax Expenses		25,92,90,628	23,50,97,463
VIII. Tax Expense:			
(1) Current tax		7,68,00,000	6,47,29,840
(2) Deferred tax		1,61,12,717	1,03,65,601
IX. Profit After Tax		16,63,77,911	16,00,02,022
X. Earnings per Equity Share: (Face Value of Rs. 10/- per share)	29		
(1) Basic and Diluted Earning Per Share Rs.		22.75	21.88
(2) Basic and Diluted (before Extraordinary item) Earning Per Share Rs.		22.75	21.88

Significant Accounting Policies

1

The accompanying notes are an integral part of financial statements

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As per our Report of even date attached.

For and on behalf of the Board

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

Paru M. Jaykrishna

Chairperson & Managing Director

DIN: 00671721

Trushit Chokshi

(Partner)

Membership No. 040847

Place: Ahmedabad

Date: 22/08/2016

Meet J. Joshi

Company Secretary

Munjal M. Jaykrishna

Joint Managing Director & CFO

DIN: 00671693

Place: Indrad, Mehsana

Date: 22/08/2016

Cash Flow Statement For the year ended 31st March, 2016

(Amount in Rupees)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
A. Cash Flow from Operating Activities				
Profit Before Extraordinary Items and Tax Expenses		25,92,90,628		23,50,97,463
Add: Depreciation and Amortisation Expenses	4,24,18,448		3,90,78,760	
Finance Cost	3,34,63,249		3,25,33,025	
Less: Interest Received/other Income	(12,32,871)		(17,58,286)	
Profit/Loss from Sale of Current Investments/Assets	(84,71,481)		(1,86,22,569)	
Dividend Income	(30,19,395)	6,31,57,950	(13,56,008)	4,98,74,922
Operating Profit Before Working Capital Changes		32,24,48,578		28,49,72,385
Working Capital Changes				
(Increase)/Decrease Trade & Other Receivables	(1,78,44,479)		5,94,05,767	
(Increase)/Decrease Inventories	2,16,63,227		3,01,36,077	
Increase/ (Decrease) Trade & other Payables	(10,56,81,498)	-	2,77,37,712	
Changes in Loans and Advances	(91,31,018)	(11,09,93,768)	(6,20,46,462)	5,52,33,094
Cash Generated from Operating Activities		21,14,54,810		34,02,05,479
Direct Taxes Paid	(7,84,27,492)		(5,82,55,235)	
		(7,84,27,492)		(5,82,55,235)
Net Cash from / (used in) Operating Activities		13,30,27,318		28,19,50,244
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(8,08,15,754)		(5,37,99,150)	
Proceeds from Sale of Fixed Assets / Investments	1,24,000		83,96,217	
Purchase of Current Investments	(9,04,05,429)		(15,08,24,800)	
Sale of Current Investments	5,74,54,473		6,36,25,325	
Margin Money Deposit (Placed) / Matured	-		(90,000)	
Interest and Other Income	42,52,266	(10,93,90,444)	31,14,294	(12,95,78,114)
Net Cash from / (used in) Investing Activities		(10,93,90,444)		(12,95,78,114)
C. Cash Flow from Financing Activities				
Proceed from Share Capital & Premium / Reserves	-		-	
Availment/(Repayment) Long-term Borrowings	5,64,29,475		(2,06,43,684)	
Availment/(Repayment) Short-term Borrowings	1,45,88,020		(6,81,62,746)	
Payment of Dividend (including Dividend Distribution Tax)	(6,15,18,327)		(3,09,36,489)	
Interest Paid	(3,34,63,249)	(2,39,64,081)	(3,25,33,025)	(15,22,75,944)
Net Cash from / (used in) Financing Activities		(2,39,64,081)		(15,22,75,944)
Net Increase / (Decrease) in Cash and Cash Equivalents		(3,27,207)		96,186
Cash and Cash Equivalent at the Beginning of the Year		61,07,610		60,11,424
Cash and Cash Equivalent at the End of the Year		57,80,403		61,07,610

Cash Flow Statement (Contd..) For the year ended 31st March, 2016

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
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)	82,80,404	86,07,610
Less: Margin Money not considered as Cash and Cash Equivalents as defined in AS - 3 "Cash Flow Statement"	25,00,000	25,00,000
	57,80,404	61,07,610
2. Components of Cash and Cash Equivalents:		
Cash on Hand	9,71,783	7,90,514
In Current Accounts	9,97,229	17,12,896
In Unclaimed Dividend Accounts	27,35,350	16,04,200
In Deposit Accounts	10,76,042	20,00,000
	57,80,404	61,07,610

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 the Institute of Chartered Accountants of India.

As per our Report of even date attached.

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

Trushit Chokshi
(Partner)
Membership No. 040847

Place: Ahmedabad
Date: 22/08/2016

For and on behalf of the Board

Paru M. Jaykrishna
Chairperson & Managing Director
DIN: 00671721

Meet J. Joshi
Company Secretary

Munjal M. Jaykrishna
Joint Managing Director & CFO
DIN: 00671693

Place: Indrad, Mehsana
Date: 22/08/2016

Notes Forming Part of Financial Statements

CORPORATE INFORMATION

AksharChem (India) Limited ("The Company") is a public limited company incorporated in India under the Companies Act, 1956. The Company is engaged in the business of manufacturing and export of Dyes and Pigments. The company's equity shares are listed at BSE Limited (BSE) and Ahmedabad Stock Exchange Ltd. (ASE).

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Disclosure of Accounting Policies

a. Basic Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities Exchange Board of India (SEBI). The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial instruments which are measured at fair value.

b. Use of Estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make Judgement, estimates and assumptions to be made that affect the reported amounts of assets and liabilities, 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.

c. Current and non-current classification

All assets and liabilities are classified as current and non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Base on the on the nature of the activities, the Company has determined it's operating cycle as 12 Months for the purpose current and non-current classification of assets and liabilities.

1.2 Accounting for Investments

Investments which are readily realizable and intended to be held for more than one 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 market 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.

1.3 Valuation of Inventories

- a. Stock of 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. Stock of 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.

1.4 Cash Flow Statements

Cash Flow Statement are reported using the "Indirect method" The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and Cash Equivalents for the purpose of cash flow comprises of Cash at Bank, Cash in Hand, Demand Deposits with Banks and other Short Term Highly Liquid Investments / Deposits with an original maturity of three months or less and Current and other accounts held with Banks.

1.5 Contingencies and Event Occurring after the Balance Sheet Date

- a. Disclosure of contingencies as required by the accounting standards are furnished to the Notes on Financial Statements.
- b. 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.
- c. Dividends, which are proposed/declared by the Company after the Balance Sheet date but before the approval of the financial statements are adjusted.

Notes Forming Part of Financial Statements

1.6 Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies

Items of Income and Expenditure pertaining to prior period as well as extra ordinary items, where material, are disclosed separately.

1.7 Revenue Recognition

- a. Revenue from sale of goods 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. Revenue from services rendered are booked based on agreements/ arrangements with the concerned parties.
- d. Income from investments are booked on accrual basis inclusive of tax deducted at source.
- e. Dividend income is recognized when the payment is established .
- f. Interest income is recognized on a time proportion basis taking into consideration the current outstanding and the applicable interest rate.

1.8 Provisions, Contingent Liabilities and Contingent Assets

- a. The provisions are recognized and measured by using a substantial degree of estimation.
- b. 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 accounted nor disclosed by way of Notes to financial statements.

1.9 Accounting of Tangible and Intangible 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 Tangible Assets on Borrowing Finance for such fixed assets is capitalized.
- b. Tangible Assets which are not ready for their intended use on reporting date are carried as capital work-in progress at cost, comprising direct cost and other incidental expenses. Depreciation is not provided on such work-in -progress.
- c. Assets are capitalized when they are ready to use / put to use.

1.10 Depreciation

- a. Depreciation on tangible and intangible assets has been provided on Straight Line basis, over the useful lives of the assets as prescribed in Schedule - II of the Companies Act. 2013.
- b. Depreciation on additions / deductions in respect of fixed assets are charged on pro-rata from / up to date in which asset is available for use.
- c. Depreciation in respect of Individual asset costing less than Rs. 5,000/- full depreciation has been provided in the year of addition.
- d. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realizable values.

1.11 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.

1.12 Intangible Assets

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

1.13 The Effects of Changes in Foreign Exchange Rates

- a. Foreign Currency loans in respect of tangible assets are reported at the 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 tangible assets outstanding on the last day of the year is charged to Statement of Profit & Loss for the same year.

Notes Forming Part of Financial Statements

- 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.

1.14 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.

1.15 Employee Benefits

a. Defined Contribution Plan

The contribution remitted to Government administered Provident and Pension Fund and Employee State Insurance Scheme on behalf of its employees in accordance with the relevant statute are charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b. Defined Benefit Plan

The gratuity liability, actuarially valued, is funded through the scheme administered by SBI Life Insurance Company Ltd. and the amounts paid/provided under the scheme are charged to the Statement of Profit and Loss.

1.16 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.

1.17 Segment Reporting

Segments are identified as the business segment based on the nature of products, risks, returns and the internal business reporting system as per the Accounting Standard -17.

1.18 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.

1.19 Accounting for Leases

- a. All leases are classified into operating and finance lease at the inception of the lease. Leases that transfer substantially all risks and rewards from leaser to lessees are classified as finance lease and others being classified as operating lease.
- b. There is no any finance or operating lease transactions entered into by the company.

1.20 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.

1.21 Accounting for Taxes on Income

Tax expenses comprises of current tax and deferred tax

- 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.

1.22 Discontinuing Operations

The Company has not discontinued any operations during the year.

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.

1.24 Expenses for Corporate Social Responsibility

In case of Corporate Social Responsibility "CSR" activities undertaken by the Company, if any expenditure of the revenue nature is incurred on any of the activities mentioned in Schedule VII of the Companies Act, 2013, the same is charged to Statement of Profit and Loss. In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognized where the company retains the control of the asset and any future economic benefit occurs to it. A liability incurred by entering into a contractual obligation is recognized to the extent to which CSR activity is completed during the year.

Notes Forming Part of Financial Statements

2. SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised Shares		
85,00,000 (Previous Year 85,00,000) Equity Shares of Rs. 10 each	8,50,00,000	8,50,00,000
Issued, Subscribed and Paid-up		
73,12,900 (Previous Year 73,12,900) Equity Shares of Rs. 10 each fully paid	7,31,29,000	7,31,29,000
TOTAL	7,31,29,000	7,31,29,000

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
At the beginning of the year	73,12,900	7,31,29,000	49,52,850	4,95,28,500
Add: Shares Issued during the year	-	-	23,60,050	2,36,00,500
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the year	73,12,900	7,31,29,000	73,12,900	7,31,29,000

b. Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs.10 each. 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.

c. Shares held by holding / ultimate holding company / or their subsidiaries / associates

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not Applicable	-	-

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No of Equity Shares	% of holding	No of Equity Shares	% of holding
Mrs. Paru M. Jaykrishna	25,43,571	34.78	25,43,571	34.78
Mr. Gokul M. Jaykrishna	11,25,804	15.39	11,25,804	15.39
Mr. Munjal M. Jaykrishna	11,25,804	15.39	11,25,804	15.39
	47,95,179	65.57	47,95,179	65.57

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.

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

Notes Forming Part of Financial Statements

3. RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at	As at
	31st March, 2016	31st March, 2015
a. Securities Premium Account		
Balance at the beginning of the year	2,39,76,600	2,39,76,600
Balance at the end of the year	2,39,76,600	2,39,76,600
b. General Reserve		
Balance at the beginning of the year	27,44,36,010	3,88,00,297
Add : Transfer from Statement of Profit & Loss	-	1,50,00,000
Add : Transfer of Net Assets Value of CPC Green Division	-	22,06,35,713
Balance at the end of the year	27,44,36,010	27,44,36,010
c. Surplus in statement of Profit and Loss		
Balance at the beginning of the year	34,29,60,828	22,86,71,480
Add: Net Profit for the year	16,63,77,911	16,00,02,022
Less : Appropriation		
Profit Transferred to General Reserve	-	1,50,00,000
Interim Dividend for the year Rs. 3.50 (Previous year Rs. Nil) per Equity Share	2,55,95,150.00	-
Proposed Final Dividend for the year Rs. Nil (Previous year Rs. 3.50) per Equity Share	-	2,55,95,150
Tax on Proposed Dividend	52,10,570	51,17,524
Balance at the end of the year	47,85,33,019	34,29,60,828
Total (a+b+c)	77,69,45,629	64,13,73,438

4. LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured Loans				
a. Term Loans				
Indian Rupees Loan				
From State Bank of India	1,00,38,566	2,01,09,133	1,00,38,564	1,00,06,564
b. Corporate Loan				
Indian Rupees Loan				
From State Bank of India	5,47,68,406	-	1,25,00,000	-
c. Other Loan and Advances				
Vehicle Loan	3,05,988	11,94,528	8,88,540	8,00,364
Amount disclosed under the other current liabilities (see Note: 9)	-	-	(2,34,27,104)	(1,08,06,928)
	6,51,12,960	2,13,03,661	-	-

Notes Forming Part of Financial Statements

a. Secured loans are covered by:

Term Loans from State Bank of India (SBI) are 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.

Particulars of Balance and repayment schedules of the Term Loans

Particulars	As at 31st March, 2016	Amount of Quarterly Installments	Quarterly Instalments for current maturity	Quarterly Instalments payable within 12 Months	Total Nos of Quarterly Instalments payable
	Rupees	Rupees		Rupees	
Term Loan	2,00,77,130	25,09,641	4	1,00,38,564	See Note I
Corporate Loan	6,72,68,406	25,00,000	3	1,25,00,000	
		50,00,000	1		

Note I:

- Term Loan is repayable by 7 quarterly equal instalments of Rs. 25,09,641 and 8th for Rs. 25,09,643.
- Corporate Loan is repayable by first 3 quarterly instalments of Rs. 25,00,000, thereafter 5 quarterly instalments of Rs. 50,00,000, 4 quarterly instalments of Rs. 75,00,000, 2 quarterly instalments of Rs. 1,00,00,000 and last 1 quarterly instalment of Rs. 1,25,00,000. Repayment schedule starts from June, 2016.

- b. Vehicle loans are secured by hypothecation of concerned vehicles.

Repayment terms of Vehicle Loan

Vehicle loans are repayable in equal monthly instalment over the terms of loan ranging from 1 to 3 years. There was no default in repayment of loan or interest.

5. DEFERRED TAX LIABILITIES (NET)

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Deferred Tax Liabilities	8,91,68,372	8,31,00,477
b. Deferred Tax Assets	60,72,928	1,61,17,750
Total (a-b)	8,30,95,444	6,69,82,727

6. LONG-TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provisions for employees benefits	-	1,51,82,000
Total	-	1,51,82,000

Notes Forming Part of Financial Statements

7. SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Secured Loans[^]		
Loans repayable on demand from bank		
-From State Bank of India		
Working Capital Loans	22,22,85,407	19,47,98,752
Cash Credit Account	-	1,28,98,635
Total	22,22,85,407	20,76,97,387
b. Unsecured		
Deposits from others	-	-
Total	22,22,85,407	20,76,97,387

[^]Secured loans are secured by hypothecation of raw materials, finished goods, stock in process book debts and other current assets of the Company.

8. TRADE PAYABLES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Trade payable - Micro, Small and Medium Enterprises	1,56,95,560	2,99,87,025
b. Others	27,03,21,076	34,71,97,905
Total	28,60,16,636	37,71,84,930

(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, 2016.

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	1,56,95,560	2,99,87,025
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	1,56,95,560	2,99,87,025

(2) There are no Micro, Small Et Medium Enterprises to whom the company over dues, which are outstanding for more than 45 days as at 31st March, 2016. This information is disclosed under the Micro, Small Et 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.

Notes Forming Part of Financial Statements

9. OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Unclaimed Dividends *	27,35,283	16,04,200
b. Current maturities of long term borrowings (See note: 4)	2,34,27,104	1,08,06,928
c. Others		
Statutory liabilities	31,47,523	22,88,274
Payables for fixed assets	94,38,161	1,21,88,364
Other Current liabilities and payables	42,92,995	31,77,003
Total	4,30,41,066	3,00,64,769

* There is no amount due and outstanding to be transferred to the Investors Education and Protection Fund (IEPF) as on march 31, 2016, Unclaimed Dividend if any shall be transferred to IEPF as and when they become due.

10. SHORT TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Proposed Dividend	67	2,55,95,150
b. Tax on Proposed Dividend	-	51,17,524
c. Provision for employee benefits		
Gratuity	14,98,608	11,85,934
Total	14,98,675	3,18,98,608

11. FIXED ASSETS

(Amount in Rupees)

Particulars	Gross Block				Depreciation			Net Block		
	As at 01-04-2015	Additions	Disposal	As at 31-03-2016	As at 01-04-2015	Depreciation charge for the Period ended	On disposals	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
A Tangible Assets										
Own Assets										
Freehold Land	5,00,00,780	8,41,755	-	5,08,42,535	-	-	-	-	5,08,42,535	5,00,00,780
Buildings	13,32,58,434	52,98,295	-	13,85,56,729	2,11,26,126	62,73,951	-	2,74,00,077	11,11,56,652	11,21,32,308
Plant & Machinery	55,51,00,030	5,13,92,920	-	60,64,92,950	19,50,98,734	2,95,57,480	-	22,46,56,214	38,18,36,736	36,00,01,296
Furniture and Fixtures	1,21,54,640	-	-	1,21,54,640	56,18,671	12,18,794	-	68,37,465	53,17,175	65,35,969
Office equipment	1,79,90,083	3,19,501	-	1,83,09,584	1,22,92,236	22,79,407	-	1,45,71,643	37,37,941	56,97,847
Vehicles	2,46,13,120	10,00,000	8,45,388	2,47,67,732	1,07,74,037	30,88,816	5,29,278	1,33,33,575	1,14,34,157	1,38,39,083
Total	79,31,17,087	5,88,52,471	8,45,388	85,11,24,170	24,49,09,804	4,24,18,448	5,29,278	28,67,98,974	56,43,25,196	54,82,07,283
Previous Year	75,97,00,963	4,60,64,962	1,26,48,838	79,31,17,087	20,94,63,324	3,90,78,760	36,32,280	24,49,09,804	54,82,07,283	20,63,02,896
B Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-
C Capital Work In Progress										
Capital Work In Progress	1,61,75,976	6,23,58,105	4,74,94,822	3,10,39,259	-	-	-	-	3,10,39,259	1,63,25,976
Advance Against Land	1,50,000	71,00,000	-	72,50,000	-	-	-	-	72,50,000	-
Total	1,63,25,976	6,94,58,105	4,74,94,822	3,82,89,259	-	-	-	-	3,82,89,259	1,63,25,976
Previous Year	85,91,788	4,69,25,932	3,91,91,744	1,63,25,976	-	-	-	-	1,63,25,976	35,40,931
D Intangible Assets Under Development										
Software Under Development	21,26,180	-	-	21,26,180	-	-	-	-	21,26,180	21,26,180
Total	21,26,180	-	-	21,26,180	-	-	-	-	21,26,180	21,26,180
Previous Year	21,26,180	-	-	21,26,180	-	-	-	-	21,26,180	-
Total	81,15,69,243	12,83,10,576	4,83,40,210	89,15,39,609	24,49,09,804	4,24,18,448	5,29,278	28,67,98,974	60,47,40,635	56,66,59,439

Notes Forming Part of Financial Statements

12. NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
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
150 (Previous Year 150) fully paid Equity Shares of Rs.10/- each of Raymond Synthetic Ltd.	3,100	3,100
1,500 (Previous Year 1,500) 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
1,500 (Previous Year 1,500) 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.	1,42,005	1,42,005
1,000 (Previous Year 1,000) fully paid Equity Shares of Rs.10/- each of Hindustan Unilever Ltd.	1,34,310	1,34,310
50 (Previous Year 50) fully paid Equity Shares of Rs.10/- each of Moser Baer (I) Ltd.	24,689	24,689
2,700 (Previous Year 2,700) fully paid Equity Shares of Rs.10/- each of Futura Polysters Ltd.	35,183	35,183
4,500 (Previous Year 4,500) fully paid Equity Shares of Rs.10/- each of Bajaj Finance Ltd.	53,93,577	53,93,577
8,000 (Previous Year 6,000) fully paid Equity Shares of Rs.10/- each of Eclerx Services Ltd.	60,70,409	60,70,409
7,270 (Previous Year 7,270) fully paid Equity Shares of Rs.2/- each of Larsen and Toubro Ltd.	77,84,794	77,84,794
13,500 (Previous Year 10,000) fully paid Equity Shares of Rs. 10/- each of Shriram Transport Finance Co. Ltd.	96,06,179	67,54,880
38,000 (Previous Year 38,000) fully paid Equity Shares of Rs. 10/- each of IRB Infrastructure Developers Ltd	44,85,614	44,85,614
43,570 (Previous Year 5,614) fully paid Equity Shares of Rs. 1/- each of Cadila Healthcare Ltd	94,34,061	41,84,017
23,000 (Previous Year 20,000) fully paid Equity Shares of Rs. 5/- each of Ashoka Buildcon Ltd	16,42,365	10,86,402
10,000 (Previous Year 10,000) fully paid Equity Shares of Rs. 2/- each of AIA Engineers Ltd.	32,14,646	32,14,646
3,000 (Previous Year 3,000) fully paid Equity Shares of Rs. 5/- each of Bajaj Finserve Ltd.	30,71,943	30,71,943
52,000 (Previous Year 25,000) fully paid Equity Shares of Rs. 10/- each of DCB Bank Ltd.	54,19,704	29,93,117
51,674 (Previous Year 6,800) fully paid Equity Shares of Rs.10/- each of Dewan Housing Finance Corporation Ltd.	1,25,69,150	35,42,895
4,000 (Previous Year 4,000) fully paid Equity Shares of Rs. 1/- each of Pidilite Industries Ltd.	16,80,122	16,80,122
30,000 (Previous Year 30,000) fully paid Equity Shares of Rs. 1/- each of Madhucon Projects Ltd.	11,24,164	11,24,164
26,144 (Previous Year 3,956) fully paid Equity Shares of Rs. 10/- each of MBL Infrastructures Ltd.	60,35,529	12,73,830
Nil (Previous Year 4,000) fully paid Equity Shares of Rs. 2/- each of Allcargo Logistics Ltd.	-	13,09,703
Nil (Previous Year 2,000) fully paid Equity Shares of Rs. 10/- each of Bajaj Auto Ltd.	-	41,32,348
Nil (Previous Year 18,600) fully paid Equity Shares of Rs. 2/- each of Bodal Chemicals Ltd.	-	6,68,229
Nil (Previous Year 13,000) fully paid Equity Shares of Rs. 10/- each of Camson Bio Technologies Ltd.	-	13,25,223
Nil (Previous Year 15,300) fully paid Equity Shares of Rs.2/- each of Astra Microwave Products Ltd.	-	17,56,154
Nil (Previous Year 45,000) fully paid Equity Shares of Rs. 10/- each of Arvind Ltd	-	51,81,525
Nil (Previous Year 15,000) fully paid Equity Shares of Rs. 1/- each of Graunules India Ltd.	-	11,86,840

Notes Forming Part of Financial Statements

12. NON CURRENT INVESTMENTS (Contd...)

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Nil (Previous Year 7,500) fully paid Equity Shares of Rs.2/- each of Ipca Laboratory Ltd.	-	54,01,964
Nil (Previous Year 34) fully paid Equity Shares of Rs.10/- each of Ultratech Cement Co. Ltd.	-	11,500
Nil (Previous Year 13,000) fully paid Equity Shares of Rs.10/- each of Power Finace Corporation Ltd.	-	37,94,752
Nil (Previous Year 6,118) fully paid Equity Shares of Rs.1/- each of PI Industries Ltd.	-	23,93,827
Nil (Previous Year 3,00,000) fully paid Equity Shares of Rs.1/- each of GVK Power & Infrastructure Ltd.	-	20,93,437
Nil (Previous Year 25,000) fully paid Equity Shares of Rs. 5/- each of Purvankara Projects Ltd.	-	19,69,368
Nil (Previous Year 2,000) fully paid Equity Shares of Rs. 2/- each of Shipa Medicare Ltd.	-	10,64,145
Nil (Previous Year 1,000) fully paid Equity Shares of Rs. 1/- each of TCS Ltd.	-	24,52,108
1,18,000 (Previous Year 1,20,000) fully paid Equity Shares of Rs. 10/- each of IDFC Ltd.	80,54,679	1,29,66,982
1,28,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of IDFC Bank Ltd.	55,94,882	-
6,500 (Previous Year Nil) fully paid Equity Shares of Rs. 2/- each of Alembic Pharmaceuticals Ltd.	34,02,528	-
3,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of Capital First Limited	11,41,619	-
12,999 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of Ceat Limited	99,15,214	-
10,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of CESC Limited	49,03,383	-
52,000 (Previous Year Nil) fully paid Equity Shares of Rs. 1/- each of Nectar Lifescience Limited	28,73,466	-
17,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of Reliance Capital Limited	57,56,599	-
18,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of SKS Microfinance Limited	68,49,821	-
4,665 (Previous Year Nil) fully paid Equity Shares of Rs. 5/- each of Torrent Pharmaceuticals Limited	58,58,714	-
	13,24,04,900	10,08,90,253
b. UnQuoted – At Cost – Fully paid up		
1,000 (Previous Year 1,000) fully paid Equity shares of Rs.10/- each of Asahi Powertech Pvt. Ltd.	10,000	10,000
100 (Previous Year 100) fully paid Equity shares of Rs.10/- each of Akshar Silica Pvt. Ltd.	1,000	1,000
9,990 (Previous Year Nil) fully paid Equity shares of Rs.10/- each of Akshar Pigments Pvt. Ltd.	99,900	-
8,25,000 (Previous Year 825,000) fully paid Redeemable Preference Shares of Rs.100/- each of Akshar Silica Pvt. Ltd.	8,25,00,000	8,25,00,000
10,00,000 (Previous Year Nil) fully paid Redeemable Preference Shares of Rs.10/- each of Chhatral Environment Management System Pvt. Ltd.	1,00,00,000	-
	9,26,10,900	8,25,11,000
Total	22,50,15,800	18,34,01,253
Aggregate amount of quoted investments	13,24,04,900	10,08,90,253
Market Value of quoted investments	18,57,20,626	16,83,90,696
Aggregate amount of unquoted investments	9,26,10,900	8,25,11,000

Notes Forming Part of Financial Statements

13. LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(unsecured, considered good unless otherwise stated)		
Security Deposit	1,50,62,645	1,60,80,645
Total	1,50,62,645	1,60,80,645

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

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Raw Materials	2,42,12,363	5,49,18,402
b. Work in progress	6,25,41,168	5,06,39,570
c. Finished goods	6,23,67,291	6,54,31,726
d. Stores and spares	80,81,931	79,07,250
e. Packing Material	11,92,279	7,94,923
f. Fuel & Oil	14,23,536	17,89,924
Total	15,98,18,568	18,14,81,795

15. TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, considered good)		
a. Outstanding for a period exceeding six months	27,15,810	29,68,025
b. Others	22,52,02,295	20,71,05,601
Total	22,79,18,105	21,00,73,626

16. CASH & CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Cash and Cash Equivalents:		
Balance with Banks in Current accounts	9,97,229	17,12,896
Deposit	10,76,042	20,00,000
Cash on hand	9,71,783	7,90,514
b. Other Bank Balances		
Unclaimed Dividend accounts	27,35,350	16,04,200
Term Deposit with Bank as Margin money against Letters of Credit.		
Maturity within 12 months	25,00,000	25,00,000
Total	82,80,404	86,07,610

Notes Forming Part of Financial Statements

17. SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(unsecured, considered good unless otherwise stated)		
a. Loans and advances to Employees	7,93,396	2,34,546
b. Advances to Capital Goods Suppliers	1,65,35,649	93,89,775
c. Prepaid expenses	24,88,823	28,47,535
d. Balance with government authorities		
i) CENVAT credit receivables	7,83,56,197	9,08,52,551
ii) VAT - credit receivables	12,64,04,651	13,12,75,565
iii) Export Incentive Receivable	3,63,18,704	1,40,86,648
iv) Advance payment of tax (Net of Provisions)	2,91,14,247	2,74,86,756
v) Sales Tax	9,16,649	9,16,649
e. Others - Advance to suppliers	1,78,75,348	1,96,45,742
Total	30,88,03,664	29,67,35,767

18. OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest receivables on deposits	14,84,996	17,76,385
Total	14,84,996	17,76,385

19. REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Products		
a. Export Sales	1,53,46,77,239	1,74,74,57,325
b. Domestic Sales	27,87,34,922	19,25,50,546
Less : Excise Duty	2,93,03,255	1,90,45,863
Net Domestic Sales	24,94,31,667	17,35,04,683
Total Sale of Products	1,78,41,08,906	1,92,09,62,008
c. Other operating revenues (Refer 1 below)	9,29,51,647	7,71,96,113
Total	1,87,70,60,553	1,99,81,58,121
1 Other Operating revenues		
Sale of Scrap	5,89,040	21,64,852
Export incentives	6,28,37,908	4,44,49,169
Exchange Rate differences	2,95,24,699	3,05,82,092
Total - Other Operating revenues	9,29,51,647	7,71,96,113

Notes Forming Part of Financial Statements

20. OTHER OPERATING INCOME

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Interest from Fixed Deposits with Bank	12,32,871	16,92,274
b. Cash Discount/Other Income	20,000	66,012
Total	12,52,871	17,58,286

21. OTHER INCOME FROM INVESTMENT

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Dividend Income	30,19,395	13,56,008
b. Gain/ (Loss) on Investment on Shares Long Term & Short Term	86,63,591	1,92,42,910
Total	1,16,82,986	2,05,98,918

22. COST OF RAW MATERIAL CONSUMED

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Raw Material		
Opening Stock	5,30,88,724	5,36,82,536
Add : Purchases	1,02,52,65,065	1,16,82,77,455
	1,07,83,53,789	1,22,19,59,991
Less : Closing Stock	2,40,92,223	5,30,88,724
Cost of Raw Material Consumed	1,05,42,61,566	1,16,88,71,267
b. Packing Material		
Opening Stock	7,94,924	11,46,850
Add : Purchases	1,12,83,674	1,15,51,835
	1,20,78,598	1,26,98,685
Less : Closing Stock	11,92,279	7,94,924
Cost of Packing Material Consumed	1,08,86,319	1,19,03,761
Cost of Total Material Consumed	1,06,51,47,885	1,18,07,75,028

23. PURCHASE OF STOK IN-TRADE

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Pigments	3,70,32,557	4,53,75,700
Total	3,70,32,557	4,53,75,700

Notes Forming Part of Financial Statements

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

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Inventories at the end of the year		
Finished goods	6,23,67,291	6,54,31,726
Work-in-progress	6,25,41,168	5,06,39,570
Total	12,49,08,459	11,60,71,296
b. Inventories at the beginning of the year		
Finished goods	6,54,31,726	9,98,00,293
Work-in-progress	5,06,39,570	4,78,15,185
Total	11,60,71,296	14,76,15,478
Net (Increase) / decrease	(88,37,163)	3,15,44,182

25. EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Salaries, Wages and Bonus	4,59,79,694	3,82,25,529
b. Contribution to Provident and other funds	30,05,806	39,36,439
c. Staff welfare expenses	15,24,573	13,74,744
d. Directors Remuneration including perquisites and commission	1,20,00,000	1,40,94,910
Total	6,25,10,073	5,76,31,622

26. FINANCE COSTS

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Interest		
On long term borrowings	33,43,748	51,34,401
On short term borrowings	2,11,02,814	2,23,17,119
Other Interest	-	957
b. Bank and other charges		
Bank Charges	90,16,687	50,80,548
Total	3,34,63,249	3,25,33,025

27. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation and Amortisation relating to continuing operations (Refer Note 11)	4,24,18,448	3,90,78,760
Total	4,24,18,448	3,90,78,760

Notes Forming Part of Financial Statements

28. OTHER EXPENSES

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Manufacturing Expenses		
Power and Fuel	13,59,19,078	15,28,83,520
Consumption of Stores and Spares parts	1,77,55,158	1,85,19,322
Pollution Treatment Expenses	10,75,72,916	9,73,08,060
Repairs to Machinery	1,01,40,327	1,08,28,514
Repairs to Building	12,41,807	33,53,106
Manufacturing & Labour Charges	4,97,05,020	4,64,50,116
	32,23,34,306	32,93,42,638
b. Selling and Distribution Expenses	4,28,21,914	3,99,50,822
c. Establishment Expenses		
Rent	7,57,912	35,94,972
Rates & Taxes (excluding taxes on income)	62,942	1,56,875
Insurance	11,97,454	21,39,750
Travelling, Conveyance & Vehicle Expenses	62,10,958	70,41,345
Directors Travelling Expenses	76,30,695	86,31,430
Stationery and Printing Expenses	7,88,572	9,37,912
Communication Expenses	19,28,806	21,62,766
Auditors Remuneration (Refer Note No. 32)	2,89,472	3,24,328
Internal Audit Fees	2,25,000	2,00,000
Directors Sitting Fees	35,000	20,000
Legal & Professional Expenses	64,52,729	83,15,462
General Charges	31,69,349	36,47,370
Other Repairs	15,91,866	9,09,147
Donation	1,67,500	-
Freight, Handling, Transportation & other Expenses	17,14,148	20,49,387
Loss on sale of assets/Investments	1,92,110	6,20,341
CSR Expenses	14,00,000	-
Total	39,89,70,733	41,00,44,545

29. EARNING PER EQUITY SHARES

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net profit after tax as per statement of profit and loss	16,63,77,911	16,00,02,022
Net profit before Extraordinary items and after Tax	16,63,77,911	16,00,02,022
Weighted average number of Equity Shares used as Denominator for Calculating EPS	73,12,900	73,12,900
Basic and Diluted Earning per share Rs.	22.75	21.88
Basic and Diluted (before Extraordinary item) Earning per share Rs.	22.75	21.88

Notes Forming Part of Financial Statements

30. CONTINGENT LIABILITIES & COMMITMENTS

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
1 Income Tax: order U/s 154 Passed by ACIT Circle -1 Ahmedabad for Asst Year. 2001-02.	-	6,69,293
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).	18,03,341	18,03,341
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	44,27,236	44,27,236
4 The Commissioner of Income Tax -1 Ahmedabad has filed an appeal for the Asst. Year 2004-05	2,93,669	2,93,669
5 Income Tax: order U/s 263 Passed by ITO (Tech-I) Pr. Commissioner of Income Tax-1 Ahmedabad for Asst Year. 2010-11 has filed an appeal to the Appellate Tribunal	-	2,61,960
6 Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods.	5,45,03,112	4,32,34,100
7 Bills discounted against Letter of Credit but not realized and credited to the parties accounts	1,76,54,751	6,80,02,255

31. 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.

32. AUDITORS REMUNERATION

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
Audit fees (Including tax audit fees)	2,49,972	2,38,328
For others (Certification work)	39,500	81,000
Total	2,89,472	3,19,328

33. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, PACKING MATERIAL CONSUMED

Particulars	31/03/2016		31/03/2015	
	Amount Rs.	%	Amount Rs.	%
A. Raw Materials				
Imported	1,51,72,889	1.44	-	-
Indigenous	1,03,90,88,677	98.56	1,16,88,71,267	100.00
Total	1,05,42,61,566	100.00	1,16,88,71,267	100.00
B. Packing Materials				
Imported	-	%	-	-
Indigenous	1,08,86,319	100.00	1,16,88,71,267	100.00
Total	1,08,86,319	100.00	1,16,88,71,267	100.00

Notes Forming Part of Financial Statements

34. FOREIGN CURRENCY TRANSACTIONS

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
a) Value of Imports Calculated on CIF Basis		
Raw Materials	1,46,54,889	-
Capital Goods	-	-
b) Expenditure in Foreign Currency		
Purchase of Raw Materials	1,51,72,889	-
Capital Goods	-	-
Commission	63,30,946	31,21,059
c) Dividends remitted in Foreign Currency		
Final Dividend		
Number of Non-Resident Shareholders	1	-
Number of Shares held by Non-Resident Shareholders	1,66,384	-
Amount of Dividend remitted in Rupees	5,82,344	-
Period to which dividend relates	2014-15	-
Interim Dividend		
Number of Non-Resident Shareholders	1	1
Number of Shares held by Non-Resident Shareholders	1,66,384	1,66,384
Amount of Dividend remitted in Rupees	5,82,344	-
Period to which dividend relates	2015-16	-
d) Earnings in Foreign Exchange		
Export of Goods (FOB)	1,52,83,49,777	1,74,48,47,076
e) Effect of Exchange Fluctuations including Forward Contracts:		
Statement of Profit and Loss Account	2,95,24,699	3,05,82,092

35. EMPLOYEES BENEFITS

In compliance with the Accounting Standard on "Employee Benefits" (AS 15) 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	31/03/2016	31/03/2015
i) Contribution to Provident and Other Funds	29,36,072	22,26,494
ii) Contribution to Employee's State Insurance Corporation	69,734	17,09,945

Notes Forming Part of Financial Statements

2 Defined benefit plans / compensated absences – As per actuarial valuation

(Amount in Rupees)

Assumption	April 2015 – March 2016
Discount Rate Previous Period	8.00%
Discount Rate Current Period	8.00%
Rate of Return on Plan Assets Previous Period	N.A.
Rate of Return on Plan Assets Current Period	N.A.
Salary Escalation Previous Period	6.00%
Salary Escalation Current Period	6.00%
Table showing change In benefits obligations	April 2015 – March 2016
Liability at the beginning of the Period	1,63,67,934
Interest Cost	13,09,435
Current Service Cost	12,15,942
Liability Transferred In Acquisitions pursuant to the scheme of arrangement	-
Liability Transferred out/ Divestments pursuant to the scheme of arrangement	-
Benefit Paid	(1,06,731)
Actuarial (gain)/loss on obligations due to change in financial assumptions	8,21,234
Liability at the end of the period	1,96,07,814

36. SEGMENT REPORTING

The Company has reorganized the system of operation and internal business reporting and accordingly identified the business segment based on the nature of products, risks, returns and the internal business reporting system as per the Accounting Standard -17. Accordingly, The Company is principally engaged in a single segment of Dyes and Pigments.

37. RELATED PARTY DISCLOSURES

Related Party Disclosures as required by Accounting Standard 18 issued by Institute of Chartered Accountants of India are given below:

1 Related Parties and Nature of Relationship

a) The Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence:

Asahi Songwon Colors Ltd.
 Skyjet Aviation Pvt. Ltd.
 Skyways
 Asahi Energy Pvt. Ltd.
 Asahi Powertech Pvt. Ltd.
 Flyover Communication Pvt. Ltd.
 Akshar Silica Pvt. Ltd.

b) Key Managerial Personnel:

Mrs. Paru M. Jaykrishna
 Mr. Munjal M. Jaykrishna
 Mr. Meet J. Joshi

c) Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna
 Mr. Gokul M. Jaykrishna #

d) Subsidiary Company

Akshar Pigments Pvt. Ltd

Notes Forming Part of Financial Statements

2 Details of Transactions during the year

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
A Enterprises own or significantly influenced by key managerial personnel or their relatives		
1 Asahi Songwon Colors Limited		
Purchase of Goods	81,53,656	1,96,23,878
Sales of Goods	8,50,211	-
2 Akshar Silica Pvt Ltd.		
Investment	-	6,60,00,000
3 Skyways		
Rent Paid	1,86,000	1,93,000
4 Skyjet Aviation Pvt. Ltd.		
Air Tickets booking services	18,80,060	-
B Key Managerial Personnel and their relatives		
1 Mrs. Paru M. Jaykrishna		
Remuneration	72,00,000	65,00,000
Perquisites	-	1,36,000
Provident Fund Contribution	8,64,000	7,20,000
2 Mr. Munjal M. Jaykrishna		
Remuneration	48,00,000	39,00,000
Perquisites	-	18,000
Provident Fund Contribution	5,76,000	5,40,000
3 Mr. Gokul M. Jaykrishna		
Remuneration	-	15,00,000
Perquisites	-	41,000
Provident Fund Contribution	-	2,52,000
Commission	-	20,00,000
4 Mr. Mrugesh Jaykrishna		
Consultancy	1,80,000	1,50,000
5 Mr. Meet J. Joshi		
Salary and allowances	4,14,000	36,612
C Subsidiary Company		
1 Akshar Pigments Pvt. Ltd.		
Investment	99,900	Nil

#During the year Mr. Gokul M. Jaykrishna has resigned as Joint Managing Director of the Company, however he remains the director of the Company.

38. 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.

Notes Forming Part of Financial Statements

39. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013 IS AS UNDER:

- Gross amount required to be spent by the Company during the year: Rs. 41.13 Lacs (Previous year Rs. 20.11 Lacs)
- Amount spent and utilized during the year on:

Sr No	Particulars	Current Year			Previous Year		
		In Cash (Charged to P & L)	Yet to be paid in Cash	Total	In Cash (Appropriated from to P & L)	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	14,00,000	0.00	14,00,000	0.00	0.00	0.00
	b) Expenditure on Administrative Overheads for CSR	0.00	0.00	0.00	0.00	0.00	0.00
	Total	14,00,000	0.00	14,00,000	0.00	0.00	0.00

40. 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.

- In the previous financial year i.e. 2014-15 Prior Period Adjustments of Rs. 11,565,000/- shown in the Statement of Profit and Loss.

42 SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement ("the Scheme") under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 between AksharChem (India) Limited ("the Company"), Asahi Songwon Colors Limited ("ASCL") and their respective shareholders and creditors as approved by the Hon'ble High Court of Gujarat vide its certified order dated November 29, 2014, which became effective from December 2, 2014 on filing with Registrar of Companies, Gujarat and accordingly all assets and liabilities of the CPC Green Division (i.e. business and interests in manufacture of CPC Green Division) of Asahi Songwon Colors Limited has been transferred by way of demerger to the Company at their respective book values on a going concern basis with effect from the appointed date (i.e. April 1, 2014). Accordingly the same has been reflected in the previous year's figures.

- 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**
Chartered Accountants
Firm Registration No. 111072W

Trushit Chokshi
(Partner)
Membership No. 040847

Place: Ahmedabad
Date: 22/08/2016

For and on behalf of the Board

Paru M. Jaykrishna
Chairperson & Managing Director
DIN: 00671721

Meet J. Joshi
Company Secretary

Munjal M. Jaykrishna
Joint Managing Director & CFO
DIN: 00671693

Place: Indrad, Mehsana
Date: 22/08/2016

Independent Auditor's Report

To,
The Members of AksharChem (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AksharChem (India) Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group Companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group Companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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,

- i. in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group Companies as at 31st March, 2016;
- ii. In the case of Consolidated Statement of Profit and Loss, of the consolidated profits for the year ended on that date; and
- iii. In the case of Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date

Independent Auditor's Report (Contd...)

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group Companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group Companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best our information and according to the explanations given to us:
 - (a) The consolidated financial statements disclosed the impact of pending litigations on its consolidated financial position in the group – Refer Note 30 to the consolidated financial statements;
 - (b) The Group did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
 - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding companies and its subsidiary company during the year ended March 31, 2016.

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

Trushit Chokshi
Partner

Membership No.: 040847

Place: Ahmedabad

Date: August 22, 2016

Annexure to the Independent Auditors' Report

ANNEXURE "A" Report on the Internal Financial Control clause (i) of subsection 3 of section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of the AksharChem (India) Limited ("the Holding Company") and its subsidiary company the Holding Company and its subsidiary together referred to as "the Group") as at March 31, 2016 in conjunction with our audit of the consolidated Financial Statements of the Group Companies for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Management of the Group Companies is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure to the Independent Auditors' Report (Contd...)

Opinion

In our opinion, the Group Companies has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Ahmedabad
Date: August 22, 2016

Trushit Chokshi
Partner
Membership No.: 040847

Consolidated Balance Sheet As at 31st March, 2016

(Amount in Rupees)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	7,31,29,000	7,31,29,000
(b) Reserves and Surplus	3	77,69,29,266	64,13,73,438
		85,00,58,266	71,45,02,438
2 Non-current Liabilities			
(a) Long-term Borrowings	4	6,51,12,960	2,13,03,661
(b) Deferred Tax Liabilities (Net)	5	8,30,95,444	6,69,82,727
(c) Long-term Provisions	6	-	1,51,82,000
		14,82,08,404	10,34,68,388
3 Current Liabilities			
(a) Short-term Borrowings	7	22,22,85,407	20,76,97,387
(b) Trade Payables	8	28,60,16,636	37,71,84,930
(c) Other Current Liabilities	9	4,30,57,429	3,00,64,769
(d) Short-term Provisions	10	14,98,675	3,18,98,608
		55,28,58,147	64,68,45,694
TOTAL		1,55,11,24,817	1,46,48,16,520
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		56,43,25,196	54,82,07,283
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		3,82,89,259	1,63,25,976
(iv) Intangible Assets under Development		21,26,180	21,26,180
(b) Non-current Investments	12	22,50,15,800	18,34,01,253
(c) Long-term Loans and Advances	13	1,50,62,645	1,60,80,645
		84,48,19,080	76,61,41,337
2 Current assets			
(a) Inventories	14	15,98,18,568	18,14,81,795
(b) Trade Receivables	15	22,79,18,105	21,00,73,626
(c) Cash and Cash Equivalents	16	82,80,404	86,07,610
(d) Short-term Loans and Advances	17	30,88,03,664	29,67,35,767
(e) Other Current Assets	18	14,84,996	17,76,385
		70,63,05,737	69,86,75,183
TOTAL		1,55,11,24,817	1,46,48,16,520

Significant Accounting Policies

1

The accompanying notes are an integral part of financial statements

2 - 43

As per our Report of even date attached.

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

Trushit Chokshi

(Partner)

Membership No. 040847

Place: Ahmedabad

Date: 22/08/2016

For and on behalf of the Board

Paru M. Jaykrishna

Chairperson & Managing Director

DIN: 00671721

Meet J. Joshi
Company Secretary

Munjal M. Jaykrishna
Joint Managing Director & CFO

DIN: 00671693

Place: Indrad, Mehsana

Date: 22/08/2016

Consolidated Statement of Profit & Loss For the year ended 31st March, 2016

(Amount in Rupees)

Particulars	Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
I. Revenue from Operations	19	1,87,70,60,553	1,99,81,58,121
II. Other Operating Income	20	12,52,871	17,58,286
III. Other Income from Investment	21	1,16,82,986	2,05,98,918
IV. Total Revenue		1,88,99,96,410	2,02,05,15,325
V. Expenses:			
Cost of Materials Consumed	22	1,06,51,47,885	1,18,07,75,028
Purchase of Stock-in-Trade	23	3,70,32,557	4,53,75,700
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(88,37,163)	3,15,44,182
Employee Benefits Expense	25	6,25,10,073	5,76,31,622
Finance Costs	26	3,34,63,363	3,25,33,025
Depreciation and Amortization Expense	27	4,24,18,448	3,90,78,760
Other Expenses	28	39,89,86,982	41,00,44,545
Total Expenses		1,63,07,22,145	1,79,69,82,862
VI. Profit Before Prior Period Adjustments Items and Tax Expenses.		25,92,74,265	22,35,32,463
Prior Period Adjustments (Expenses)/Income	40	-	1,15,65,000
VII. Profit Before Tax Expenses		25,92,74,265	23,50,97,463
VIII. Tax Expense:			
(1) Current tax		7,68,00,000	6,47,29,840
(2) Deferred tax		1,61,12,717	1,03,65,601
IX. Profit After Tax		16,63,61,548	16,00,02,022
X. Earnings per Equity Share: (Face Value of Rs. 10/- per share)	29		
(1) Basic and Diluted Earning Per Share Rs.		22.75	21.88
(2) Basic and Diluted (before Extraordinary item) Earning Per Share Rs.		22.75	21.88

Significant Accounting Policies

1

The accompanying notes are an integral part of financial statements

2 - 43

As per our Report of even date attached.

For and on behalf of the Board

For, **Trushit Chokshi & Associates**

Paru M. Jaykrishna

Chartered Accountants

Chairperson & Managing Director

Firm Registration No. 111072W

DIN: 00671721

Trushit Chokshi

Meet J. Joshi

Munjal M. Jaykrishna

(Partner)

Company Secretary

Joint Managing Director & CFO

Membership No. 040847

DIN: 00671693

Place: Ahmedabad

Place: Indrad, Mehsana

Date: 22/08/2016

Date: 22/08/2016

Consolidated Cash Flow Statement For the year ended 31st March, 2016

(Amount in Rupees)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
A. Cash Flow from Operating Activities				
Profit Before Extraordinary Items and Tax Expenses		25,92,74,265		23,50,97,463
Add: Depreciation and Amortisation Expenses	4,24,18,448		3,90,78,760	
Finance Cost	3,34,63,363		3,25,33,025	
Less: Interest Received/other Income	(12,32,871)		(17,58,286)	
Profit/Loss from Sale of Current Investments/Assets	(84,71,481)		(1,86,22,569)	
Dividend Income	(30,19,395)	6,31,58,064	(13,56,008)	4,98,74,922
Operating Profit Before Working Capital Changes		32,24,32,329		28,49,72,385
Working Capital Changes				
(Increase)/Decrease Trade & Other Receivables	(1,78,44,479)		5,94,05,767	
(Increase)/Decrease Inventories	2,16,63,227		3,01,36,077	
Increase/ (Decrease) Trade & other Payables	(10,56,65,135)	-	2,77,37,712	
Changes in Loans and Advances	(91,31,018)	(11,09,77,405)	(6,20,46,462)	5,52,33,094
Cash Generated from Operating Activities		21,14,54,924		34,02,05,479
Direct Taxes Paid	(7,84,27,492)		(5,82,55,235)	
		(7,84,27,492)		(5,82,55,235)
Net Cash from / (used in) Operating Activities		13,30,27,432		28,19,50,244
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(8,08,15,754)		(5,37,99,150)	
Proceeds from Sale of Fixed Assets / Investments	1,24,000		83,96,217	
Purchase of Current Investments	(9,04,05,429)		(15,08,24,800)	
Sale of Current Investments	5,74,54,473		6,36,25,325	
Margin Money Deposit (Placed) / Matured	-		(90,000)	
Interest and Other Income	42,52,266	(10,93,90,444)	31,14,294	(12,95,78,114)
Net Cash from / (used in) Investing Activities		(10,93,90,444)		(12,95,78,114)
C. Cash Flow from Financing Activities				
Proceed from Share Capital & Premium / Reserves	-		-	
Availment/(Repayment) Long-term Borrowings	5,64,29,475		(2,06,43,684)	
Availment/(Repayment) Short-term Borrowings	1,45,88,020		(6,81,62,746)	
Payment of Dividend (including Dividend Distribution Tax)	(6,15,18,327)		(3,09,36,489)	
Interest Paid	(3,34,63,363)	(2,39,64,195)	(3,25,33,025)	(15,22,75,944)
Net Cash from / (used in) Financing Activities		(2,39,64,195)		(15,22,75,944)
Net Increase / (Decrease) in Cash and Cash Equivalents		(3,27,207)		96,186
Cash and Cash Equivalent at the Beginning of the Year		61,07,610		60,11,424
Cash and Cash Equivalent at the End of the Year		57,80,403		61,07,610

Cash Flow Statement (Contd..) For the year ended 31st March, 2016

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
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)	82,80,404	86,07,610
Less: Margin Money not considered as Cash and Cash Equivalents as defined in AS - 3 "Cash Flow Statement"	25,00,000	25,00,000
	57,80,404	61,07,610
2. Components of Cash and Cash Equivalents:		
Cash on Hand	9,71,783	7,90,514
In Current Accounts	9,97,229	17,12,896
In Unclaimed Dividend Accounts	27,35,350	16,04,200
In Deposit Accounts	10,76,042	20,00,000
	57,80,404	61,07,610

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 the Institute of Chartered Accountants of India.

As per our Report of even date attached.

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

Trushit Chokshi
(Partner)
Membership No. 040847

Place: Ahmedabad
Date: 22/08/2016

For and on behalf of the Board

Paru M. Jaykrishna
Chairperson & Managing Director
DIN: 00671721

Meet J. Joshi
Company Secretary

Munjal M. Jaykrishna
Joint Managing Director & CFO
DIN: 00671693

Place: Indrad, Mehsana
Date: 22/08/2016

Notes Forming Part of Consolidated Financial Statements

CORPORATE INFORMATION

AksharChem (India) Limited ("The Company") is a public limited company incorporated in India under the Companies Act, 1956. The Company is engaged in the business of manufacturing and export of Dyes and Pigments. The company's equity shares are listed at BSE Limited (BSE) and Ahmedabad Stock Exchange Ltd. (ASE). The Company has one subsidiary company namely Akshar Pigments Pvt. Ltd. incorporated in India under the Companies Act, 2013 which is yet to commence its operation.

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Disclosure of Accounting Policies

a. Basic Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities Exchange Board of India (SEBI). The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial instruments which are measured at fair value.

b. Use of Estimates

The preparation of consolidated financial statements in conformity with the Indian GAAP requires management to make Judgement, estimates and assumptions to be made that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the consolidated 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.

c. Current and non-current classification

All assets and liabilities are classified as current and non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Base on the on the nature of the activities, the Company has determined it's operating cycle as 12 Months for the purpose current and non-current classification of assets and liabilities.

1.2 Accounting for Investments

Investments which are readily realizable and intended to be held for more than one 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 market 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.

1.3 Valuation of Inventories

a. Stock of 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. Stock of 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.

1.4 Cash Flow Statements

Cash Flow Statement are reported using the "Indirect method" The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and Cash Equivalents for the purpose of cash flow comprises of Cash at Bank, Cash in Hand, Demand Deposits with Banks and other Short Term Highly Liquid Investments / Deposits with an original maturity of three months or less and Current and other accounts held with Banks.

Notes Forming Part of Consolidated Financial Statements

1.5 Contingencies and Event Occurring after the Balance Sheet Date

- a. Disclosure of contingencies as required by the accounting standards are furnished to the Notes on Consolidated Financial Statements.
- b. 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.
- c. Dividends, which are proposed/declared by the Company after the Balance Sheet date but before the approval of the consolidated financial statements are adjusted.

1.6 Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies

Items of Income and Expenditure pertaining to prior period as well as extra ordinary items, where material, are disclosed separately.

1.7 Revenue Recognition

- a. Revenue from sale of goods 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. Revenue from services rendered are booked based on agreements/ arrangements with the concerned parties.
- d. Income from investments are booked on accrual basis inclusive of tax deducted at source.
- e. Dividend income is recognized when the payment is established.
- f. Interest income is recognized on a time proportion basis taking into consideration the current outstanding and the applicable interest rate.

1.8 Provisions, Contingent Liabilities and Contingent Assets

- a. The provisions are recognized and measured by using a substantial degree of estimation.
- b. 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 Consolidated Financial Statements.
- c. Contingent Assets are neither accounted nor disclosed by way of Notes to consolidated financial statements.

1.9 Accounting of Tangible and Intangible 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 Tangible Assets on Borrowing Finance for such fixed assets is capitalized.
- b. Tangible Assets which are not ready for their intended use on reporting date are carried as capital work-in progress at cost, comprising direct cost and other incidental expenses. Depreciation is not provided on such work-in -progress.
- c. Assets are capitalized when they are ready to use / put to use.

1.10 Depreciation

- a. Depreciation on tangible and intangible assets has been provided on Straight Line basis, over the useful lives of the assets as prescribed in Schedule - II of the Companies Act. 2013.
- b. Depreciation on additions / deductions in respect of fixed assets are charged on pro-rata from / up to date in which asset is available for use.
- c. Depreciation in respect of Individual asset costing less than Rs. 5,000/- full depreciation has been provided in the year of addition.
- d. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realizable values.

Notes Forming Part of Consolidated Financial Statements

1.11 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.

1.12 Intangible Assets

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

1.13 The Effects of Changes in Foreign Exchange Rates

- a. Foreign Currency loans in respect of tangible assets are reported at the 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 tangible 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.

1.14 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.

1.15 Employee Benefits

a. Defined Contribution Plan

The contribution remitted to Government administered Provident and Pension Fund and Employee State Insurance Scheme on behalf of its employees in accordance with the relevant statute are charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b. Defined Benefit Plan

The gratuity liability, actuarially valued, is funded through the scheme administered by SBI Life Insurance Company Ltd. and the amounts paid/provided under the scheme are charged to the Statement of Profit and Loss.

1.16 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.

1.17 Segment Reporting

Segments are identified as the business segment based on the nature of products, risks, returns and the internal business reporting system as per the Accounting Standard -17.

1.18 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 Consolidated Financial Statements.

1.19 Accounting for Leases

- a. All leases are classified into operating and finance lease at the inception of the lease. Leases that transfer substantially all risks and rewards from leaser to lessees are classified as finance lease and others being classified as operating lease.
- b. There is no any finance or operating lease transactions entered into by the company.

1.20 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.

Notes Forming Part of Consolidated Financial Statements

1.21 Accounting for Taxes on Income

Tax expenses comprises of current tax and deferred tax

- 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.

1.22 Discontinuing Operations

The Company has not discontinued any operations during the year.

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.

1.24 Expenses for Corporate Social Responsibility

In case of Corporate Social Responsibility "CSR" activities undertaken by the Company, if any expenditure of the revenue nature is incurred on any of the activities mentioned in Schedule VII of the Companies Act, 2013, the same is charged to Statement of Profit and Loss. In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognized where the company retains the control of the asset and any future economic benefit occurs to it. A liability incurred by entering into a contractual obligation is recognized to the extent to which CSR activity is completed during the year.

1.25 Principles of consolidation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited Financial Statements of AksharChem (India) Limited ("the Company") and its subsidiary (collectively referred as Group).

The Consolidated Financial Statements have been prepared on the following basis:

The Financial Statement of the subsidiary is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 (AS 21).

Minority Interest's share of net profit/loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Company.

Minority Interest's share of net assets of consolidated subsidiary for the year is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's Shareholder.

As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the Consolidated Financial Statements.

Details of the subsidiary whose assets, liabilities, income and expenses are included in the consolidation and the company's holdings therein are as under:

Entity: **Akshar Pigments Private Limited**

Incorporated in: **India**

Proportion of Ownership Interest as on 31.03.2016: **99.90%**

Date of acquisition of control: **October 9, 2015**

Notes Forming Part of Consolidated Financial Statements

2. SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised Shares		
85,00,000 (Previous Year 85,00,000) Equity Shares of Rs. 10 each	8,50,00,000	8,50,00,000
Issued, Subscribed and Paid-up		
73,12,900 (Previous Year 73,12,900) Equity Shares of Rs. 10 each fully paid	7,31,29,000	7,31,29,000
TOTAL	7,31,29,000	7,31,29,000

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
At the beginning of the year	73,12,900	7,31,29,000	49,52,850	4,95,28,500
Add: Shares Issued during the year	-	-	23,60,050	2,36,00,500
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the year	73,12,900	7,31,29,000	73,12,900	7,31,29,000

b. Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs.10 each. 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.

c. Shares held by holding / ultimate holding company / or their subsidiaries / associates

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not Applicable	-	-

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No of Equity Shares	% of holding	No of Equity Shares	% of holding
Mrs. Paru M. Jaykrishna	25,43,571	34.78	25,43,571	34.78
Mr. Gokul M. Jaykrishna	11,25,804	15.39	11,25,804	15.39
Mr. Munjal M. Jaykrishna	11,25,804	15.39	11,25,804	15.39
	47,95,179	65.57	47,95,179	65.57

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.

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

Notes Forming Part of Consolidated Financial Statements

3. RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at	As at
	31st March, 2016	31st March, 2015
a. Securities Premium Account		
Balance at the beginning of the year	2,39,76,600	2,39,76,600
Balance at the end of the year	2,39,76,600	2,39,76,600
b. General Reserve		
Balance at the beginning of the year	27,44,36,010	3,88,00,297
Add : Transfer from Statement of Profit & Loss	-	1,50,00,000
Add : Transfer of Net Assets Value of CPC Green Division	-	22,06,35,713
Balance at the end of the year	27,44,36,010	27,44,36,010
c. Surplus in statement of Profit and Loss		
Balance at the beginning of the year	34,29,60,828	22,86,71,480
Add: Net Profit for the year	16,63,61,548	16,00,02,022
Less : Appropriation		
Profit Transferred to General Reserve	-	1,50,00,000
Interim Dividend for the year Rs. 3.50 (Previous year Rs. Nil) per Equity Share	2,55,95,150.00	-
Proposed Final Dividend for the year Rs. Nil (Previous year Rs. 3.50) per Equity Share	-	2,55,95,150
Tax on Proposed Dividend	52,10,570	51,17,524
Balance at the end of the year	47,85,16,656	34,29,60,828
Total (a+b+c)	77,69,29,266	64,13,73,438

4. LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured Loans				
a. Term Loans				
Indian Rupees Loan				
From State Bank of India	1,00,38,566	2,01,09,133	1,00,38,564	1,00,06,564
b. Corporate Loan				
Indian Rupees Loan				
From State Bank of India	5,47,68,406	-	1,25,00,000	-
c. Other Loan and Advances				
Vehicle Loan	3,05,988	11,94,528	8,88,540	8,00,364
Amount disclosed under the other current liabilities (see Note: 9)	-	-	(2,34,27,104)	(1,08,06,928)
	6,51,12,960	2,13,03,661	-	-

Notes Forming Part of Consolidated Financial Statements

a. Secured loans are covered by:

Term Loans from State Bank of India (SBI) are 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.

Particulars of Balance and repayment schedules of the Term Loans

Particulars	As at 31st March, 2016	Amount of Quarterly Installments	Quarterly Instalments for current maturity	Quarterly Instalments payable within 12 Months	Total Nos of Quarterly Instalments payable
	Rupees	Rupees		Rupees	
Term Loan	2,00,77,130	25,09,641	4	1,00,38,564	See Note I
Corporate Loan	6,72,68,406	25,00,000	3	1,25,00,000	
		50,00,000	1		

Note I:

- Term Loan is repayable by 7 quarterly equal instalments of Rs. 25,09,641 and 8th for Rs. 25,09,643.
- Corporate Loan is repayable by first 3 quarterly instalments of Rs. 25,00,000, thereafter 5 quarterly instalments of Rs. 50,00,000, 4 quarterly instalments of Rs. 75,00,000, 2 quarterly instalments of Rs. 1,00,00,000 and last 1 quarterly instalment of Rs. 1,25,00,000. Repayment schedule starts from June, 2016.

b. Vehicle loans are secured by hypothecation of concerned vehicles.

Repayment terms of Vehicle Loan

Vehicle loans are repayable in equal monthly instalement over the terms of loan ranging from 1 to 3 years.

There was no default in repayment of loan or interest.

5. DEFERRED TAX LIABILITIES (NET)

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Deferred Tax Liabilities	8,91,68,372	8,31,00,477
b. Deferred Tax Assets	60,72,928	1,61,17,750
Total (a-b)	8,30,95,444	6,69,82,727

6. LONG-TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provisions for employees benefits	-	1,51,82,000
Total	-	1,51,82,000

Notes Forming Part of Consolidated Financial Statements

7. SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Secured Loans[^]		
Loans repayable on demand from bank		
-From State Bank of India		
Working Capital Loans	22,22,85,407	19,47,98,752
Cash Credit Account	-	1,28,98,635
Total	22,22,85,407	20,76,97,387
b. Unsecured		
Deposits from others	-	-
Total	22,22,85,407	20,76,97,387

[^]Secured loans are secured by hypothecation of raw materials, finished goods, stock in process book debts and other current assets of the Company.

8. TRADE PAYABLES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Trade payable - Micro, Small and Medium Enterprises	1,56,95,560	2,99,87,025
b. Others	27,03,21,076	34,71,97,905
Total	28,60,16,636	37,71,84,930

(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, 2016.

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	1,56,95,560	2,99,87,025
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	1,56,95,560	2,99,87,025

(2) There are no Micro, Small & Medium Enterprises to whom the company over dues, which are outstanding for more than 45 days as at 31st March, 2016. 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.

Notes Forming Part of Consolidated Financial Statements

9. OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Unclaimed Dividends *	27,35,283	16,04,200
b. Current maturities of long term borrowings (See note: 4)	2,34,27,104	1,08,06,928
c. Others		
Statutory liabilities	31,47,523	22,88,274
Payables for fixed assets	94,38,161	1,21,88,364
Other Current liabilities and payables	42,92,995	31,77,003
Total	4,30,41,066	3,00,64,769

* There is no amount due and outstanding to be transferred to the Investors Education and Protection Fund (IEPF) as on march 31, 2016, Unclaimed Dividend if any shall be transferred to IEPF as and when they become due.

10. SHORT TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Proposed Dividend	67	2,55,95,150
b. Tax on Proposed Dividend	-	51,17,524
c. Provision for employee benefits		
Gratuity	14,98,608	11,85,934
Total	14,98,675	3,18,98,608

11. FIXED ASSETS

(Amount in Rupees)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-04-2015	Additions	Disposal	As at 31-03-2016	As at 01-04-2015	Depreciation charge for the Period ended	On disposals	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
A Tangible Assets										
Own Assets										
Freehold Land	5,00,00,780	8,41,755	-	5,08,42,535	-	-	-	-	5,08,42,535	5,00,00,780
Buildings	13,32,58,434	52,98,295	-	13,85,56,729	2,11,26,126	62,73,951	-	2,74,00,077	11,11,56,652	11,21,32,308
Plant & Machinery	55,51,00,030	5,13,92,920	-	60,64,92,950	19,50,98,734	2,95,57,480	-	22,46,56,214	38,18,36,736	36,00,01,296
Furniture and Fixtures	1,21,54,640	-	-	1,21,54,640	56,18,671	12,18,794	-	68,37,465	53,17,175	65,35,969
Office equipment	1,79,90,083	3,19,501	-	1,83,09,584	1,22,92,236	22,79,407	-	1,45,71,643	37,37,941	56,97,847
Vehicles	2,46,13,120	10,00,000	8,45,388	2,47,67,732	1,07,74,037	30,88,816	5,29,278	1,33,33,575	1,14,34,157	1,38,39,083
Total	79,31,17,087	5,88,52,471	8,45,388	85,11,24,170	24,49,09,804	4,24,18,448	5,29,278	28,67,98,974	56,43,25,196	54,82,07,283
Previous Year	75,97,00,963	4,60,64,962	1,26,48,838	79,31,17,087	20,94,63,324	3,90,78,760	36,32,280	24,49,09,804	54,82,07,283	20,63,02,896
B Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-
C Capital Work In Progress										
Capital Work In Progress	1,61,75,976	6,23,58,105	4,74,94,822	3,10,39,259	-	-	-	-	3,10,39,259	1,63,25,976
Advance Against Land	1,50,000	71,00,000	-	72,50,000	-	-	-	-	72,50,000	-
Total	1,63,25,976	6,94,58,105	4,74,94,822	3,82,89,259	-	-	-	-	3,82,89,259	1,63,25,976
Previous Year	85,91,788	4,69,25,932	3,91,91,744	1,63,25,976	-	-	-	-	1,63,25,976	35,40,931
D Intangible Assets Under Development										
Software Under Development	21,26,180	-	-	21,26,180	-	-	-	-	21,26,180	21,26,180
Total	21,26,180	-	-	21,26,180	-	-	-	-	21,26,180	21,26,180
Previous Year	21,26,180	-	-	21,26,180	-	-	-	-	21,26,180	-
Total	81,15,69,243	12,83,10,576	4,83,40,210	89,15,39,609	24,49,09,804	4,24,18,448	5,29,278	28,67,98,974	60,47,40,635	56,66,59,439

Notes Forming Part of Consolidated Financial Statements

12. NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
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
150 (Previous Year 150) fully paid Equity Shares of Rs.10/- each of Raymond Synthetic Ltd.	3,100	3,100
1,500 (Previous Year 1,500) 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
1,500 (Previous Year 1,500) 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.	1,42,005	1,42,005
1,000 (Previous Year 1,000) fully paid Equity Shares of Rs.10/- each of Hindustan Unilever Ltd.	1,34,310	1,34,310
50 (Previous Year 50) fully paid Equity Shares of Rs.10/- each of Moser Baer (I) Ltd.	24,689	24,689
2,700 (Previous Year 2,700) fully paid Equity Shares of Rs.10/- each of Futura Polysters Ltd.	35,183	35,183
4,500 (Previous Year 4,500) fully paid Equity Shares of Rs.10/- each of Bajaj Finance Ltd.	53,93,577	53,93,577
8,000 (Previous Year 6,000) fully paid Equity Shares of Rs.10/- each of Eclerx Services Ltd.	60,70,409	60,70,409
7,270 (Previous Year 7,270) fully paid Equity Shares of Rs.2/- each of Larsen and Toubro Ltd.	77,84,794	77,84,794
13,500 (Previous Year 10,000) fully paid Equity Shares of Rs. 10/- each of Shriram Transport Finance Co. Ltd.	96,06,179	67,54,880
38,000 (Previous Year 38,000) fully paid Equity Shares of Rs. 10/- each of IRB Infrastructure Developers Ltd	44,85,614	44,85,614
43,570 (Previous Year 5,614) fully paid Equity Shares of Rs. 1/- each of Cadila Healthcare Ltd	94,34,061	41,84,017
23,000 (Previous Year 20,000) fully paid Equity Shares of Rs. 5/- each of Ashoka Buildcon Ltd	16,42,365	10,86,402
10,000 (Previous Year 10,000) fully paid Equity Shares of Rs. 2/- each of AIA Engineers Ltd.	32,14,646	32,14,646
3,000 (Previous Year 3,000) fully paid Equity Shares of Rs. 5/- each of Bajaj Finserve Ltd.	30,71,943	30,71,943
52,000 (Previous Year 25,000) fully paid Equity Shares of Rs. 10/- each of DCB Bank Ltd.	54,19,704	29,93,117
51,674 (Previous Year 6,800) fully paid Equity Shares of Rs.10/- each of Dewan Housing Finance Corporation Ltd.	1,25,69,150	35,42,895
4,000 (Previous Year 4,000) fully paid Equity Shares of Rs. 1/- each of Pidilite Industries Ltd.	16,80,122	16,80,122
30,000 (Previous Year 30,000) fully paid Equity Shares of Rs. 1/- each of Madhucon Projects Ltd.	11,24,164	11,24,164
26,144 (Previous Year 3,956) fully paid Equity Shares of Rs. 10/- each of MBL Infrastructures Ltd.	60,35,529	12,73,830
Nil (Previous Year 4,000) fully paid Equity Shares of Rs. 2/- each of Allcargo Logistics Ltd.	-	13,09,703
Nil (Previous Year 2,000) fully paid Equity Shares of Rs. 10/- each of Bajaj Auto Ltd.	-	41,32,348
Nil (Previous Year 18,600) fully paid Equity Shares of Rs. 2/- each of Bodal Chemicals Ltd.	-	6,68,229
Nil (Previous Year 13,000) fully paid Equity Shares of Rs. 10/- each of Camson Bio Technologies Ltd.	-	13,25,223
Nil (Previous Year 15,300) fully paid Equity Shares of Rs.2/- each of Astra Microwave Products Ltd.	-	17,56,154
Nil (Previous Year 45,000) fully paid Equity Shares of Rs. 10/- each of Arvind Ltd	-	51,81,525
Nil (Previous Year 15,000) fully paid Equity Shares of Rs. 1/- each of Graunules India Ltd.	-	11,86,840

Notes Forming Part of Consolidated Financial Statements

12. NON CURRENT INVESTMENTS (Contd...)

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Nil (Previous Year 7,500) fully paid Equity Shares of Rs.2/- each of Ipca Laboratory Ltd.	-	54,01,964
Nil (Previous Year 34) fully paid Equity Shares of Rs.10/- each of Ultratech Cement Co. Ltd.	-	11,500
Nil (Previous Year 13,000) fully paid Equity Shares of Rs.10/- each of Power Finace Corporation Ltd.	-	37,94,752
Nil (Previous Year 6,118) fully paid Equity Shares of Rs.1/- each of PI Industries Ltd.	-	23,93,827
Nil (Previous Year 3,00,000) fully paid Equity Shares of Rs.1/- each of GVK Power & Infrastructure Ltd.	-	20,93,437
Nil (Previous Year 25,000) fully paid Equity Shares of Rs. 5/- each of Purvankara Projects Ltd.	-	19,69,368
Nil (Previous Year 2,000) fully paid Equity Shares of Rs. 2/- each of Shipa Medicare Ltd.	-	10,64,145
Nil (Previous Year 1,000) fully paid Equity Shares of Rs. 1/- each of TCS Ltd.	-	24,52,108
1,18,000 (Previous Year 1,20,000) fully paid Equity Shares of Rs. 10/- each of IDFC Ltd.	80,54,679	1,29,66,982
1,28,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of IDFC Bank Ltd.	55,94,882	-
6,500 (Previous Year Nil) fully paid Equity Shares of Rs. 2/- each of Alembic Pharmaceuticals Ltd.	34,02,528	-
3,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of Capital First Limited	11,41,619	-
12,999 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of Ceat Limited	99,15,214	-
10,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of CESC Limited	49,03,383	-
52,000 (Previous Year Nil) fully paid Equity Shares of Rs. 1/- each of Nectar Lifescience Limited	28,73,466	-
17,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of Reliance Capital Limited	57,56,599	-
18,000 (Previous Year Nil) fully paid Equity Shares of Rs. 10/- each of SKS Microfinance Limited	68,49,821	-
4,665 (Previous Year Nil) fully paid Equity Shares of Rs. 5/- each of Torrent Pharmaceuticals Limited	58,58,714	-
	13,24,04,900	10,08,90,253
b. UnQuoted – At Cost – Fully paid up		
1,000 (Previous Year 1,000) fully paid Equity shares of Rs.10/- each of Asahi Powertech Pvt. Ltd.	10,000	10,000
100 (Previous Year 100) fully paid Equity shares of Rs.10/- each of Akshar Silica Pvt. Ltd.	1,000	1,000
9,990 (Previous Year Nil) fully paid Equity shares of Rs.10/- each of Akshar Pigments Pvt. Ltd.	99,900	-
8,25,000 (Previous Year 825,000) fully paid Redeemable Preference Shares of Rs.100/- each of Akshar Silica Pvt. Ltd.	8,25,00,000	8,25,00,000
10,00,000 (Previous Year Nil) fully paid Redeemable Preference Shares of Rs.10/- each of Chhatral Environment Management System Pvt. Ltd.	1,00,00,000	-
	9,26,10,900	8,25,11,000
Total	22,50,15,800	18,34,01,253
Aggregate amount of quoted investments	13,24,04,900	10,08,90,253
Market Value of quoted investments	18,57,20,626	16,83,90,696
Aggregate amount of unquoted investments	9,26,10,900	8,25,11,000

Notes Forming Part of Consolidated Financial Statements

13. LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(unsecured, considered good unless otherwise stated)		
Security Deposit	1,50,62,645	1,60,80,645
Total	1,50,62,645	1,60,80,645

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

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Raw Materials	2,42,12,363	5,49,18,402
b. Work in progress	6,25,41,168	5,06,39,570
c. Finished goods	6,23,67,291	6,54,31,726
d. Stores and spares	80,81,931	79,07,250
e. Packing Material	11,92,279	7,94,923
f. Fuel & Oil	14,23,536	17,89,924
Total	15,98,18,568	18,14,81,795

15. TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, considered good)		
a. Outstanding for a period exceeding six months	27,15,810	29,68,025
b. Others	22,52,02,295	20,71,05,601
Total	22,79,18,105	21,00,73,626

16. CASH & CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Cash and Cash Equivalents:		
Balance with Banks in Current accounts	9,97,229	17,12,896
Deposit	10,76,042	20,00,000
Cash on hand	9,71,783	7,90,514
b. Other Bank Balances		
Unclaimed Dividend accounts	27,35,350	16,04,200
Term Deposit with Bank as Margin money against Letters of Credit.		
Maturity within 12 months	25,00,000	25,00,000
Total	82,80,404	86,07,610

Notes Forming Part of Consolidated Financial Statements

17. SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(unsecured, considered good unless otherwise stated)		
a. Loans and advances to Employees	7,93,396	2,34,546
b. Advances to Capital Goods Suppliers	1,65,35,649	93,89,775
c. Prepaid expenses	24,88,823	28,47,535
d. Balance with government authorities		
i) CENVAT credit receivables	7,83,56,197	9,08,52,551
ii) VAT - credit receivables	12,64,04,651	13,12,75,565
iii) Export Incentive Receivable	3,63,18,704	1,40,86,648
iv) Advance payment of tax (Net of Provisions)	2,91,14,247	2,74,86,756
v) Sales Tax	9,16,649	9,16,649
e. Others - Advance to suppliers	1,78,75,348	1,96,45,742
Total	30,88,03,664	29,67,35,767

18. OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest receivables on deposits	14,84,996	17,76,385
Total	14,84,996	17,76,385

19. REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of Products		
a. Export Sales	1,53,46,77,239	1,74,74,57,325
b. Domestic Sales	27,87,34,922	19,25,50,546
Less : Excise Duty	2,93,03,255	1,90,45,863
Net Domestic Sales	24,94,31,667	17,35,04,683
Total Sale of Products	1,78,41,08,906	1,92,09,62,008
c. Other operating revenues (Refer 1 below)	9,29,51,647	7,71,96,113
Total	1,87,70,60,553	1,99,81,58,121
1 Other Operating revenues		
Sale of Scrap	5,89,040	21,64,852
Export incentives	6,28,37,908	4,44,49,169
Exchange Rate differences	2,95,24,699	3,05,82,092
Total - Other Operating revenues	9,29,51,647	7,71,96,113

Notes Forming Part of Consolidated Financial Statements

20. OTHER OPERATING INCOME

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Interest from Fixed Deposits with Bank	12,32,871	16,92,274
b. Cash Discount/Other Income	20,000	66,012
Total	12,52,871	17,58,286

21. OTHER INCOME FROM INVESTMENT

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Dividend Income	30,19,395	13,56,008
b. Gain/ (Loss) on Investment on Shares Long Term & Short Term	86,63,591	1,92,42,910
Total	1,16,82,986	2,05,98,918

22. COST OF RAW MATERIAL CONSUMED

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Raw Material		
Opening Stock	5,30,88,724	5,36,82,536
Add : Purchases	1,02,52,65,065	1,16,82,77,455
	1,07,83,53,789	1,22,19,59,991
Less : Closing Stock	2,40,92,223	5,30,88,724
Cost of Raw Material Consumed	1,05,42,61,566	1,16,88,71,267
b. Packing Material		
Opening Stock	7,94,924	11,46,850
Add : Purchases	1,12,83,674	1,15,51,835
	1,20,78,598	1,26,98,685
Less : Closing Stock	11,92,279	7,94,924
Cost of Packing Material Consumed	1,08,86,319	1,19,03,761
Cost of Total Material Consumed	1,06,51,47,885	1,18,07,75,028

23. PURCHASE OF STOK IN-TRADE

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Pigments	3,70,32,557	4,53,75,700
Total	3,70,32,557	4,53,75,700

Notes Forming Part of Consolidated Financial Statements

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

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Inventories at the end of the year		
Finished goods	6,23,67,291	6,54,31,726
Work-in-progress	6,25,41,168	5,06,39,570
Total	12,49,08,459	11,60,71,296
b. Inventories at the beginning of the year		
Finished goods	6,54,31,726	9,98,00,293
Work-in-progress	5,06,39,570	4,78,15,185
Total	11,60,71,296	14,76,15,478
Net (Increase) / decrease	(88,37,163)	3,15,44,182

25. EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Salaries, Wages and Bonus	4,59,79,694	3,82,25,529
b. Contribution to Provident and other funds	30,05,806	39,36,439
c. Staff welfare expenses	15,24,573	13,74,744
d. Directors Remuneration including perquisites and commission	1,20,00,000	1,40,94,910
Total	6,25,10,073	5,76,31,622

26. FINANCE COSTS

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Interest		
On long term borrowings	33,43,748	51,34,401
On short term borrowings	2,11,02,814	2,23,17,119
Other Interest	-	957
b. Bank and other charges		
Bank Charges	90,16,801	50,80,548
Total	3,34,63,363	3,25,33,025

27. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation and Amortisation relating to continuing operations (Refer Note 11)	4,24,18,448	3,90,78,760
Total	4,24,18,448	3,90,78,760

Notes Forming Part of Consolidated Financial Statements

28. OTHER EXPENSES

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a. Manufacturing Expenses		
Power and Fuel	13,59,19,078	15,28,83,520
Consumption of Stores and Spares parts	1,77,55,158	1,85,19,322
Pollution Treatment Expenses	10,75,72,916	9,73,08,060
Repairs to Machinery	1,01,40,327	1,08,28,514
Repairs to Building	12,41,807	33,53,106
Manufacturing & Labour Charges	4,97,05,020	4,64,50,116
	32,23,34,306	32,93,42,638
b. Selling and Distribution Expenses	4,28,21,914	3,99,50,822
c. Establishment Expenses		
Rent	7,57,912	35,94,972
Rates & Taxes (excluding taxes on income)	62,942	1,56,875
Insurance	11,97,454	21,39,750
Travelling, Conveyance & Vehicle Expenses	62,10,958	70,41,345
Directors Travelling Expenses	76,30,695	86,31,430
Stationery and Printing Expenses	7,88,971	9,37,912
Communication Expenses	19,28,806	21,62,766
Auditors Remuneration (Refer Note No. 32)	2,90,972	3,24,328
Internal Audit Fees	2,25,000	2,00,000
Directors Sitting Fees	35,000	20,000
Legal & Professional Expenses	64,52,729	83,15,462
General Charges	31,69,349	36,47,370
Other Repairs	15,91,866	9,09,147
Donation	1,67,500	-
Freight, Handling, Transportation & other Expenses	17,14,148	20,49,387
Loss on sale of assets/Investments	1,92,110	6,20,341
Preliminary Expenses	14,350	
CSR Expenses	14,00,000	-
Total	39,89,86,982	41,00,44,545

29. EARNING PER EQUITY SHARES

(Amount in Rupees)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net profit after tax as per statement of profit and loss	16,63,61,548	16,00,02,022
Net profit before Extraordinary items and after Tax	16,63,61,548	16,00,02,022
Weighted average number of Equity Shares used as Denominator for Calculating EPS	73,12,900	73,12,900
Basic and Diluted Earning per share Rs.	22.75	21.88
Basic and Diluted (before Extraordinary item) Earning per share Rs.	22.75	21.88

Notes Forming Part of Consolidated Financial Statements

30. CONTINGENT LIABILITIES & COMMITMENTS

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
1 Income Tax: order U/s 154 Passed by ACIT Circle -1 Ahmedabad for Asst Year. 2001-02.	-	6,69,293
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).	18,03,341	18,03,341
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	44,27,236	44,27,236
4 The Commissioner of Income Tax -1 Ahmedabad has filed an appeal for the Asst. Year 2004-05	2,93,669	2,93,669
5 Income Tax: order U/s 263 Passed by ITO (Tech-I) Pr. Commissioner of Income Tax-1 Ahmedabad for Asst Year. 2010-11 has filed an appeal to the Appellate Tribunal	-	2,61,960
6 Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods.	5,45,03,112	4,32,34,100
7 Bills discounted against Letter of Credit but not realized and credited to the parties accounts	1,76,54,751	6,80,02,255

31. 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.

32. AUDITORS REMUNERATION

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
Audit fees (Including tax audit fees)	2,51,472	2,38,328
For others (Certification work)	39,500	81,000
Total	2,90,972	3,19,328

33. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, PACKING MATERIAL CONSUMED

Particulars	31/03/2016		31/03/2015	
	Amount Rs.	%	Amount Rs.	%
A. Raw Materials				
Imported	1,51,72,889	1.44	-	-
Indigenous	1,03,90,88,677	98.56	1,16,88,71,267	100.00
Total	1,05,42,61,566	100.00	1,16,88,71,267	100.00
B. Packing Materials				
Imported	-	%	-	-
Indigenous	1,08,86,319	100.00	1,16,88,71,267	100.00
Total	1,08,86,319	100.00	1,16,88,71,267	100.00

Notes Forming Part of Consolidated Financial Statements

34. FOREIGN CURRENCY TRANSACTIONS

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
a) Value of Imports Calculated on CIF Basis		
Raw Materials	1,46,54,889	-
Capital Goods	-	-
b) Expenditure in Foreign Currency		
Purchase of Raw Materials	1,51,72,889	-
Capital Goods	-	-
Commission	63,30,946	31,21,059
c) Dividends remitted in Foreign Currency		
Final Dividend		
Number of Non-Resident Shareholders	1	-
Number of Shares held by Non-Resident Shareholders	1,66,384	-
Amount of Dividend remitted in Rupees	5,82,344	-
Period to which dividend relates	2014-15	-
Interim Dividend		
Number of Non-Resident Shareholders	1	1
Number of Shares held by Non-Resident Shareholders	1,66,384	1,66,384
Amount of Dividend remitted in Rupees	5,82,344	-
Period to which dividend relates	2015-16	-
d) Earnings in Foreign Exchange		
Export of Goods (FOB)	1,52,83,49,777	1,74,48,47,076
e) Effect of Exchange Fluctuations including Forward Contracts:		
Statement of Profit and Loss Account	2,95,24,699	3,05,82,092

35. EMPLOYEES BENEFITS

In compliance with the Accounting Standard on "Employee Benefits" (AS 15) 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	31/03/2016	31/03/2015
i) Contribution to Provident and Other Funds	29,36,072	22,26,494
ii) Contribution to Employee's State Insurance Corporation	69,734	17,09,945

Notes Forming Part of Consolidated Financial Statements

2 Defined benefit plans / compensated absences – As per actuarial valuation

(Amount in Rupees)

Assumption	April 2015 – March 2016
Discount Rate Previous Period	8.00%
Discount Rate Current Period	8.00%
Rate of Return on Plan Assets Previous Period	N.A.
Rate of Return on Plan Assets Current Period	N.A.
Salary Escalation Previous Period	6.00%
Salary Escalation Current Period	6.00%
Table showing change In benefits obligations	April 2015 – March 2016
Liability at the beginning of the Period	1,63,67,934
Interest Cost	13,09,435
Current Service Cost	12,15,942
Liability Transferred In Acquisitions pursuant to the scheme of arrangement	-
Liability Transferred out/ Divestments pursuant to the scheme of arrangement	-
Benefit Paid	(1,06,731)
Actuarial (gain)/loss on obligations due to change in financial assumptions	8,21,234
Liability at the end of the period	1,96,07,814

36. SEGMENT REPORTING

The Company has reorganized the system of operation and internal business reporting and accordingly identified the business segment based on the nature of products, risks, returns and the internal business reporting system as per the Accounting Standard -17. Accordingly, The Company is principally engaged in a single segment of Dyes and Pigments.

37. RELATED PARTY DISCLOSURES

Related Party Disclosures as required by Accounting Standard 18 issued by Institute of Chartered Accountants of India are given below:

1 Related Parties and Nature of Relationship

a) The Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence:

Asahi Songwon Colors Ltd.
 Skyjet Aviation Pvt. Ltd.
 Skyways
 Asahi Energy Pvt. Ltd.
 Asahi Powertech Pvt. Ltd.
 Flyover Communication Pvt. Ltd.
 Akshar Silica Pvt. Ltd.

b) Key Managerial Personnel:

Mrs. Paru M. Jaykrishna
 Mr. Munjal M. Jaykrishna
 Mr. Meet J. Joshi

c) Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna
 Mr. Gokul M. Jaykrishna #

d) Subsidiary Company

Akshar Pigments Pvt. Ltd

Notes Forming Part of Consolidated Financial Statements

2 Details of Transactions during the year

(Amount in Rupees)

Particulars	31/03/2016	31/03/2015
A Enterprises own or significantly influenced by key managerial personnel or their relatives		
1 Asahi Songwon Colors Limited		
Purchase of Goods	81,53,656	1,96,23,878
Sales of Goods	8,50,211	-
2 Akshar Silica Pvt Ltd.		
Investment	-	6,60,00,000
3 Skyways		
Rent Paid	1,86,000	1,93,000
4 Skyjet Aviation Pvt. Ltd.		
Air Tickets booking services	18,80,060	-
B Key Managerial Personnel and their relatives		
1 Mrs. Paru M. Jaykrishna		
Remuneration	72,00,000	65,00,000
Perquisites	-	1,36,000
Provident Fund Contribution	8,64,000	7,20,000
2 Mr. Munjal M. Jaykrishna		
Remuneration	48,00,000	39,00,000
Perquisites	-	18,000
Provident Fund Contribution	5,76,000	5,40,000
3 Mr. Gokul M. Jaykrishna		
Remuneration	-	15,00,000
Perquisites	-	41,000
Provident Fund Contribution	-	2,52,000
Commission	-	20,00,000
4 Mr. Mrugesh Jaykrishna		
Consultancy	1,80,000	1,50,000
5 Mr. Meet J. Joshi		
Salary and allowances	4,14,000	36,612

#During the year Mr. Gokul M. Jaykrishna has resigned as Joint Managing Director of the Company, however he remains the director of the Company.

38. 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.

Notes Forming Part of Consolidated Financial Statements

39. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013 IS AS UNDER:

- Gross amount required to be spent by the Company during the year: Rs. 41.13 Lacs (Previous year Rs. 20.11 Lacs)
- Amount spent and utilized during the year on:

Sr No	Particulars	Current Year			Previous Year		
		In Cash (Charged to P & L)	Yet to be paid in Cash	Total	In Cash (Appropriated from to P & L)	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	14,00,000	0.00	14,00,000	0.00	0.00	0.00
	b) Expenditure on Administrative Overheads for CSR	0.00	0.00	0.00	0.00	0.00	0.00
	Total	14,00,000	0.00	14,00,000	0.00	0.00	0.00

40. 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.

- In the previous financial year i.e. 2014-15 Prior Period Adjustments of Rs. 11,565,000/- shown in the Statement of Profit and Loss.

42 SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement ("the Scheme") under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 between AksharChem (India) Limited ("the Company"), Asahi Songwon Colors Limited ("ASCL") and their respective shareholders and creditors as approved by the Hon'ble High Court of Gujarat vide its certified order dated November 29, 2014, which became effective from December 2, 2014 on filing with Registrar of Companies, Gujarat and accordingly all assets and liabilities of the CPC Green Division (i.e. business and interests in manufacture of CPC Green Division) of Asahi Songwon Colors Limited has been transferred by way of demerger to the Company at their respective book values on a going concern basis with effect from the appointed date (i.e. April 1, 2014). Accordingly the same has been reflected in the previous year's figures.

- 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**
Chartered Accountants
Firm Registration No. 111072W

Trushit Chokshi
(Partner)
Membership No. 040847

Place: Ahmedabad
Date: 22/08/2016

For and on behalf of the Board

Paru M. Jaykrishna
Chairperson & Managing Director
DIN: 00671721

Meet J. Joshi
Company Secretary

Munjal M. Jaykrishna
Joint Managing Director & CFO
DIN: 00671693

Place: Indrad, Mehsana
Date: 22/08/2016

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr No.	Particulars	Details
1.	Name of the subsidiary	Akshar Pigments Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	1,00,000
5.	Reserves & surplus	(16,365)
6.	Total assets	93,635
7.	Total Liabilities	10,000
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(16,365)
11.	Provision for taxation	Nil
12.	Profit after taxation	(16,365)
13.	Proposed Dividend	Nil
14.	% of shareholding	99.90%

Notes:

1. Akshar Pigments Private Limited has not commenced its operations during the year.
2. The Company has sold the 5100 (51.00%) Equity Shares of Chhatral Environment Management System Private Limited during the year and as on 31.03.2016 the Company has only one subsidiary.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

As per our Report of even date attached.

For, **Trushit Chokshi & Associates**

Chartered Accountants

Firm Registration No. 111072W

Trushit Chokshi

(Partner)

Membership No. 040847

Place: Ahmedabad

Date: 22/08/2016

For and on behalf of the Board

Paru M. Jaykrishna

Chairperson & Managing Director

DIN: 00671721

Meet J. Joshi

Company Secretary

Munjal M. Jaykrishna

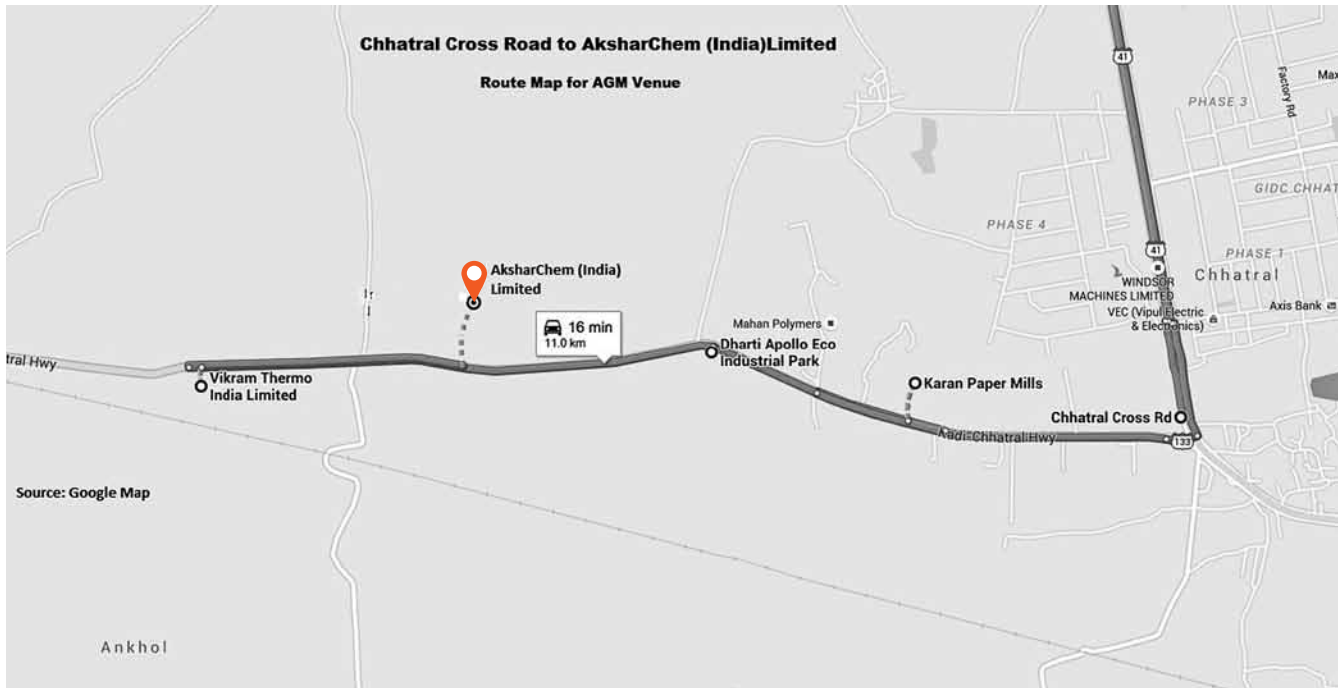
Joint Managing Director & CFO

DIN: 00671693

Place: Indrad, Mehsana

Date: 22/08/2016

CHHATRAL CROSS ROAD TO AKSHARCHEM (INDIA) LIMITED



Designed by:



redprocommunication@gmail.com

AksharChem

AKSHARCHEM (INDIA) LIMITED
166/169, Village Indrad, Kadi-Kalol Road,
Dist. Mehsana, Gujarat-382 715
Tel: + 91 2764 233 007/08/09/10
Website: www.aksharchemindia.com