



**AksharChem**

AKSHARCHEM (INDIA) LIMITED  
Annual Report 2016-17

## 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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☀ VALUE ADDED PRODUCTS ☀ CONTEMPORARY TECHNOLOGIES ☀ STATE-OF-THE-ART MANUFACTURING FACILITIES ☀ ADVANCED RESEARCH AND DEVELOPMENT ☀ SHOP FLOOR IMPROVEMENT ☀ LONG-TERM CUSTOMER RELATIONSHIPS ☀ INTEGRATED OPERATIONS ☀ MULTI-GEOGRAPHIC PRESENCE.

**These are** some extraordinary achievements that have made us proud over the years. However, when it comes to long-term business sustainability, there is one thing that analysts and stakeholders bank on – STRONG PERFORMANCE.

**Strong performance** is a result of years of efforts. It is a measure of effectiveness of the Company's strategic decisions. It reemphasizes the robust present foundation of the Company and its future readiness.

**At AksharChem**, our sustained strong performance has enabled us to revitalize customer trust while delivering prosperity to the customers. 2016-17 was one such year that proved again that we just don't make strategies, rather we act and deliver.

This is how we have delivered to our shareholders in 2016-17:



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*And we have not just stopped here.*

*We are taking forward this momentum by making investments in adding more capacities, integrating backwards, enhancing our environment sustainability and achieving operational efficiencies for a sustainable future.*

## VISION

To emerge as a global leader in supply of Vinyl Sulphone and Pigment Green 7 with complete commitment and dedication on standards, quality, productivity and customer satisfaction.

## MISSION

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

AKSHARCHEM (INDIA) LIMITED, IN 27 YEARS OF ITS EXISTENCE, HAS SIGNIFICANTLY EVOLVED AS AN ORGANISATION FOCUSED ON BUILDING A SUSTAINABLE FUTURE.

FROM SINGLE PRODUCT TO MULTI-PRODUCT. FROM COMMODITISED TO VALUE-ADDED. FROM ONE-OFF TRANSACTIONS TO ENDURING RELATIONS. FROM SINGLE GEOGRAPHY TO MULTI-GEOGRAPHY.

**EMERGING AS ONE OF THE WORLD'S LEADING AND THE FASTEST GROWING DYES AND PIGMENTS MANUFACTURERS. ACCOUNTING FOR 45% SHARE IN INDIA'S VINYL SULPHONE EXPORTS AND ~10% SHARE IN GLOBAL CPC GREEN PIGMENT MANUFACTURING.**

## CORPORATE PROFILE

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

## CERTIFICATIONS

- ISO 9001:2015 for quality
- ISO 14001:2004 for environment
- Credit rating of CARE A+ for long term facilities and CARE A1+ for short term facilities



## AWARDS AND ACCOLADES

- Award of Excellence from CHEMEXCIL for the year 2015-16 for dyes and dyes intermediate panel (small scale sector)
- Recipient of following awards from The Gujarat Dyestuffs Manufacturers Association (GDMA):
  - **Third** Award for self-manufactured direct export of Dye Intermediates in 2015-16
  - **Third** Award for self-manufactured direct export of Dyes in 2015-16
  - **Trophy** for self-manufactured domestic sale of Dyes between Rs. 5 Crores to Rs. 15 Crores in 2015-16
- **Trophy** for self-manufactured domestic sale of Dye Intermediates of more than Rs. 15 Crores but less than Rs. 25 Crores in 2015-16
- The Company's CMD, Mrs. Paru M. Jaykrishna, was adjudged the Top Performer Women Entrepreneur Award in the Non-MSME category (for year 2014-15) by Federation of Indian Export Organisation.

## PRODUCT PORTFOLIO

Product	End user industry
■ Dye intermediates (Vinyl Sulphone)	■ Textile industry
■ Pigments (CPC Green)	■ Printing ink ■ Paint ■ Rubber ■ Plastics ■ Leather

9,720 MT

Dyes and pigments manufacturing Capacity

90%

Share of export revenues in 2016-17

532 crs

Market Capitalisation as on March 31, 2017

0.2

Debt: equity as on March 31, 2017





"THE STRONG PERFORMANCE THAT THE COMPANY HAS DISPLAYED IN RECENT YEARS IS NOT JUST A ONE-TIME AFFAIR.

**A COMBINATION OF DEEP COMMITMENT, ROBUST BUSINESS MODEL AND INVESTMENTS IN LONG-LIFE ASSETS WILL CONTINUE TO PROVIDE SUSTAINABLE AND PROFITABLE GROWTH."**

**I am privileged** to report yet another successful year that saw us outperforming industry across all parameters while we continued to deliver more value to our customers and shareholders. In a matter of just few years we have significantly matured as an organisation; growing multi-fold in capacities and financials, spreading to newer geographies, adding more products and developing strong brand goodwill. With the kind of traction we are witnessing, improved industry scenario and capacity expansion programmes that we have planned out, we believe that our future is more sustainable than ever.

## MACRO-ECONOMY

**2016**, manifested by several unpredictable outcomes, has been yet another challenging year for economies across the globe. While crude prices strengthened and nearly doubled from its lowest levels at the beginning of the year, the UK's referendum to exit European Union and Mr. Donald Trump's election as the

President of the USA added to investor anxiety. Despite various issues, the year ended on a positive note giving way to revitalizing manufacturing, improving trade and market scenario among various economies, and stabilizing interest rates. Driven by these factors, the global economy is expected to rebound strongly and grow by 3.5% in 2017.

**Closer** home, the scenario was much different. Indian economy continued to remain buoyant amidst global despair. Though the growth rate declined from 7.9% in 2015-16 to 7.1% in 2016-17, led by slowdown from demonetization, the country continued to be the fastest growing major economy. The fundamentals of the country amidst stable political climate, reducing repo rates, strengthening foreign exchange reserves, healthy inflation levels and likely implementation of Goods and Services Tax (GST) remain strong. India's GDP growth for the years 2017-18 and 2018-19 is projected at 7.2% and 7.7% respectively.

## INDUSTRY OPTIMISM

**Globally**, the pigment industry is estimated to witness a robust compounded growth of 5.4% during 2016-2023 driven by stringent growths in the textiles and food & beverages industry. In India, the dyes and pigments is at an important inflection point. While domestic demand is showing positive trend with textiles industry projected to grow at a CAGR of 10% over the next five years, the vital development of reducing government support to the manufacturers and tighter pollution control norms in China have impacted their competitiveness, even leading to several shutdowns. China being the largest dyes and pigments manufacturer in the world, the trickle-down effect of this development is likely to favour Indian manufacturers who are more environmentally compliant and cost competitive. It is estimated that the production of dyes and pigments in India would grow at a CAGR of 11.4% during the five years leading to 2019. Export during the same period is likely to grow at an estimated CAGR of ~15%.

## BUSINESS PERFORMANCE

**During** the year under review the performance of your Company has been outstanding with sales volumes rising 6% to 7,760 MT. Besides, with supply constraints in the market and rising crude prices, the average prices of dye intermediates during the year increased by nearly 55% enabling us to earn better margins. Total revenues increased by 38% from Rs. 18,770.61 lakhs in 2015-16 to Rs. 25,965.21 lakhs in 2016-17, while share of exports increased from 82% to 90%.

**Profitability** during the year grew even stronger as expansion of capacities undertaken in the past along with effective cost management initiatives facilitated in better overhead coverage. In absolute terms, the EBITDA and PAT increased 147% and 212% respectively to Rs. 7,948.40 lakhs and Rs. 5,191.88 lakhs respectively. In margin terms, the EBITDA and PAT margins increased 1,344 and 1,113 basis points respectively to 30.61% and 20%.

## FOCUSED ON A SUSTAINABLE FUTURE

**With** massive growth opportunities lying ahead of us, we have embarked on several strategic capacity expansion and backward integration program expected to be materialized over next 15 months at an estimated investment of Rs. 175 cr. The expansion plan includes adding 2,280 TPA of CPC Green, 1,800 TPA CPC Blue, 1,200 TPA H-Acid and 10,000 TPA of precipitated silica capacity. This shall allow us to meet demand of existing as well as new customers.

**We** have also undertaken the strategic decision of entering the Specialty Chemical business by commencing with the manufacture of Precipitated Silica which is widely used in rubber and tyre industry. This shall diversify our business offerings while enabling us to earn better margins.

**In** our existing dye intermediate business, we have added H-Acid which shall facilitate us to increase offerings to existing customer for further strengthening customer relation.

**In** the past five years we have also made investments amounting to Rs. 10 cr towards process upgradation and environment management that has enhanced our competitiveness in the industry. One such investment in the past year was towards acquiring Brine System which has enabled us to enhance control of process steps resulting in better pollution control and capacity utilisation by reducing load of ETP.

**We** have also filed for trademarking of our Company's (AKSHARCHEM) and product's (ASAFLOW) name to safeguard and promote our brand.

## OUTLOOK

**AksharChem** with its world-class business standards and scale of operations is well positioned in the chemical industry which offers significant long-term growth. As the chemical industry in India is going through a phase of opportunity, a key challenge will be to upgrade technology of manufacturing process and environmental management.

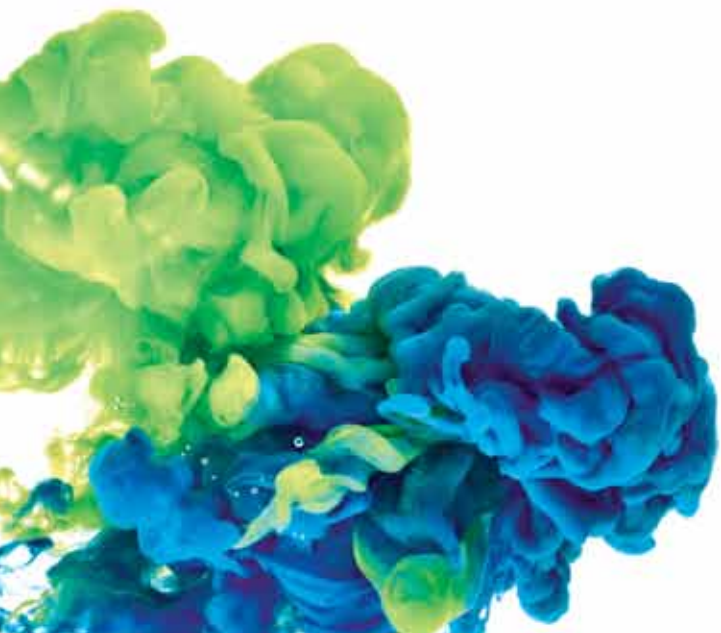
**Our** initiative towards expansion and focus on adding more value-added product, the full effect of which will be reflected in 2019-20, shall enable us to strengthen competencies and enhance our long-term business sustainability.

**Before** signing off, I, on behalf of the Board, would like to thank all our stakeholders for their constant contribution and support. I am deeply grateful to our employees who, through their skills and relentless efforts, have enabled us to reach here.

Warm wishes



**Paru M. Jaykrishna**  
Chairperson





STRENGTHS  
CONTRIBUTING  
TOWARDS A  
SUSTAINABLE  
FUTURE

**Reputation**

**With** over 27 years of existence, strong focus on quality of products and services, and reliable deliveries, we have become a brand of repute. This is reflected in our increasing market share in the domestic and international market. Besides, we serve leading downstream industries, which have been doing business with us for over 20 years.

**Contemporary technologies**

**We** have consistently invested in acquiring latest technology to enhance our quality, operational efficiency and environment compliance. This has enabled us to become one of the most competitive players in the industry.

**Diversified operations**

**Our** well-diversified product portfolio and geographic spread enables us to cater to the requirements of more customers.

**Marketing**

**Our** extensive supply chain network, promotional activities and existing relations with leading chemical companies facilitate in efficient distribution of products in the international markets.

**Scale**

**We** are amongst the largest producers of dyes and pigments undertaking manufacturing of massive quantities under one single roof. This has facilitated in significantly reducing overhead costs.

**Senior management expertise**

**With** robust business expertise, extensive knowledge in the chemical field and strong networking, the senior management have successfully steered the Company to its current position.

**Strategically located**

**Being** situated in Gujarat's chemical belt, majority of our raw materials suppliers are in proximity. Besides the robust connectivity of our plants with railway line, national highway and sea-port facilitate significantly improves turnaround times.

**Strong intellectual capital**

**We** have a robust team of skilled R&D experts and executives that enable us to fortify our leadership position in the industry.

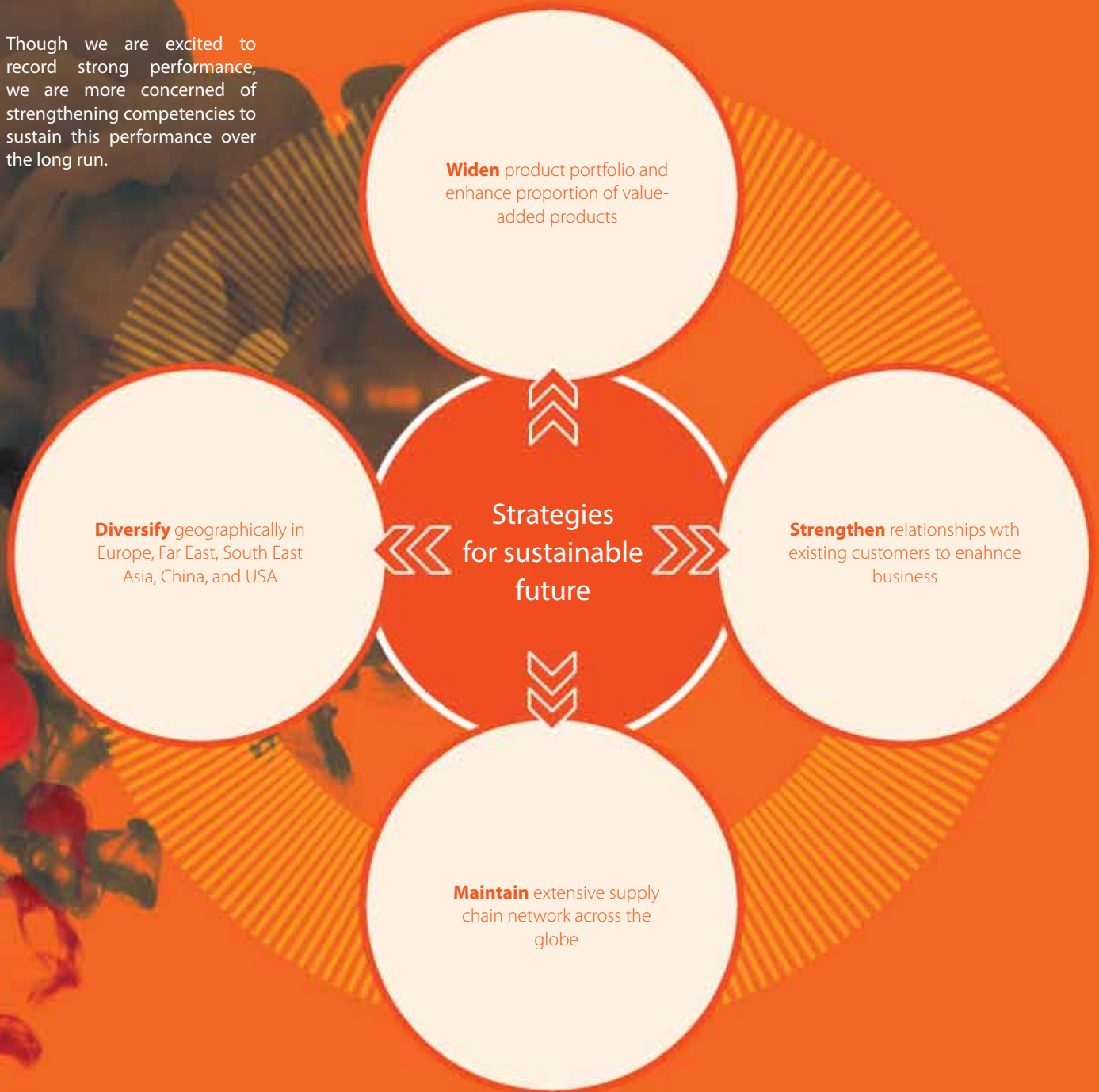
**Financial prudence**

**Our** financial prudence has enabled us to attain strong balance sheet position with net debt-equity declining to 0.2 and cash profit of Rs. 56.61 cr for 2016-17



## BUSINESS STRATEGY

Though we are excited to record strong performance, we are more concerned of strengthening competencies to sustain this performance over the long run.



### Focus on reinforcing strengths

#### Better planning

Undertake robust production and resource planning and preventive control mechanism.

#### Strengthening balance sheet

Consistently reduce debt and effectively ploughing back of profits for capex.

#### Training

Provide regular training to technical and shop floor personnel.

#### Consistent quality and efficiency improvement

Invest in process automation technology and undertake process improvement measure.

#### Expanding customer base

Enhance overseas operations through new customer acquisition.

STRONG PERFORMANCE...

# A RESULT OF UNWAVERING FOCUS ON EXCELLENCE

AT AKSHARCHEM, WE ARE ALWAYS FOCUSED ON ACHIEVING BUSINESS EXCELLENCE THROUGH ADOPTING A CULTURE OF CONTINUOUS GROWTH AND DEVELOPMENT. NOT ONLY HAS THIS ENHANCED OUR PROCESS EFFICIENCY AND QUALITY, IT HAS ALSO FACILITATED IN AUGMENTING SHAREHOLDER VALUE AND CUSTOMER SATISFACTION.

Various initiatives undertaken by us to ensure business excellence include:

## QUALITY EXCELLENCE

**We** procure raw material only from approved vendors. Besides, our quality control team undertakes stringent quality checks at all stages, right from the procurement of raw material to finished goods stage.

**We** regularly provide employees skill development training along with maintaining standard operating procedures.

**We** have made significant investments in developing state-of-the-art manufacturing facility and acquiring advanced equipment.

**Our** team continuously works towards development of value-added products that offer better margins.

## OPERATIONAL EXCELLENCE

**We** have adopted a culture of continuous improvement within the organisation whereby performance of each employees is measured.

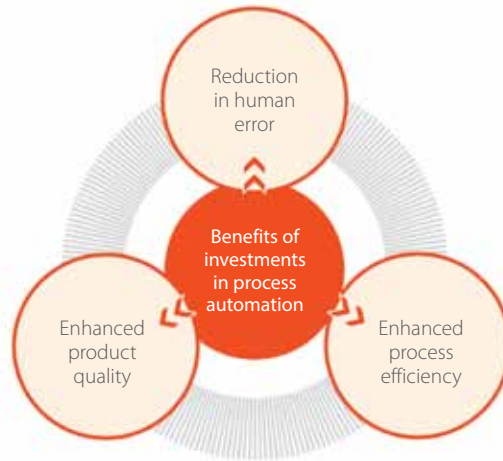
**We** undertake various shop floor initiatives on a regular basis to enhance efficiency.

**We** have undertaken various expansion plans that shall not only scale our operations and reduce per unit operational

costs, but also enable us to integrate backwards and ensure raw material reliability and quality.

**We** have added variable frequency drive at various high conservation feeder resulting in reduced power requirement.

**Modernised** the purity system of CPC Green for better operational control and product handling. We have also replaced mechanic blender with pneumatic blender for better quality product.



### Key initiatives for ensuring business excellence

- **Zero** tolerance policy in quality and delivery schedule
- **Continuous** customer feedback

### The result of our focus on superior technology driven products

- **Best** quality reliable products with a robust track record of zero product return and bad debts throughout existence
- **Long** term quantity contract with leading global customers
- **High** plant utilisation level at 80%
- **Minimal** plant downtime





# CAPITALISING ON THE INDUSTRY OPPORTUNITIES

AS INDUSTRY REALITIES CHANGE ONLY THOSE THAT ARE PROACTIVE AND WELL-PREPARED WOULD BE ABLE TO RESPOND WITH SPEED AND TAKE ADVANTAGE OF THE OPPORTUNITIES.

The dyes and pigments industry has witnessed a massive turnaround in the past one year. On one hand the demand from the downstream industries is rising while on the other, China the largest manufacturer of dyes witnessed reduced support from the government leading to decline in its global competitiveness. As Chinese manufacturers take time to revive from this shock, we have committed investments for scaling capacity to capitalise on the opportunity.

## INDUSTRY OPPORTUNITY

During 2014 to 2019 the CAGR growth for:

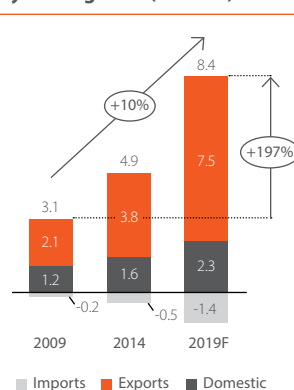
- The dyes and pigment production in India is expected to be 11.4%
- Exports of dyes and pigments from India is expected to be ~15%

**Textile** industry in India is expected to grow at a CAGR of 10% over the next five years

**Chinese** manufacturers are facing troubles with reduced support from Government:

- New tighter pollution control norms from the government
- Higher penalty (fine and imprisonment) for non-compliance
- Increased disclosure
- Reduction in subsidies

Dyes & Pigment (USD bn)



Source: Company Estimates

## ROBUST EXPANSION PROGRAMME

To capitalise on this massive industry opportunity, we have investment plan of a sum of Rs. 175 cr towards several capacity expansion and backward integration programme that shall enable us to enhance revenues and reduce costs.

### Expansion initiative

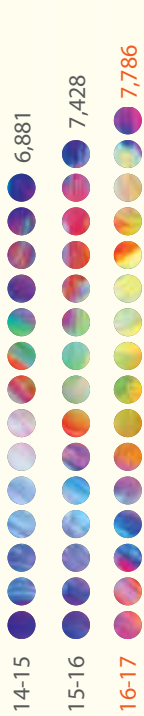
Proposed project	Existing capacity (TPA)	Additional capacity (TPA)	Post expansion capacity (TPA)	Capex (Rs. cr)
<b>ORGANIC PIGMENTS</b>				
CPC Green (Phase 1)	1,920	480	2,400	85
CPC Green (Phase 2)	2,400	1,800	4,200	
CPC Blue	-	1,800	1,800	
<b>DYES &amp; INTERMEDIATES</b>				
H-Acid	-	1,200	1,200	25
<b>SPECIALTY CHEMICALS</b>				
Precipitated Silica	-	10,000	10,000	65





STRONG PERFORMANCE. **SUSTAINABLE FUTURE.**

Dyes and pigments production (metric tonnes)



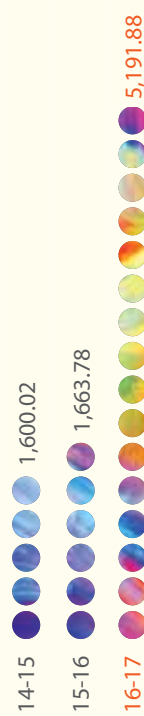
Revenue from operations (Rs. lakhs)



EBITDA (Rs. lakhs)



PAT (Rs. lakhs)



EBITDA margin (%)



**28.30%**

Revenue growth – CAGR FY13-17



PAT margin (%)



Net Worth (Rs. lakhs)



Return on equity (%)



Return on capital employed (%)



Earnings per share (in Rs.)



90.20%

EBITDA growth – CAGR FY13-17

92.34%

PAT growth – CAGR FY13-17

67.63%

Net Worth growth – CAGR FY13-17

# BUILDING STAKEHOLDER CONSENSUS FOR A SUSTAINABLE FUTURE

**BUILDING** A SUSTAINABLE ORGANIZATION IS ALL ABOUT FOCUSING ON CREATING VALUE AND SAFEGUARDING INTERESTS OF ALL THE STAKEHOLDERS.

**At AksharChem**, the interests and concerns of all stakeholders have always been crucial to us. We have ensured that our proactive initiatives enable us to create value for them.





## FOCUSED ON **RESPONSIBLE GROWTH**

**ADOPTING** SUSTAINABLE TECHNOLOGIES TO PREVENT ENVIRONMENT DEGRADATION AND CONTRIBUTING FUNDS TOWARDS DEVELOPMENT OF COMMUNITIES IS NOT JUST A MATTER OF COMPLIANCE; IT IS A MEASURE OF BEING RESPONSIBLE.

**At** AksharChem, we believe in being change initiators. While being engaged in the business of chemicals, investments in sustainable technologies is a necessity for us, however we go a step ahead by consistently scaling up our investments to procure necessary technologies, develop robust environment management systems, and installing effluent treatment plants. We also maintain more than 5 acres of green belt within our factory premises. We have also undertaken initiatives to upgrade lives of citizens living near our plants.

**Our** rising expenses in the area of pollution control have enabled us to achieve one of lowest waste generated per unit of production. We are also amongst the few chemical companies globally that adhere to international standards of waste disposal post treatment and pollutants emission. We have undertaken process optimisation initiatives that enable us to recycle and reuse wastes. In addition to this, we have sensitised our employees to encourage them reduce water, fuel and energy consumption.

### **Corporate social responsibilities**

**We** undertake CSR activities either directly or through contribution to various trusts. In 2016-17, we spent a sum of Rs. 61 lakhs towards improving sanitation and healthcare, and promoting education and day care centres. We have also arranged for basic facilities such as drinking water, prayer hall for nearby schools, and cultural centres in nearby villages. We are actively focused on enhancing activities in the areas of education and healthcare.

## BOARD OF DIRECTORS



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

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



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

He is a Science (Chemistry) and law graduate. A renowned industrialist with over 41 years of experience in the Chemical Industry, he is the founder of Metrochem Industries Limited, Chairman of the Gujarat Research and Medical Institute (Rajasthan Hospital) and a member of the Executive Committee of GCCI. He has also been elected as the President of Gujarat Dyestuff Manufacturers Association and Rajasthan Seva Samiti.



**Mr. Param J. Shah**  
**Independent Director**

He is an MBA (International Business, Corporate Laws), M.Com. (Costing), LL.B., and PG Diploma in IPR. He has also been eligible to be declared a doctorate of philosophy in management. He has been faculty in esteemed colleges of Ahmedabad. He was previously a deputy secretary general at Gujarat Chambers of Commerce and Industry. Presently he is the Head of Gujarat State Council of Federation of Indian Chambers of Commerce & Industry (FICCI). He has been associated with the Company since 2010.



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

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





**Mr. Kirankumar J. Mehta**  
*Independent Director*

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



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

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



**Mr. Munjal M. Jaykrishna**  
*Jt. Managing Director & CFO*

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



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

Mr. Gautam M. Jain  
*Independent Director*

Mr. Param J. Shah  
*Independent Director*

Dr. Pradeep Jha  
*Independent Director*

Mr. Kirankumar J. Mehta  
*Independent Director*

Mr. Gokul M. Jaykrishna  
*Non-Executive Director*

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



# NOTICE OF 28TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Annual General Meeting of the members of AKSHARCHEM (INDIA) LIMITED will be held on Thursday, 14th day of September, 2017, at the registered office of the Company situated at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat at 10.30 a.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2017 including Audited Balance Sheet as at March 31, 2017 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 2016-2017.
3. To appoint a director in place of Mrs. Paru M. Jaykrishna (DIN: 00671721) who retires by rotation and, being eligible, offers herself 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 other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad, the retiring Auditors, on completion of their term under Section 139(2) of the Companies Act, 2013 and to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the 33rd (Thirty Third) Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every subsequent Annual General Meeting or as may be prescribed), at such remuneration plus applicable Taxes and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT Mrs. Paru M. Jaykrishna (DIN: 00671721), Chairperson & Managing Director of the Company or Mr. Munjal M. Jaykrishna (DIN: 00671693), Joint Managing Director & CFO of the company be and is hereby severally authorised to sign necessary documents as may be required and to do all other acts and things incidental thereto.”

## SPECIAL BUSINESS:

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

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

“RESOLVED THAT pursuant to the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 framed there under and all other applicable rules, if any, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other approvals as may be required from regulatory authorities from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) to make offer(s), invitation(s), to subscribe and issue Non-Convertible Debentures (“NCDs”), Bonds, Commercial Papers (“CP”) or any other Debt Securities in one or more series/tranches aggregating upto Rs. 300 Crores (Rupees Three Hundred Crores Only), whether rupee denominated or denominated in foreign currency, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting to be held in the calendar year 2018, whichever is earlier, on such terms and conditions and at such times and at par or at such premium, as the Board may, from time to time determine and consider proper and most beneficial to the Company including as to when the said Non Convertible Debentures and /or Bonds and/or Commercial Papers or other debt securities be issued, the

consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

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

settle all questions, difficulties and doubts that may arise in relation thereto."

Place : Indrad, Mehsana  
Date : 27.07.2017

For and on behalf of  
Board of Directors

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

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

## NOTES

1. The relevant explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013, in respect of the special business as set out under Item No. 5 of the Notice, is annexed hereto.

**1. 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. Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of members and share transfer books of the Company will remain closed from 8th September, 2017 to 14th September, 2017 (both days inclusive).

4. 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.

5. 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.

6. Members/Proxies/Authorised Representative(s) are requested to bring to the Annual General Meeting necessary details of their shareholding, attendance slip(s) along with their copy of Annual Report.

7. 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.

8. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the Annual General Meeting and other statutory registers shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., on all working days of the Company from the date hereof up to the date of ensuing Annual General Meeting.

9. At the ensuing Annual General Meeting, Mrs. Paru M. Jaykrishna, retire by rotation and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends her re-appointment. The relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as under.

Mrs. Paru M. Jaykrishna (DIN: 00671721), aged 74 years, is 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). She is on the Board of Asahi Songwon Colors Limited, Skyjet Aviation Private Limited, Asahi Powertech Private Limited, Asahi Energy Private Limited, Akshar Silica Private Limited, Akshar Pigments Private Limited. She is also a Designated Partner of Chelsea Marketing LLP. As on 31.03.2017, she is not holding any Equity Shares of the Company in individual capacity but holds 31,88,819 (43.61%) Equity Shares of the Company as a Trustee (s) of M/s. Mrugesh Jaykrishna Family Trust-2.

Mrs. Paru M. Jaykrishna is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to her re-appointment. Mr. Munjal M. Jaykrishna, Joint Managing Director & CFO and Mr. Gokul M. Jaykrishna, Director being related to Mrs. Paru M. Jaykrishna may be deemed to be interested in the resolution set out at Item No. 3 of the Notice. Save and except the above, none of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary resolution set out at Item No. 3.

10. Pursuant to provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad held office as Statutory Auditors for a period of 8 years prior to the Commencement of the Companies Act, 2013, were eligible to be appointed as Auditors for a period of three more years and were accordingly appointed by the members at the 25th Annual General Meeting of the Company held on 25th September, 2014 for a period of three more years, this is, until the conclusion of the 28th Annual General Meeting of the Company. Accordingly the Statutory Auditors M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad hold office till the conclusion of the ensuing Annual General Meeting of the Company.

The Audit Committee of the Board and Board of Directors of the Company have recommended the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad as Statutory Auditors for a terms of five years beginning from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the said auditors.

M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad has expressed their willingness to be appointed as Statutory Auditors of the Company. They have also confirmed that their appointment, if made, would be within prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to be appointed as Auditors in terms of the provisions of the Section 139(1), Section 141(2) and Section 141(3) of the Companies Act, 2013 and the provision of the Companies (Audit and Auditors) Rules, 2014. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members.

11. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Notice and the Annual Report of the Company for the financial year 2016-17 are being send by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories unless any member has requested for a hard copy of the same.

The Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company in case shares are held in physical form.

12. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.aksharchemindia.com](http://www.aksharchemindia.com) for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.



13. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) to the Company or Company's Registrar and Share Transfer Agent and Members holding shares in electronic mode are requested to submit their Permanent Account Number (PAN) to their respective Depository Participants (DPs) with whom they are maintaining their demat accounts as mandated by the Securities Exchange Board of India (SEBI) for every participant of securities market.
14. In terms of the provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund. Unclaimed dividends for the year 2009-2010 and onwards, if any, will be deposited with the Investors Education and Protection Fund on due date. Those members, who have not encashed the dividend cheques are requested to immediately forward the same, duly discharged to the Company's Registrar and Share Transfer Agent to facilitate payment of dividend.
15. Pursuant to Section 124(6) of the Companies Act, 2013, which requires a Company to transfer in the name of Investors Education and Protection Fund (IEPF) Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the said provisions read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company will process to transfer all shares in respect of which dividends declared for the year 2009-2010 or earlier financial years, if any, has not been paid or claimed by members for 7 (seven) consecutive years or more.
16. Route Map showing directions to reach to the venue of the Annual General Meeting is given at the end of the Annual Report.
17. Voting Options

#### **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of 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 members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 11th September, 2017 (9:00 am) and ends on 13th September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email 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 remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put your user ID and password. Click Login.

- (v) 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.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "AksharChem (India) Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together 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](mailto:makwanabipin577@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [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 bottom of the Attendance Slip for the AGM:
- | <b>EVEN (Remote e-voting Event Number)</b> | <b>USER ID</b> | <b>PASSWORD/PIN</b> |
|--|----------------|---------------------|
|--|----------------|---------------------|
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. 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.
- NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).
- In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No. + Folio No).
- VIII. 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).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8th September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 8th September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cs@aksharchemindia.com](mailto:cs@aksharchemindia.com).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of 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 AGM through ballot paper.
- XIII. Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) has been appointed as the

Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XIV. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will 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 the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to Chairperson and Managing Director or in her absence to Joint Managing Director of the Company or any other person appointed by Chairperson and Managing Director of the Company in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.aksharchemindia.com](http://www.aksharchemindia.com) and on the website of NSDL immediately after the declaration of result by the Chairperson and Managing Director or in her absence Joint Managing Director of the Company or any other person appointed by Chairperson and Managing Director of the Company in writing. The results shall also be immediately forwarded to the BSE Limited (BSE), Mumbai, National Stock Exchange of India Limited (NSE), Mumbai and Ahmedabad Stock Exchange Limited (ASE), Ahmedabad.

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

As required under section 102 of the Companies Act, 2013, the following Explanatory Statement set out all the material facts relating to the Special Business mentioned in Item No. 5 of the accompanying notice.

### Item No. 5

In order to augment resources inter alia, for financing capital expenditure and / or for general corporate purposes, the

Company may offer or invite subscription for secured and / or unsecured, bonds, Commercial Paper ("CP") or any other Debt securities in one or more series / tranches on private placement basis.

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

Accordingly, consent of the members is sought for passing a Special Resolution as set out under this item no. 5 of the Notice. This resolution enables the Board of Directors of the Company / its duly authorised Committee to offer or invite subscription for debt securities, including but not limited to non-convertible debentures, commercial paper, bonds, etc., in one or more series or tranches, aggregating upto Rs. 300 Crores (Rupees Three Hundred Crores Only), whether rupee denominated or denominated in foreign currency, as deemed fit, from time to time, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting to be held in the calendar year 2018, whichever is earlier within a period of one year within the overall Borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said Resolution except to the extent of their equity shareholding in the Company.

Place : Indrad, Mehsana

Date : 27.07.2017

Regd. Office :

166/169, Village Indrad,

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN : L24110GJ1989PLC012441

For and on behalf of

Board of Directors

**Paru M. Jaykrishna**

*Chairperson &*

*Mg. Director*

DIN: 00671721



# STATUTORY REPORTS



# DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their Twenty Eighth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2017.

## FINANCIAL HIGHLIGHTS

(Rs. Lakhs)

Particulars	Current Year 2016-17	Previous Year 2015-16
Revenue from operations	25,965.21	18,770.61
Other Income	581.02	129.35
Total Income	26,546.23	18,899.97
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item/Exceptional Items and Tax Expenses	8,529.42	3,351.73
Less: Finance Costs	302.06	334.63
Profit for the year before Depreciation, Extra Ordinary Item/Exceptional Items and Tax Expenses	8,227.36	3,017.10
Less: Depreciation	468.69	424.18
Profit for the year before Extra Ordinary Item/Exceptional Items and Tax Expenses	7,758.68	2,592.92
Add/(Less): Extra Ordinary Item/ Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	7,758.68	2,592.92
Less: Current Tax	2,299.82	768.00
Less: Deferred Tax	266.97	161.13
Net Profit for the year	5,191.89	1,663.79
Add: Balance brought forward from last year	4,785.33	3,429.61
Surplus available for Appropriation	9,977.22	5,093.40
Appropriation		
Transfer to General Reserve	Nil	Nil
Interim Dividend of Rs. 3.50 per Equity Share (P. Y. Rs. 3.50 per Equity Share)	255.95	255.95
Tax on dividend	52.11	52.11
Balance carried over to Balance Sheet	9,669.16	4,785.34
<b>Total</b>	<b>9,977.25</b>	<b>5,093.40</b>

## 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, 2017 and the total outgo was Rs. 255.95 Lakhs towards dividend and Rs. 52.11 Lakhs towards dividend distribution tax.

During the previous financial year, the Company has paid Interim dividend of Rs 3.50 per equity share (35% on face value of Rs. 10 each), and the total outgo was Rs. 255.95 Lakhs towards dividend and Rs. 52.11 Lakhs towards dividend distribution tax.

## TRANSFER TO RESERVES

Your Company has not transferred any amount to General Reserve (Also in Previous Year the Company has not transferred any amount to General Reserve). Your company has retained amount of Rs. 9,669.16 Lakhs in the Statement of Profit and Loss.

## STATE OF COMPANY'S AFFAIRS

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

### General

This year was an outstanding year for the Indian Chemical industry especially those companies who compete with China. Due to the crack down by the Chinese government on the pollution causing industries there was a short supply in Dye Intermediates market as China was the major supplier. Stricter environmental norms and increased costs have substantially eroded the low-cost advantage of Chinese manufacturers. This resulted in a huge spike in the prices of Dye Intermediates which benefited the Indian exporters and the Dye Intermediate manufacturers.

Coming to the CPC Green business. This is the business where there is no China factor and as a result the prices and margins generally tend to be stable and it is proven to do so in FY 2017. CPC Green contributed to 32% of our revenues in FY 2017.

### Results of Operations

During the year under review, the turnover of the Company was Rs. 25,965.21 Lakhs as compared to Rs. 18,770.61 Lakhs of the previous year. The Profit after Tax (PAT) has increased from Rs. 1,663.79 Lakhs to Rs. 5,191.89 Lakhs.

### Exports

The export turnover has increased from Rs. 15,346.77 Lakhs to Rs. 23,259.62 Lakhs compared to previous year.

### Capital Expenditure

During the year under review the Company has incurred capital expenditure of Rs. 1,501.53 Lakhs.

## EXPANSION OF CAPACITIES

During the year under review the Company has successfully completed the process of expansion of CPC Green Plant with the capacity of 160 MTPM and Copper Sulphate (By Product) Plant with the capacity of 25 MTPM.

## INTELLECTUAL PROPERTY RIGHTS

During the year under review the Company has filed trademark applications with the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. AksharChem and its product Pigment Green 7, i.e. Asaflow. The applications are under process.

## 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, 2017.

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

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

## CHANGE IN PROMOTERS HOLDING

During the year under review, promoters family trusts Mrugesh Jaykrishna Family Trust-2 and Munjal M. Jaykrishna Family Trust were in receipt of the SEBI order both dated March 10, 2016 bearing reference no. WTM/PS/186/CFD-DCR/MAR/2016 and WTM/PS/185/CFD-DCR/MAR/2016 respectively granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the acquisition of shares of the Company. Accordingly, during the year 25,43,571 (34.78%) equity shares held by Mrs. Paru M. Jaykrishna and 6,21,247 shares (8.49%) equity shares held by Mr. Gokul M. Jaykrishna, of the Company, were transferred to Mrugesh Jaykrishna Family Trust -2 and 11,25,804 (15.39%) equity shares held by Mr. Munjal M. Jaykrishna and 5,04,557 (6.90%) equity shares held by Mr. Gokul M. Jaykrishna were transferred to Munjal M. Jaykrishna Family 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, pursuant to the direction of aforesaid SEBI order.

Further, Mrugesh Jaykrishna Family Trust -2 has acquired 24,001



(0.33%) Equity Shares of the Company through the stock exchange during the year. The total promoter shareholding of the Company hence stands increased to 70.33% from 70.00%.

During the year under review, the name/status of the promoter company was changed from Intercon Finance Private Limited to Chelsea Marketing LLP.

### **AUTHORISED SHARE CAPITAL**

During the year under review, the Authorized Share Capital of the Company has increased from Rs. 850.00 Lakhs to Rs. 2,000.00 Lakhs by passing of resolution through Postal Ballot.

### **SHARE CAPITAL**

Pursuant to the resolution of the Board of Directors of the Company dated November 14, 2016 and July 13, 2017, the resolution of the QIP Committee dated July 14, 2017, the approval of the shareholders of the Company by way of a special resolution, through a postal ballot, the results of which were declared on January 4, 2017, your Company undertook a Qualified Institutions Placement of up to 8,89,690 Equity Shares of Rs. 10 each of the Company at an issue price of Rs. 776 per equity share, and allotment of the said equity shares pursuant to the issue was made on 20th July 2017.

#### **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. 2.77 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, 2017.

### **SUBSIDIARY COMPANIES**

During the year under review the Company has sold the entire stake of M/s. Akshar Pigments Private Limited. Hence, at the end of the financial year the Company does not have any subsidiary company.

### **CERTIFICATIONS**

During the year under review the Company has upgraded its quality certification with new standard ISO 9001:2015 certification for quality management system and renewed ISO 14001:2004 certification for environment management system of its plants of Vinyl Sulphone and CPC Green at Village Indrad.

### **AWARDS AND RECOGNITION**

- During the year under review, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company was adjudged:
  - Top Performer Women Entrepreneur-NON MSME by Federation of Indian Export Organisations (FIEO)
- During the year under review the Company has received the following awards
  - Award of Excellency 2015-16 Dyes & Dye Intermediates Panel Small Scale Sector from CHEMEXCIL
  - Second Award for self-manufactured direct export of Dye Intermediates in 2014-15 from The Gujarat Dyestuffs Manufacturers Association (GDMA)
  - Special Trophy for self-manufactured direct export of Dyes of Rs. 14 Crores and above in 2014-15 from The Gujarat Dyestuffs Manufacturers Association (GDMA)
  - Trophy for self-manufactured domestic sale of Dye Intermediates between Rs. 5 Crores to Rs. 15 Crores in 2014-15 from The Gujarat Dyestuffs Manufacturers Association (GDMA)

## CREDIT RATING

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

## 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 2017-18 has been paid.

73,12,900 Equity Shares of Rs. 10 each got listed on National Stock Exchange of India Limited (NSE) and the trading commenced w.e.f. March 28, 2017. The required fees for the year 2016-17 and 2017-18 have been paid.

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

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

## RISK MANAGEMENT

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

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

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

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

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

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

## DISCLOSURES ON MANAGERIAL REMUNERATION

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Resignation of Director

Mr. Jayprakash M. Patel (holding DIN: 00256790), has resigned as an Independent Director of the Company w.e.f. March 7, 2017. The Board places on record its sense of appreciation for the assistance and guidance provided by Mr. Jayprakash M. Patel during his tenure as an Independent Director of the Company.

### Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Paru M. Jaykrishna (holding DIN: 00671721) Chairperson and Managing

Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered herself for re-appointment. The Board recommends her reappointment.

### **Key Managerial Personnel**

The following persons are the Key Managerial Personnel:

Mrs. Paru M. Jaykrishna, Chairperson & Managing Director  
Mr. Munjal M. Jaykrishna, Joint Managing Director & 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 25th 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 Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 2016-2017, the Board of Directors of the Company, met 8 (Eight) times on May 24, 2016, July 22, 2016, August 14, 2016, August 22, 2016, November 7, 2016, November 14, 2016, January 23, 2017, and March 16, 2017.

During the year under review, one resolution for taking note of resignation of Mr. Jayprakash M. Patel (DIN: 00256790) as Independent Director of the Company was passed by circulation on March 08, 2017 and the same has been approved in subsequent meeting held on March 16, 2017.

### **INDEPENDENT DIRECTORS' MEETING**

A separate Meeting of the Independent Directors of the Company was also held on March 16, 2017, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

### **AUDIT COMMITTEE**

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

Mr. Kirankumar J. Mehta - Chairman  
Dr. Pradeep Jha - Member  
Mr. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The Audit Committee oversees the vigil mechanism.



## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

## STATUTORY AUDITORS

M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad, have been appointed as the statutory auditors of the Company in the capacity of Partnership Firm, in the Annual General Meeting held in the year 2016 for the FY 2016-17 and have completed a term. Their term as statutory auditors is up to the conclusion of the forthcoming AGM. In accordance with the provisions of Section 139 of the Act, M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad are proposed to be appointed as statutory auditors for a period of 5 years commencing from the conclusion of ensuing AGM till the conclusion of the 33rd AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act.

M/s. Mahendra N. Shah & Co. have consented to their appointment as Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. Members are requested to approve the appointment of M/s. Mahendra N. Shah & Co. and authorize the Board of Directors to fix their remuneration. Your Board of Directors recommends their appointment as statutory auditors.

On the recommendation of the Audit Committee, it is proposed to appoint M/s. Mahendra N. Shah & Co. as statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting of the Company until the conclusion of the 33rd Annual General Meeting of the Company to be held in 2022.

The Company has received a letter to the effect that their 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 appointment within the meaning of Section 141

of the said Act and rules framed thereunder.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the statutory auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

## AUDITORS' REPORT

The Audit for the year 2016-17 have been carried out by M/s. Trushit Chokshi & Associates, Chartered Accountants (Firm Registration No. 111072W), Ahmedabad and 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, 2017.

## 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 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules there under. Secretarial Audit Report for F.Y. 2016-17 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 covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

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

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

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

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

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

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

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

## **CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance. A separate Corporate Governance Report as stipulated under Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as "Annexure H" to this Report together with certificate from 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, 2017, 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, 2017 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

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

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 under review, no case was reported to the Committee.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

We believe that our human resources initiatives led to positive trends in the production, quality, cost, delivery, safety and morale parameters in manufacturing, a higher level of engagement in workers, better working relationships between sales managers and reportees. We also engage contract labour depending on our requirements from time to time, particularly at our manufacturing facilities. The attrition rate of the Company is very low as compare to other companies in the concerned sector. Industrial relations remained harmonious with a focus on productivity, quality and

safety throughout the year. Your directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

## ENVIRONMENT SAFETY AND HEALTH

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

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

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

Your Company has ISO 14001:2004 and ISO 9001:2015 certification for its unit.

## APPRECIATION AND ACKNOWLEDGEMENTS

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

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

Place : Indrad, Mehsana

Date : 27.07.2017

Regd. Office:

166-169, Village Indrad,

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN: L24110GJ1989PLC012441

For and on behalf of Board of Directors

**Paru M. Jaykrishna**

*Chairperson & Mg. Director*

DIN: 00671721

# ANNEXURE A TO DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

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

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

#### (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 there was no capital investment on energy conservation equipments.

### B. TECHNOLOGY ABSORPTION

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

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

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

Company has upgraded the packing system of CPC Green for quality improvements and modernization.

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

- Technology imported : Nil
- Year of Import : Not Applicable
- Has technology been fully absorbed? : Nil
- 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. Lakhs)

Sr. No.	Particulars	2016-17	2015-16
1	Capital	Nil	Nil
2	Revenue	10.04	11.05
	<b>Total</b>	<b>10.04</b>	<b>11.05</b>
	Total Expenditure as a % of Turnover	0.04%	0.06%

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO-

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

The Company exports its product to Europe, Far East, South East Asia, China, USA and other countries. The Company has continued to maintain focus and availed export opportunities based on economic situation. During the year under review the Company exported Vinyl Sulphone and CPC Green valuing to Rs. 23,212.39 Lakhs (Previous Year Rs. 15,283.50 Lakhs) to various countries around the World. Continuous efforts are being taken to increase exports by exploring new markets.

#### (ii) Total Foreign exchange Earned and Used

(Rs. Lakhs)

Particulars	2016-17	2015-16
Foreign Exchange earned in terms of Actual Inflows	23,212.39	15,283.50
Foreign Exchange outgo in terms of Actual Outflows	297.06	226.69



# ANNEXURE B TO DIRECTORS' REPORT

## 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](http://www.aksharchemindia.com)

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

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

### 2. Composition of the CSR Committee:

The CSR Committee comprises of the following directors:

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

### 3. Average net profit of the Company for last three financial years: Rs. 2576.56 Lakhs

### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 51.53 Lakhs

### 5. Details of CSR spend for the financial year :

- a) Total Amount to be spent for the financial year: Rs. 51.53 Lakhs
- b) Amount unspent, if any : Rs. Nil
- 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):

Not Applicable. However, the Company has spent Rs. 9.39 Lakhs in excess of amount to be spent for the financial year, which is the part of the shortfall from the previous years.

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

**Munjal M. Jaykrishna**

*Jt. Managing Director  
& CFO*  
(DIN: 00671693)

**Paru M. Jaykrishna**

*Chairperson of the  
CSR Committee*  
(DIN:00671721)

Place : Indrad, Mehsana

Date : 27.07.2017

### 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 (Rs. Lakhs)	Amount Spent on the projects or programmes (1) Direct Expenditure on programs (2) Overheads (Rs. Lakhs)	Cumulative Expenditure upto the reporting date	Amount Spent direct or through implementing agency
1	To provide facility for safe drinking water to the schools situated in Local area	Sanitation and Healthcare	Village-Indrad, Dist: Mehsana, Gujarat	1.00	0.99 0.14	1.13	Direct
2	To build a Prayer Hall in schools situated in Local area	Promotion of Education	Village-Acharasan, Dist. Mehsana, Gujarat	11.00	10.11 1.46	12.70	Direct
3	To build a shed in school situated in Local area	Promotion of Education	Village-Indrad, Dist: Mehsana, Gujarat	2.00	1.85 0.28	14.83	Direct
4	To build toilets in nearby villages under Swachchh Bharat Mission	Sanitation and Healthcare	Village-Indrad, Dist: Mehsana, Gujarat	4.00	3.60 0.00	18.43	Implementing Agency
5	To build a cultural centre building in Local area	Promotion of Day Care Centre	Village-Indrad, Dist: Mehsana, Gujarat	12.10	11.89 0.61	30.93	Direct
6	To contribute to trust under preventive health care, protection of life, health and human dignity	Sanitation and Healthcare	Bangalore, India	30.00	30.00 0.00	60.93	Implementing Agency
<b>Total</b>				<b>60.10</b>	<b>58.43 2.50</b>	<b>60.93</b>	

## ANNEXURE C TO DIRECTORS' REPORT

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

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

Executive directors	Ratio to median remuneration
Mrs. Paru M. Jaykrishna	39.40
Mr. Munjal M. Jaykrishna	32.29

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. Kirankumar J. Mehta	N.A.
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jayprakash M. Patel*	N.A.

Mr. Jayprakash M. Patel has resigned as an Independent Director w.e.f. March 7, 2017.

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mrs. Paru M. Jaykrishna	70.55
Mr. Gokul M. Jaykrishna	Nil
Mr. Munjal M. Jaykrishna	109.61
Dr. Pradeep J. Jha	N.A.
Mr. Param J. Shah	N.A.
Mr. Kirankumar J. Mehta	N.A.
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jayprakash M. Patel	N.A.
Mr. Meet J. Joshi, Company Secretary	7.15

**iii. The percentage increase in the median remuneration of employees in the financial year: 5.78%**

**iv. The number of permanent employees on the rolls of Company: 99**

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

The average percentile increase was of 7.79% for employees other than managerial personnel. As far as managerial personnel are concerned, it is increased by 86.17% in the financial year 2016-17, as this year was good, the managerial personnel took a modest management commission which was not taken last year.

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

## ANNEXURE D TO DIRECTORS' REPORT

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

List of top 10 employees of the Company employed throughout the financial year 2016-17 and were paid remuneration not less than Rs. 1 Crore and Two Lakhs per annum:

<b>Name</b>	: Mrs. Paru M. Jaykrishna
<b>Designation</b>	: Chairperson & Managing Director
<b>Remuneration received (Rs. Lakhs)</b>	: 122.79
<b>Nature of Employment</b>	: Contractual
<b>Qualification</b>	: M.A., LL.B.
<b>Experience (Years)</b>	: 47
<b>Date of Commencement of employment</b>	: Since Inception
<b>Age (Years)</b>	: 74
<b>Last Employment</b>	: Skyjet Aviation Pvt. Ltd.
<b>Percentage of Equity Shares held in the Company as on 31.03.2017</b>	: 31,88,819 Equity Shares held as a trustee(s) of M/s. Mrugesh Jaykrishna Family Trust-2
<b>Relationship with Directors of the Company</b>	: 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, 2017

[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, 2017. 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment and external commercial borrowings;

- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulation, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) I further report that with respect to the compliance of below mentioned laws, I have relied on compliance system prevailing in the Company and based on the representation received from the Company.
  - 1. Indian Boiler Act, 1923 and rules made thereunder.
  - 2. Explosive Act, 1984 and rules made thereunder.

3. Applicable Environmental Laws and rules made thereunder and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

4. Applicable Labour Laws and rules made thereunder.

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

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

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

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

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

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

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

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

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

I further report that during the audit period there were following specific event/action having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc referred to above more specifically related to

- (i) Promoter's family trusts Mrugesh Jaykrishna Family Trust-2 and Munjal M. Jaykrishna Family Trust were in receipt of the SEBI order both dated March 10, 2016 bearing reference no. WTM/PS/186/CFD-DCR/MAR/2016 and WTM/PS/185/CFD-DCR/MAR/2016 respectively granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the acquisition of shares of the Company. Accordingly, during the year 25,43,571 (34.78%) equity shares held by Mrs. Paru M. Jaykrishna and 6,21,247 shares (8.49%) equity shares held by Mr. Gokul M. Jaykrishna, of the Company, were transferred to Mrugesh Jaykrishna Family Trust -2 and 11,25,804 (15.39%) equity shares held by Mr. Munjal M. Jaykrishna and 5,04,557 (6.90%) equity shares held by Mr. Gokul M. Jaykrishna were transferred to Munjal M. Jaykrishna Family 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, pursuant to the direction of aforesaid SEBI order.
- (ii) Company has sought approval of Shareholders through postal ballot vide Postal Ballot Notice dtd. 14/11/2016 for issue equity shares including Convertible Bonds/ Debentures through Qualified Institutional Placement QIP) and / or Depository Receipts and/ or any other modes for an amount not exceeding Rs. 200 Crores.
- (iii) The Company has got listed its equity shares (7312900 equity shares) on National Stock Exchange of India Limited (NSE) and the trading commenced w.e.f. March 28, 2017.
- (iv) Company has sought approval of Shareholders through postal ballot vide Postal Ballot Notice dtd. 14/11/2016 to authorize the Board of Directors of the Company to create charge/ mortgage on movable or immovable properties of the Company to secure the borrowings of banks/ institutions etc. u/s 180 (1) (a) and to give borrowing powers to the Board u/s 180 (1) (c) of the Companies Act, 2013.

**Bipin L. Makwana,**

Place: Ahmedabad

*Company Secretary in Practice*

Date: 27/07/2017

ACS 15650/ C. P. No.5265

**Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2017**

To,  
The Members,  
**AksharChem (India) Limited**

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

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

Place: Ahmedabad  
Date: 27/07/2017

**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 31.03.2017

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

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Vinyl Sulphone	20114	68.27 %
2	CPC Green	20222	31.73 %

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	47,95,179	-	47,95,179	65.572	-	-	-	-	(65.572)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,24,037	-	3,24,037	4.431	200	-	200	0.003	(4.428)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Family Trusts	-	-	-	-	48,19,180	-	48,19,180	65.900	65.900
Limited Liability Partnership*	-	-	-	-	3,23,837	-	3,23,837	4.428	4.428
<b>Sub-total (A) (1):-</b>	<b>51,19,216</b>	<b>-</b>	<b>51,19,216</b>	<b>70.003</b>	<b>51,43,217</b>	<b>-</b>	<b>51,43,217</b>	<b>70.331</b>	<b>0.328</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>51,19,216</b>	<b>-</b>	<b>51,19,216</b>	<b>70.003</b>	<b>51,43,217</b>	<b>-</b>	<b>51,43,217</b>	<b>70.331</b>	<b>0.328</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	4,500	4,500	0.062	-	4,500	4,500	0.062	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>4,500</b>	<b>4,500</b>	<b>0.062</b>	<b>-</b>	<b>4,500</b>	<b>4,500</b>	<b>0.062</b>	<b>-</b>

## i) Category-wise Share Holding (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non- Institutions</b>									
a) Bodies Corporate									
i. Indian	2,59,178	1,500	2,60,678	3.565	1,64,864	1,500	1,66,364	2.275	(1.290)
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs	10,11,761	4,29,113	14,40,874	19.703	11,63,491	4,12,247	15,75,738	21.547	1.844
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2,19,487	-	2,19,487	3.001	1,08,167	-	1,08,167	1.479	(1.522)
c) Others (specify)	-	-	-	-	-	-	-	-	-
NRI/OBC	20,380	15,600	35,980	0.492	49,203	15,600	64,803	0.886	0.394
Clearing Member/ House	20,230	-	20,230	0.277	55,102	-	55,102	0.753	0.477
Foreign Company	-	1,66,384	1,66,384	2.275	-	1,66,384	1,66,384	2.275	-
HUF	45,551	-	45,551	0.623	28,625	-	28,625	0.391	(0.231)
Sub-total (B)(2):-	15,76,587	6,12,597	21,89,184	29.936	15,69,452	5,95,731	21,65,183	29.608	(0.328)
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>15,76,587</b>	<b>6,17,097</b>	<b>21,93,684</b>	<b>29.997</b>	<b>15,69,452</b>	<b>6,00,231</b>	<b>21,69,683</b>	<b>29.669</b>	<b>(0.328)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>66,81,376</b>	<b>6,31,524</b>	<b>73,12,900</b>	<b>100.000</b>	<b>67,12,669</b>	<b>6,00,231</b>	<b>73,12,900</b>	<b>100.000</b>	-

\* During the year under review, the name/status of the promoter company was changed from Intercon Finance Private Limited to Chelsea Marketing LLP.

## (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	-	-	-	-	(34.78)
2	Mr. Gokul M. Jaykrishna	11,25,804	15.39	-	-	-	-	(15.39)
3	Mr. Munjal M. Jaykrishna	11,25,804	15.39	-	-	-	-	(15.39)
4	Chelsea Marketing LLP (Formerly known as Intercon Finance Pvt. Ltd.)	3,23,837	4.43	-	3,23,837	4.43	-	0.00
5	Skyjet Aviation Private Limited	200	0.003	-	200	0.003	-	0.003
6	Mrugesh Jaykrishna Family Trust-2*	-	-	-	31,88,819	43.61	-	43.61
7	Munjal M. Jaykrishna Family Trust*	-	-	-	16,30,361	22.29	-	22.29
	<b>Total</b>	<b>51,19,216</b>	<b>70.00</b>	<b>-</b>	<b>51,43,217</b>	<b>70.33</b>	<b>-</b>	<b>0.33</b>

\*During the year under review, promoters family trusts Mrugesh Jaykrishna Family Trust-2 and Munjal M. Jaykrishna Family Trust were in receipt of the SEBI order both dated March 10, 2016 bearing reference no.WTM/PS/186/CFD-DCR/MAR/2016 and WTM/PS/185/CFD-DCR/MAR/2016 respectively granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the acquisition of shares of the Company. Accordingly, during the year 25,43,571 (34.78%) equity shares held by Mrs. Paru M. Jaykrishna and 6,21,247 shares (8.49%) equity shares held by Mr. Gokul M. Jaykrishna, of the Company were transferred to Mrugesh Jaykrishna Family Trust -2 and 11,25,804 (15.39%) equity shares held by Mr. Munjal M. Jaykrishna and 5,04,557 (6.90%) equity shares held by

Mr. Gokul M. Jaykrishna were transferred to Munjal M. Jaykrishna Family 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, pursuant to the direction of aforesaid SEBI order.

Further, Mrugesh Jaykrishna Family Trust -2 has acquired 24,001 (0.33%) Equity Shares of the Company through the stock exchange during the year. The total promoter shareholding of the Company hence stands increased to 70.33% from 70.00%.

During the year under review, the name/status of the promoter company was changed from Intercon Finance Private Limited to Chelsea Marketing LLP.

### (iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrs. Paru M. Jaykrishna					
	At the beginning of the year	01/04/2016	25,43,571	34.78	25,43,571	34.78
		04/04/2016	(3,21,786)	(4.40)	22,21,785	30.38
		04/04/2016	(3,21,785)	(4.40)	19,00,000	25.98
		06/04/2016	(3,25,000)	(4.44)	15,75,000	21.54
		08/04/2016	(3,50,000)	(4.79)	12,25,000	16.75
		08/04/2016	(3,25,000)	(4.44)	9,00,000	12.31
		08/04/2016	(3,00,000)	(4.10)	6,00,000	8.20
		12/04/2016	(3,00,000)	(4.10)	3,00,000	4.10
		12/04/2016	(3,00,000)	(4.10)	-	-
	At the end of the year	31/03/2017	-	-	-	-
2	Mr. Gokul M. Jaykrishna					
	At the beginning of the year	01/04/2016	11,25,804	15.39	11,25,804	15.39
		06/04/2016	(3,10,625)	(4.25)	8,15,179	11.15
		06/04/2016	(3,10,622)	(4.25)	5,04,557	6.90
		22/04/2016	(2,52,278)	(3.45)	2,52,279	3.45
		22/04/2016	(2,52,279)	(3.45)	-	-
		At the end of the year	31/03/2017	-	-	-
3	Mr. Munjal M. Jaykrishna					
	At the beginning of the year	01/04/2016	11,25,804	15.39	11,25,804	15.39
		22/04/2016	(3,75,268)	(5.13)	7,50,536	10.26
		22/04/2016	(3,75,268)	(5.13)	3,75,268	5.13
		26/04/2016	(3,75,268)	(5.13)	-	-
	At the end of the year	31/03/2017	-	-	-	-
4	Chelsea Marketing LLP (Formerly known as Chelsea Marketing Pvt. Ltd.)					
	At the beginning of the year	01/04/2016	3,23,837	4.43	3,23,837	4.43
	At the end of the year	31/03/2017	-	-	3,23,837	4.43
5	Skyjet Aviation Private Limited					
	At the beginning of the year	01/04/2016	200	0.00	200	0.00
	At the end of the year	31/03/2017	-	-	200	0.00

(iii) Change in Promoters' Shareholding (Contd...)

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Mrugesh Jaykrishna Family Trust-2					
	At the beginning of the year	01/04/2016	-	-	-	-
		04/04/2016	3,21,786	4.40	3,21,786	4.40
		04/04/2016	3,21,785	4.40	6,43,571	8.80
		06/04/2016	3,10,625	4.25	9,54,196	13.05
		06/04/2016	3,10,622	4.25	12,64,818	17.30
		06/04/2016	3,25,000	4.44	15,89,818	21.74
		08/04/2016	3,25,000	4.44	19,14,818	26.18
		08/04/2016	3,50,000	4.79	22,64,818	30.97
		08/04/2016	3,00,000	4.10	25,64,818	35.07
		12/04/2016	3,00,000	4.10	28,64,818	39.17
		12/04/2016	3,00,000	4.10	31,64,818	43.28
		05/08/2016	24,001	0.33	31,88,819	43.61
	At the end of the year	31/03/2017	-	-	31,88,819	43.61
7	Munjal M. Jaykrishna Family Trust					
	At the beginning of the year	01/04/2016	-	-	-	-
		22/04/2016	3,75,268	5.13	3,75,268	5.13
		22/04/2016	2,52,279	3.45	6,27,547	8.58
		22/04/2016	3,75,268	5.13	10,02,815	13.71
		22/04/2016	2,52,278	3.45	12,55,093	17.16
		26/04/2016	3,75,268	5.13	16,30,361	22.29
	At the end of the year	31/03/2017	-	-	16,30,361	22.29



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

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>DIC Corporation</b>					
	At the beginning of the year	01/04/2016	1,66,384	2.275	1,66,384	2.275
	At the end of the year	31/03/2017	-	-	1,66,384	2.275
<b>2</b>	<b>Dolly Khanna</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	Purchase	15/04/2016	1,500	0.021	1,500	0.021
	Purchase	22/04/2016	1,500	0.021	3,000	0.041
	Purchase	29/04/2016	1,650	0.023	4,650	0.064
	Purchase	06/05/2016	3,750	0.051	8,400	0.115
	Purchase	20/05/2016	800	0.011	9,200	0.126
	Purchase	27/05/2016	3,013	0.041	12,213	0.167
	Purchase	03/06/2016	13,016	0.178	25,229	0.345
	Purchase	10/06/2016	46	0.001	25,275	0.346
	Purchase	17/06/2016	2,125	0.029	27,400	0.375
	Purchase	12/08/2016	2,500	0.034	29,900	0.409
	Purchase	09/09/2016	1,450	0.020	31,350	0.429
	Purchase	23/09/2016	4,875	0.067	36,225	0.495
	Purchase	30/09/2016	2,975	0.041	39,200	0.536
	Purchase	28/10/2016	885	0.012	40,085	0.548
	Purchase	04/11/2016	1,370	0.019	41,455	0.567
	At the end of the year	31/03/2017	-	-	41,455	0.567
<b>3</b>	<b>Capstocks Financial Services Limited</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	Purchase	23/12/2016	11,500	0.157	11,500	0.157
	Sale	30/12/2016	(1,000)	(0.014)	10,500	0.144
	Purchase	17/02/2017	6,500	0.089	17,000	0.232
	Purchase	24/03/2017	2,150	0.029	19,150	0.262
	Purchase	31/03/2017	16,583	0.227	35,733	0.489
	At the end of the year	31/03/2017	-	-	35,733	0.489
<b>4</b>	<b>Seemadevi Pramodkumar Agarwal</b>					
	At the beginning of the year	01/04/2016	97,209	1.329	97,209	1.329
	Sale	17/06/2016	(2,717)	(0.037)	94,492	1.292
	Sale	26/08/2016	(5,000)	(0.068)	89,492	1.224
	Sale	04/11/2016	(10,000)	(0.137)	79,492	1.087
	Sale	11/11/2016	(2,000)	(0.027)	77,492	1.060
	Sale	23/12/2016	(2,000)	(0.027)	75,492	1.032
	Sale	30/12/2016	(2,000)	(0.027)	73,492	1.005
	Sale	06/01/2017	(11,000)	(0.150)	62,492	0.855
	Sale	20/01/2017	(8,826)	(0.121)	53,666	0.734
	Sale	27/01/2017	(11,200)	(0.153)	42,466	0.581
	Sale	31/03/2017	(7,638)	(0.104)	34,828	0.476
	at the end of the year	31/03/2017	-	-	34,828	0.476

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

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>5</b>	<b>D Srimathi</b>					
	At the beginning of the year	01/04/2016	31,884	0.436	31,884	0.436
	At the end of the year	31/03/2017	-	-	31,884	0.436
<b>6</b>	<b>Rural Engineering Co. Pvt. Ltd</b>					
	At the beginning of the year	01/04/2016	18,653	0.255	18,653	0.255
	At the end of the year	31/03/2017	-	-	18,653	0.255
<b>7</b>	<b>Ushadevi Rajendrakumar Agarwal</b>					
	At the beginning of the year	01/04/2016	26,943	0.368	26,943	0.368
	Sale	05/08/2016	(4,005)	(0.055)	22,938	0.314
	Sale	26/08/2016	(5,495)	(0.075)	17,443	0.239
	Purchase	24/03/2017	150	0.002	17,593	0.241
	Sale	31/03/2017	(105)	(0.001)	17,488	0.239
	At the end of the year	31/03/2017	-	-	17,488	0.239
<b>8</b>	<b>Badrinarayan Mahapatra</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	Purchase	16/12/2016	21,142	0.289	21,142	0.289
	Purchase	23/12/2016	3,457	0.047	24,599	0.336
	Purchase	30/12/2016	1,643	0.022	26,242	0.359
	Sale	06/01/2017	(2,400)	(0.033)	23,842	0.326
	Purchase	13/01/2017	4,531	0.062	28,373	0.388
	Sale	20/01/2017	(2,000)	(0.027)	26,373	0.361
	Sale	27/01/2017	(3,204)	(0.044)	23,169	0.317
	Sale	03/02/2017	(1,211)	(0.017)	21,958	0.300
	Sale	10/02/2017	(678)	(0.009)	21,280	0.291
	Purchase	17/02/2017	678	0.009	21,958	0.300
	Sale	24/02/2017	(1,000)	(0.014)	20,958	0.287
	Sale	17/03/2017	(1,000)	(0.014)	19,958	0.273
	Sale	24/03/2017	(2,587)	(0.035)	17,371	0.238
	At the end of the year	31/03/2017	-	-	17,371	0.238
<b>9</b>	<b>Rahul Bhandare</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	Purchase	26/08/2016	1,807	0.025	1,807	0.025
	Purchase	02/09/2016	3,193	0.044	5,000	0.068
	Purchase	09/09/2016	5,000	0.068	10,000	0.137
	Purchase	21/10/2016	5,000	0.068	15,000	0.205
	Purchase	28/10/2016	2,000	0.027	17,000	0.232
	At the end of the year	31/03/2017	-	-	17,000	0.232
<b>10</b>	<b>Ivana Holdings Ltd.</b>					
	At the beginning of the year	01/04/2016	15,000	0.205	15,000	0.205
	at the end of the year	31/03/2017	-	-	15,000	0.205

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mrs. Paru M. Jaykrishna</b>					
	At the beginning of the year	01/04/2016	25,43,571	34.78	25,43,571	34.78
		04/04/2016	(3,21,786)	(4.40)	22,21,785	30.38
		04/04/2016	(3,21,785)	(4.40)	19,00,000	25.98
		06/04/2016	(3,25,000)	(4.44)	15,75,000	21.54
		08/04/2016	(3,50,000)	(4.79)	12,25,000	16.75
		08/04/2016	(3,25,000)	(4.44)	9,00,000	12.31
		08/04/2016	(3,00,000)	(4.10)	6,00,000	8.20
		12/04/2016	(3,00,000)	(4.10)	3,00,000	4.10
		12/04/2016	(3,00,000)	(4.10)	-	-
	At the end of the year	31/03/2017	-	-	-	-
<b>2</b>	<b>Mr. Gokul M. Jaykrishna</b>					
	At the beginning of the year	01/04/2016	11,25,804	15.39	11,25,804	15.39
		06/04/2016	(3,10,625)	(4.25)	8,15,179	11.15
		06/04/2016	(3,10,622)	(4.25)	5,04,557	6.90
		22/04/2016	(2,52,278)	(3.45)	2,52,279	3.45
		22/04/2016	(2,52,279)	(3.45)	-	-
	At the end of the year	31/03/2017	-	-	-	-
<b>3</b>	<b>Mr. Munjal M. Jaykrishna</b>					
	At the beginning of the year	01/04/2016	11,25,804	15.39	11,25,804	15.39
		22/04/2016	(3,75,268)	(5.13)	7,50,536	10.26
		22/04/2016	(3,75,268)	(5.13)	3,75,268	5.13
		26/04/2016	(3,75,268)	(5.13)	-	-
	At the end of the year	31/03/2017	-	-	-	-
<b>4</b>	<b>Dr. Pradeep J. Jha</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	At the end of the year	31/03/2017	-	-	-	-
<b>5</b>	<b>Mr. Param J. Shah</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	At the end of the year	07/03/2017	-	-	-	-
<b>6</b>	<b>Mr. Kirankumar J. Mehta</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	At the end of the year	31/03/2017	-	-	-	-
<b>7</b>	<b>Mr. Gautamkumar Mithalal Jain</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	At the end of the year	31/03/2017	-	-	-	-

**(v) Shareholding of Directors and Key Managerial Personnel (Contd...):**

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>7</b>	<b>Mr. Jayprakash M. Patel*</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	At the end of the year	07/03/2017	-	-	-	-
<b>8</b>	<b>Mr. Meet Joshi</b>					
	At the beginning of the year	01/04/2016	-	-	-	-
	At the end of the year	31/03/2017	-	-	-	-

\*Mr. Jayprakash M. Patel has resigned as an Independent Director w.e.f. March 7, 2017.

None of the Independent Directors and Company Secretary hold shares in the Company during the financial year ended on 31st March, 2017.

**V. 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
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	31,08,25,471	-	-	31,08,25,471
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>31,08,25,471</b>	<b>-</b>	<b>-</b>	<b>31,08,25,471</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	84,11,871	-	-	84,11,871
• Reduction	-	-	-	-
<b>Net Change</b>	<b>84,11,871</b>	<b>-</b>	<b>-</b>	<b>84,11,871</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	31,92,37,342	-	-	31,92,37,342
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>31,92,37,342</b>	<b>-</b>	<b>-</b>	<b>31,92,37,342</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mrs. Paru M. Jaykrishna (CMD)	Mr. Munjal M. Jaykrishna (JMD & CFO)	
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	0.79	2.62	3.41
	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,	- 50.00	- 50.00	- 100.00
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>122.79</b>	<b>100.62</b>	<b>223.41</b>
	Ceiling as per the Act	Rs. 730.44 Lakhs (being 10% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)		

### B. Remuneration to other directors:

(Rs. Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Kirankumar J. Mehta	Dr. Pradeep Jha	
1.	Independent Directors • Fee for attending board/committee meetings • Commission • Others, please specify	0.220 - -	0.195 - -	0.415 - -
	<b>Total (1)</b>	<b>0.220</b>	<b>0.195</b>	<b>0.415</b>
2.	Other Non-Executive Directors • Fee for attending board/committee meetings • Commission • Others, please specify	- - -	- - -	- - -
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.	<b>Total (3)=(1+2)</b>	<b>0.220</b>	<b>0.195</b>	<b>0.415</b>
	<b>Total Managerial Remuneration</b>	<b>0.220</b>	<b>0.195</b>	<b>0.415</b>
	Overall Ceiling as per the Act	Rs. 73.04 Lakhs (being 1% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)		



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

(Rs. Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Meet Joshi (Company Secretary)	
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.44	4.44
	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,	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>4.44</b>	<b>4.44</b>

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

There were no instances of any penalties/punishment/compounding of offences for the year ended 31st March, 2017.

# ANNEXURE G TO DIRECTORS' REPORT

## Management Discussion and Analysis Report

### OVERVIEW

AksharChem (India) Limited is one of the leading organic chemicals manufacturing company based in India with a focus on exports to over 20 countries. Our product offerings fall into two categories being dyes and pigments, within the organic chemical spectrum. We are specialised in manufacturing vinyl sulphone and CPC green which have multiple applications in textile, inks, rubber, plastics, paints and leather industries. For both these products, we are one of the key manufacturers and have been recognised as Star Export House by the Government of India. We believe we have built strong reputation in our markets, over 27 years of experience that has translated to a customer base.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Our manufacturing facility is located in Gujarat, with installed manufacturing capacity of 9,720 MTPA, as of March 31, 2017. Our facility is fully integrated and equipped to manage products from the stage of chemical treatment to dispatch, lending us competitive advantages such as cost effectiveness and maintenance of quality standards. Our facility includes automated and cost-efficient systems and quality control and quality assurance laboratories, among others.

In line with our strategy of creating long term sustainable growth of existing business as well as venturing into new value added businesses, we have recently adopted a capital expenditure plan of upto Rs. 17,500 lakhs in specialty chemicals, dyes and intermediates and organic pigments through a combination of greenfield and brownfield expansion. We are in the process of expanding our portfolio to include manufacturing capabilities for H-Acid, CPC blue crude and value added specialty precipitated silica. H-Acid is utilised in the manufacture of dyes, CPC blue crude is used as raw material for manufacture of CPC green and value added specialty precipitated silica is a an inert inorganic chemical and is used as raw material for tyres, rubber and oral care products. Upon successful execution of our expansion plans, our capacity for H-Acid and value added specialty precipitated silica will become 1200 TPA and 10,000 TPA, respectively. Further, we expect our CPC blue crude expansion to address our in-house demand for CPC blue crude for manufacture of CPC green. In addition, our existing capacities for CPC green will increase by 2,280 TPA through greenfield and brownfield expansion. Towards this, we are also in the process of establishing a manufacturing plant strategically located at Dahej, Gujarat. We are also in the process of constructing our plant for manufacture of violet 23, a high performance pigment used in paint, plastic and ink products, with a capacity of 100 TPA at Mehsana, Gujarat.

### OPPORTUNITIES AND THREATS

Our key focus is to maintain our market leadership in international business, while seeking to expand our product portfolio, as there are various opportunities coupled with it. We believe that the expansion would allow us to meet demand from existing customers and also service new customers. By way of the backward integration, we intend to meet the raw material requirement of CPC blue crude through in-house manufacturing, which will also helps us to be cost competitive. Expansion continues to be the key determinant for success and allows us to offer larger volume for our existing customers as well as add new customers. Further, we believe a slowdown in chemical exports from China due to various reasons, including regulatory, has developed a key export opportunity for the Indian chemical industry, particularly for Indian manufacturers of intermediate dye products and pigments. We believe that diversification into specialty chemicals enhance our portfolio of products offered to customers by focusing on high value intermediates, especially for the tyre, rubber and food industry. Further, we believe the waste generated pursuant to manufacture of value added precipitated specialty silica combined with the waste generated for vinyl sulphone and CPC green will result in neutralising the waste handling efforts (due to organic and inorganic nature of such waste), thereby reducing our pollution treatment expenses.

Availability of raw materials and fluctuation in the prices of raw materials and crude oil may are the main factors which affect our business, financial condition and results of operation. The demand of our products in foreign countries is subject to international market conditions and regulatory risks, and no operating history in manufacture of H-Acid, CPC blue crude and value added specialty precipitated silica and insufficient experience to address risks frequently encountered and inability to implement our growth strategy successfully are also the considerable risk to our industry. Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations. We are subject to stringent labour laws or other industry standards could also affect our business, financial condition and results of operations. Foreign exchange risks, primarily in our export operations, also affect our results of operations.

### OUTLOOK

India is one of the key dyes and pigments exporter globally, accounting for ~20% of the global trade by volume. Capacities have been added in the domestic market over the years to cater

to global demand, and the trend is expected to continue in the short to medium term. Stricter environmental norms in China are expected to help the domestic industry even further and give exports a boost. Moreover, we expect more foreign players to add capacities in the domestic market, such as BASF and Clariant have done in the past. Implementation of goods and services tax and industry friendly government policies are expected to pave the way for more investment in the domestic market. Over the long term, exports are expected to grow at a steady pace of 5-7%, driven by demand from Europe and Asia (China, Bangladesh, Turkey, and Pakistan). Thus India is expected to increase its market share in global dyes and pigments trade from 20% in 2016 to ~23-25% in 2021.

## RISKS AND CONCERNS

Political instability, changes in the government or government policies, could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects. Our business and activities are regulated by the Competition Act, 2002 ('Competition Act') and any application of the Competition Act to us could have a material adverse effect on our business, financial condition and result of operations. A slowdown in economic growth internationally, as well as in India could adversely impact our business. Our performance and the growth of our business are necessarily dependent on the performance of the overall Indian economy. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

We undertake regular inspection of our machineries and also undertake periodic preventive maintenance checks on other equipments in order to ensure they meet safety requirements. The Audit Committee co-ordinate with the heads of various Departments, with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors and recommending corrective action. These are routinely tested by Statutory as well as Internal Auditors and cover all offices, factories and key business areas.

## FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the year 2016-17 was spectacular as there was a short supply in Dye Intermediates market by China, but there is no china factor in CPC Green Business. However the overall performance of the Company is outstanding as there is a 212% growth in the PAT of the Company as compare to FY2015-16.

(Rs. Lakhs)

Particulars	2016-17	2015-16
Revenue from operations	25,965.21	18,770.61
Other Income	581.02	129.35
Total Income	26,546.23	18,899.97
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item/Exceptional Items, and Tax Expenses	8,529.42	3,351.73
Less: Finance Costs	302.06	334.63
Profit for the year before Depreciation, Extra Ordinary Item/Exceptional Items, and Tax Expenses	8,227.36	3,017.10
Less: Depreciation	468.69	424.18
Profit for the year before Extra Ordinary Item/Exceptional Items, and Tax Expenses	7,758.68	2,592.92
Add/(Less): Extra Ordinary Item/Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	7,758.68	2,592.92
Less: Current Tax	2,299.82	768.00
Less: Deferred Tax	266.97	161.13
Net Profit for the year	5,191.89	1,663.79

The certification of ISO 9001:2015 and ISO 14001:2004 is a testimony to the Company's commitment towards quality, safety and sustainable environment friendly approach. Further, our CPC green division has also obtained a REACH registration for export of CPC green upto 1,000 tonnes per year in the European Union.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

## HUMAN RESOURCES DEVELOPMENT

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

There is no change in the attrition rate. However due to retirement policy of the company, some of the employees have retired during the year as they have attained the retirement age. During the year under review, Nine (9) employees were appointed by the

Company. The Company has 99 employees as on year ended 31st March, 2017.

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

## CAUTIONARY STATEMENT

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

# ANNEXURE H TO DIRECTORS' REPORT

## Report on Corporate Governance

The Directors present a detail report on Corporate Governance for the financial year ended March 31, 2017 as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

### 2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. The Board also provides strategic guidance and independent view to the Company's senior management which discharging its fiduciary responsibilities. As at March 31, 2017, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with one women director and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and more than half of the board of directors is comprised of Independent Directors. The Board meets at least four times a year. In addition to the above, the Board also meets as and when necessary to address specific issued concerning to business of your Company. During the financial year 2016-17, 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, 2017, the total strength of the Board of Directors of the Company was Seven (7) members including two executive directors and five non executive directors and four of them are independent directors. There are two directors in whole time employment being the Managing Directors of the Company.

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

##### Independent Directors

Mr. Gautam M. Jain, Mr. Param J. Shah, Dr. Pradeep Jha and Mr. Kirankumar J. Mehta are independent directors of the Company. Mr. Jayprakash M. Patel has resigned as an independent director w.e.f. March 7, 2017.

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, 2017, 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 & CFO
3.	Mr. Gokul M. Jaykrishna		Non-Executive Director
4.	Mr. Gautam M. Jain	Non-Promoter	Independent Director
5.	Mr. Param J. Shah		Independent Director
6.	Dr. Pradeep Jha		Independent Director
7.	Mr. Kirankumar J. Mehta		Independent Director

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

Sr. No.	Date of Board Meeting	Place	Number of Directors Present
1.	24.05.2016	Indrad, Mehsana	7
2.	22.07.2016	Indrad, Mehsana	8
3.	14.08.2016	Indrad, Mehsana	8
4.	22.08.2016	Indrad, Mehsana	8
5.	07.11.2016	Indrad, Mehsana	8
6.	14.11.2016	Indrad, Mehsana	8
7.	23.01.2017	Indrad, Mehsana	8
8.	16.03.2017	Indrad, Mehsana	7*

\*Mr. Jayprakash M. Patel has resigned as an independent director of the Company w.e.f. March 7, 2017.

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

Name of the Director	No. of Outside Directorship Held		No. of Outside Committee Positions Held		Attendance in AGM 26.09.2016
	Public	Private	Public	Private	
Mrs. Paru M. Jaykrishna	1	5	2	-	Yes
Mr. Gautam M. Jain	2	7	1	-	No
Mr. Jayprakash M. Patel*	1	1	-	-	No
Mr. Param J. Shah	-	-	-	-	Yes
Dr. Pradeep Jha	1	-	4	-	Yes
Mr. Kirankumar J. Mehta	3	2	3	-	Yes
Mr. Gokul M. Jaykrishna	2	5	-	-	Yes
Mr. Munjal M. Jaykrishna	1	7	-	-	Yes

\*Mr. Jayprakash M. Patel has resigned as an independent director of the Company w.e.f. March 7, 2017.

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

During the financial year 2016-17, Eight (8) 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.

During the year under review, one resolution for taking note of resignation of Mr. Jayprakash M. Patel (DIN: 00256790) as Independent Director of the Company was passed by circulation on March 08, 2017 and the same has been approved in subsequent meeting held on March 16, 2017.

### Board Procedures

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

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

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions 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 non payment 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-se:

Mrs. Paru M. Jaykrishna, Chairperson & Managing Director of the Company is the mother of Mr. Munjal M. Jaykrishna, Joint Managing Director & CFO of the Company and Mr. Gokul M. Jaykrishna, Non Executive Director of the Company. Mr. Munjal M. Jaykrishna, Joint Managing Director & CFO 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

Mrs. Paru M. Jaykrishna shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible is considered for reappointment. Her 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 has expired on March 31, 2016. The shareholders of the Company at Extraordinary General Meeting held on August 22, 2016 has approved

her re-appointment as Chairperson & Managing Director for further period of 5 years with effect from April 1, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2016-17.

## 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 2016-17. 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 16, 2017, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

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

## 3. RELATED PARTY DISCLOSURE

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

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

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

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

## 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## 5. DISCLOSURE OF ACCOUNTING TREATMENT

The Company 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.

During the year under review, your Company has disposed off investment in the Subsidiary of the Company and as on 31.03.2017 the Company does not have any Subsidiary Company.

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

## 7. COMMITTEES OF THE BOARD

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

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

### 7.1. Audit Committee

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

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

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

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

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

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

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

The Committee comprises of following directors:

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

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

#### C. Secretary

The Company Secretary acts as secretary to the committee.

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

Sr. No.	Name of Members	Attendance in Audit Committee Meetings held on					
		24.05.2016	14.08.2016	22.08.2016	07.11.2016	23.01.2017	16.03.2017
1.	Mr. Kirankumar 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 Obligations and Disclosure Requirements) Regulations, 2015.



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

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

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

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

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

The members of the Nomination and Remuneration Committee are three (3) Non-Executive Independent Directors. The Committee comprises of following directors:

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

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

#### C. Secretary

The Company Secretary acts as secretary to the committee.

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

Sr. No.	Name of Members	Attendance in Nomination and Remuneration Committee Meetings held on			
		22.08.2016	07.11.2016	23.01.2017	16.03.2017
1.	Mr. Kirankumar 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 & Managing Director of the Company and Mr. Munjal M. Jaykrishna, Joint Managing Director & CFO 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. Considering the performance of the Company, Nomination and Remuneration Committee has paid the commission to Mrs. Paru M. Jaykrishna and Mr. Munjal M. Jaykrishna.

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 2016-17 (inclusive of P. F. Contribution, Perquisites and Commission) (Rs. Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	131.43
Mr. Munjal M. Jaykrishna	Joint Managing Director & CFO	106.38
<b>Total</b>		<b>237.81</b>

#### G. 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 cover terms and condition of such appointment. No separate service contract is entered into by the Company with Managing Directors. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors.

#### H. Stock Option details, if any

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

#### I. Non Executive Directors

Non-Executive Directors were paid sitting fees for attending the Board Meeting and Committee Meetings, except to Mr. Gautam M. Jain, Mr. Jayprakash M. Patel (Upto March 7, 2017) and Mr. Param J. Shah who has voluntarily consented not to avail any benefits including sitting fees from the Company.

#### J. Shareholding of Non-Executive Directors

None of the Non-Executive Directors of the Company are holding any shares in the Company as on March 31, 2017.

### 7.3. Stakeholders Relationship Committee

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

The terms of reference and other details of the committee

is as follows:

#### A. Terms of Reference

The Committee approves the matters relating to:

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

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

#### B. Composition of the Committee

The Committee comprises of following directors:

1.	Mr. Kirankumar 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				
		24.05.2016	22.08.2016	07.11.2016	23.01.2017	16.03.2017
1.	Mr. Kirankumar 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 at the beginning of the Year: 1

Number of complaints received during the year: 72

Number of complaints solved during the year: 68

Number of pending complaints at the end of the year: 5

#### 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	Chairperson
2.	Mr. Gautam M. Jain	Member
3.	Mr. Kirankumar J. Mehta	Member

#### C. Secretary

The Company Secretary acts as secretary to the committee.

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

Sr. No.	Name of Members	Attendance in Corporate Social Responsibility Committee Meetings held on				
		24.05.2016	22.08.2016	07.11.2016	23.01.2017	16.03.2017
1.	Mrs. Paru M. Jaykrishna	√	√	√	√	√
2.	Mr. Gautam M. Jain	√	√	√	√	√
3.	Mr. Kirankumar 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
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
2015-16	At the Registered Office at 166/169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	26.09.2016	3.15 p.m

### 11.2 Extra Ordinary General Meeting

During the Financial Year 2016-17 one Extraordinary General Meeting was held on August 22, 2016 in which following resolutions were passed.

1. Appointment of Statutory Auditors to fill casual vacancy
2. Re-appointment of Mrs. Paru M. Jaykrishna (DIN: 00671721), as Chairperson and Managing Director of the Company

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

At the Annual General Meeting 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 Special Resolutions passed last year through Postal Ballot

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

**Table - I: Details of Resolution passed:**

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

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

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

**11.5 Person who conducted the postal ballot exercise**

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

**11.6 Procedure for Postal Ballot**

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

**11.7 Special Resolution proposed to be conducted through postal ballot**

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

**12. MEANS OF COMMUNICATION**

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



## 13. GENERAL SHAREHOLDER'S INFORMATION

### 13.1. Annual General Meeting

Day, Date, Time & Venue

Thursday, September 14, 2017 at 10.30 A.M. at the Registered Office of the Company situated at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana - 382 715.

### 13.2. Financial Year Calendar (2017-18) (Tentative)

Financial Year	April 1, 2017 to March 31, 2018
Annual General Meeting	August/ September, 2018
First Quarter Results	On or before August/September 14, 2017
Half Yearly Results	On or before November/ December 14, 2017
Third Quarter Results	On or before February 14, 2018
Audited Results for the year 2017-18	On or before May 29, 2018

### 13.3. Date of Book Closure

Closure of Register of Members and Share Transfer Books

September 8, 2017 to September 14, 2017 (both days inclusive).

### 13.4. Dividend payment date

Interim dividend paid on March 16, 2017 is proposed as final dividend and no additional dividend is recommended.

#### Unclaimed Dividends

Pursuant to provision Section 125A of Companies Act, 2013, There is no amount of unpaid or unclaimed amount required to be transferred to the Investor Education and Protection Fund administered by the Central Government.

### 13.5. 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)

The Equity Shares of the Company are listed at BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE).

#### Name and Address of Stock Exchange

##### BSE Limited

Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001

##### National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051

##### Ahmedabad Stock Exchange Ltd.

Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad – 380 015

The Required Annual Listing Fees for the Financial Year 2017-18 have been paid to the stock exchanges within the stipulated time.

### 13.6. Stock Code

524598 (BSE)  
AKSHARCHEM (NSE)  
06408 (ASE)

### 13.7. Corporate identification Number (CIN) of the Company

The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India is L24110GJ1989PLC012441.

### 13.8. 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**.

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

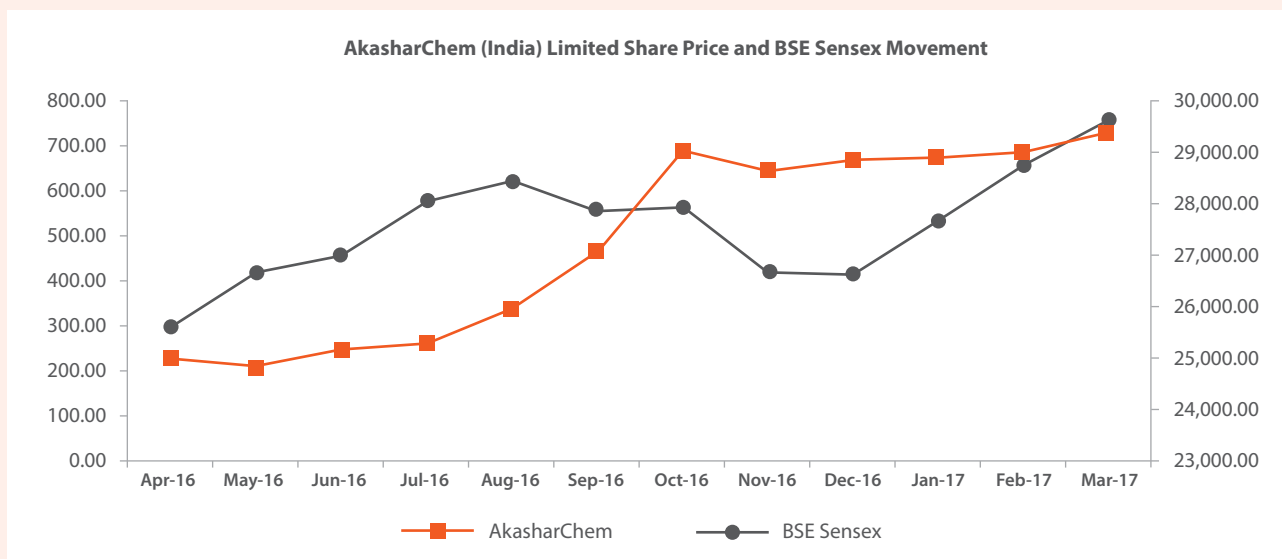
The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2016-17 on BSE Limited and National Stock Exchange of India Limited are given below:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April, 2016	256.00	163.30	54,89,467	--	--	--
May, 2016	237.00	196.00	1,67,048	--	--	--
June, 2016	284.00	206.60	3,71,575	--	--	--
July, 2016	277.50	242.00	1,79,261	--	--	--
August, 2016	385.90	233.00	9,55,985	--	--	--
September, 2016	466.10	323.00	8,80,218	--	--	--
October, 2016	694.70	464.00	7,43,678	--	--	--
November, 2016	791.55	490.00	8,70,647	--	--	--
December, 2016	772.50	595.00	4,15,870	--	--	--
January, 2017	743.00	640.00	4,82,580	--	--	--
February, 2017	729.50	638.00	2,68,894	--	--	--
March, 2017	751.00	665.00	3,57,337	750.00	725.00	58,945

Note: Equity Shares of the Company got listed on National Stock Exchange of India Limited (NSE) w.e.f. March 28, 2017, hence data of price and volume for April, 2016 to February, 2017 of is not available, hence the graph is only shows the BSE Sensex.

### Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2016-17

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, 2016 to March 31, 2017. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



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

**13.11. Registrar and Transfer Agent**

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

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083

Tel : 022-49186270

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

Website : www.linkintime.co.in

**Ahmedabad Branch Office**

506-508, Amarnath Business Centre -1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner,

Off C. G. Road, Ellisbridge, Ahmedabad-380 006

Tel: 079-26465179/86/87

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

Website : www.linkintime.co.in

**13.12. 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.

**13.13. Distribution of shareholding**

The distribution of shareholding as on March 31, 2017 is as under:

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

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	10,088	95.12	9,49,006	12.98
501-1000	271	2.56	2,06,743	2.83
1001-2000	148	1.40	2,18,097	2.98
2001-3000	36	0.34	92,263	1.26
3001-4000	11	0.10	39,492	0.54
4001-5000	12	0.11	55,411	0.76
5001-10000	19	0.18	1,44,860	1.98
10001 and above	19	0.19	56,07,028	76.67
<b>Total</b>	<b>10,604</b>	<b>100</b>	<b>73,12,900</b>	<b>100</b>

**b. Shareholding Pattern as at March 31, 2017 (Category-wise)**

Sr. No.	Category	No. of Holders	No. of Shares	% of Shareholding
<b>A.</b>	<b>Promoters</b>			
1.	Indian Promoters			
	Individuals	-	-	-
	Bodies Corporate	1	200	0.003
	Family Trust	2	48,19,180	65.90
	Others – LLP	1	3,23,837	4.43
2.	Foreign Promoters	-	-	-
	<b>Total Promoters Holding</b>	<b>4</b>	<b>51,43,217</b>	<b>70.33</b>
<b>B.</b>	<b>Non Promoters</b>			
1.	Institutional Investors	-	-	-
a.	Mutual Funds	1	4500	0.06
b.	Banks, Financial Institutions, Insurance Companies	-	-	-
c.	Foreign Institution Investors	-	-	-
	<b>Sub Total</b>	<b>1</b>	<b>4500</b>	<b>0.06</b>
2.	Others			
a.	Bodies Corporate	170	1,66,364	2.27
b.	Indian Public	9981	16,83,905	23.03
c.	NRIs/OCBs	190	64,803	0.89
d.	Clearing Members	105	55,102	0.75
e.	HUF	152	28,625	0.39
f.	Foreign Bodies Corporate	1	1,66,384	2.28
	<b>Sub Total</b>	<b>10,599</b>	<b>21,65,183</b>	<b>29.61</b>
	<b>Grand Total</b>	<b>10,604</b>	<b>73,12,900</b>	<b>100.00</b>

**List of top 10 Shareholders other than Promoters as at March 31, 2017**

Sr. No.	Name of the Shareholder	No. of Shares held	% of Total Holding
1.	DIC Corporation	1,66,384	2.28
2.	Dolly Khanna	41,455	0.57
3.	Capstocks Financial Services Limited	35,733	0.49
4.	Seemadevi Pramodkumar Agarwal	34,828	0.48
5.	D Srimathi	31,884	0.44
6.	Rural Engineering Co. Pvt. Ltd	18,653	0.26
7.	Ushadevi Rajendrakumar Agarwal	17,488	0.24
8.	Badrinarayan Mahapatra	17,371	0.24
9.	Rahul Bhandare	17,000	0.23
10.	Ivana Holdings Ltd.	15,000	0.21
	<b>Total</b>	<b>3,95,796</b>	<b>5.41</b>

**13.14. 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 91.79% of total listed Equity Shares have been dematerialised as on March 31, 2017. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE and NSE.

**Details of Dematerialised Shares as at March 31, 2017**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	13,76,050	18.82	61,59,918	84.23
CDSL	53,36,619	72.97	5,35,885	7.33
Shares in Physical Form	6,00,231	8.21	6,17,097	8.44
<b>Total</b>	<b>73,12,900</b>	<b>100.00</b>	<b>73,12,900</b>	<b>100.00</b>

**13.15. 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, 2017.

**13.16. Plant Locations:**

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

**13.17. Address for correspondence with the Company**

The Company Secretary

**AksharChem (India) Limited**

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

Tel : (02764) 233007 to 10

Fax: (02764) 233550

Email: cs@aksharchemindia.com

Website: www.aksharchemindia.com

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

Link Intime India Private Limited

506-508, Amarnath Business Centre -1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner,

Off C. G. Road, Ellisbridge, Ahmedabad-380 006

Tel : 079-26465179/86/87

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

Website : www.linkintime.co.in

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

During the financial year 2016-17, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board has approved a policy on related party transaction. The Register of Contracts/Statement of related party transactions is placed before the Board / Audit Committee regularly. Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 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(s) or Securities Exchange Board of India (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years.

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

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

The ombudsman had not received any complaint during the financial year ended March 31, 2017.

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

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

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

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

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

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

**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 2016-17 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, 2017.



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

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

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

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

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

For and on behalf of Board of Directors

**Paru M. Jaykrishna**

*Chairperson & Mg. Director*

DIN: 00671721

Place : Indrad, Mehsana

Date : 27.07.2017

## 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, 2017 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 & Mg. Director*

DIN: 00671721

**Munjal M. Jaykrishna**

*Jt. Managing Director & CFO*

DIN: 00671693

Place : Indrad, Mehsana

Date : 27.07.2017

## CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

### **Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We have examined the compliance of conditions of Corporate Governance by AksharChem (India) Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

### **Auditors' Responsibility**

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2017.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

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

We 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.

### **Restriction on use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

**Trushit Chokshi**

*Partner*

Membership No. 040847

Place: Ahmedabad  
Date: 27.07.2017

# 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, 2017, 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, 2017, 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;
  - (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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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, 2017.
    - (d) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 41 to the standalone financial statements.

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

**Trushit Chokshi**  
Partner  
Membership No.: 040847

Place: Ahmedabad  
Date: 05/07/2017

## 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 frames 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, 2017, 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, 2017 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	1,803,341	2004-2005	Ahmedabad VAT Tribunal
Income Tax Act, 1961	Income Tax	4,427,236	2003-2004	High Court of Gujarat
Income Tax Act, 1961	Income Tax	293,669	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.
- 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

**Trushit Chokshi**  
Partner  
Membership No.: 040847

Place: Ahmedabad  
Date: 05/07/2017

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### 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, 2017 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.

#### 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, 2017, 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: 05/07/2017

# BALANCE SHEET

AS AT 31ST MARCH, 2017

(Amount in Rupees)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2	7,31,29,000	7,31,29,000
(b) Reserves and Surplus	3	1,26,53,28,280	77,69,45,629
		<b>1,33,84,57,280</b>	<b>85,00,74,629</b>
<b>2 Non-current Liabilities</b>			
(a) Long-term Borrowings	4	6,25,00,000	6,51,12,960
(b) Deferred Tax Liabilities (Net)	5	10,97,92,677	8,30,95,444
(c) Long-term Provisions	6	-	-
		<b>17,22,92,677</b>	<b>14,82,08,404</b>
<b>3 Current Liabilities</b>			
(a) Short-term Borrowings	7	22,63,92,791	22,22,85,407
(b) Trade Payables	8		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises		1,55,92,603	1,56,95,560
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		29,93,13,634	27,03,21,076
(c) Other Current Liabilities	9	6,18,40,402	4,30,41,066
(d) Short-term Provisions	10	950,795	14,98,675
		<b>60,40,90,225</b>	<b>55,28,41,784</b>
<b>Total</b>		<b>2,11,48,40,182</b>	<b>1,55,11,24,817</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets			
Producing properties		61,85,65,970	56,43,25,196
(ii) Intangible Assets		-	-
Preproducing properties		-	-
Tangible Assets capital work-in-progress		8,86,79,159	3,82,89,259
Intangible Assets under Development or work-in-progress		-	21,26,180
(b) Non-current Investments	12	23,69,17,890	22,50,15,800
(c) Long-term Loans and Advances	13	2,06,99,102	1,50,62,645
		<b>96,48,62,121</b>	<b>84,48,19,080</b>
<b>2 Current assets</b>			
(a) Current Investments	14	19,50,60,654	-
(b) Inventories	15	18,20,19,535	15,98,18,568
(c) Trade Receivables	16	30,10,81,648	22,79,18,105
(d) Cash and Cash Equivalents	17	3,64,08,527	30,45,054
(e) Bank balance other than cash and cash Equivalents	17	63,56,179	52,35,350
(f) Short-term Loans and Advances	18	42,74,08,845	30,88,03,664
(g) Other Current Assets	19	16,42,672	14,84,996
		<b>1,14,99,78,060</b>	<b>70,63,05,737</b>
<b>Total Assets</b>		<b>2,11,48,40,182</b>	<b>1,55,11,24,817</b>

Significant Accounting Policies

1

The accompanying notes are an integral part of financial statements

2 - 42

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 & Mg. Director  
DIN: 00671721

**Trushit Chokshi**

(Partner)  
Membership No. 040847  
Place : Ahmedabad  
Date: 05/07/2017

**Meet J. Joshi**

Company Secretary

**Munjal M. Jaykrishna**

Jt. Managing Director & CFO  
DIN: 00671693

Place : Indrad, Mehsana  
Date: 05/07/2017

**STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rupees)

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>I. Revenue from Operations</b>	20	2,59,65,20,510	1,87,70,60,553
<b>II. Other Income</b>	21	5,81,01,656	1,29,35,857
<b>III. Total Revenue</b>		<b>2,65,46,22,166</b>	<b>1,88,99,96,410</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	22	1,20,57,73,760	1,06,51,47,885
Purchases of Stock-in-Trade	23	4,83,85,480	3,70,32,557
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(70,825)	(88,37,163)
Employee Benefits Expense	25	7,52,41,803	6,25,10,073
Finance Costs	26	3,02,06,245	3,34,63,249
Depreciation and Amortization Expense	27	4,68,68,735	4,24,18,448
Other Expenses	28	47,23,49,801	39,89,70,733
<b>V Total Expenses</b>		<b>1,87,87,54,999</b>	<b>1,63,07,05,782</b>
<b>VI. Profit Before Exceptional items, Extraordinary Items &amp; Tax</b>		77,58,67,167	25,92,90,628
Exceptional Items		-	-
<b>VII. Profit Before Extraordinary Items &amp; Tax</b>		77,58,67,167	25,92,90,628
Extraordinary Items		-	-
<b>VIII. Profit Before Tax</b>		77,58,67,167	25,92,90,628
<b>IX. Tax Expense:</b>			
(1) Current tax		22,99,81,563	7,68,00,000
(2) Deferred tax		2,66,97,233	1,61,12,717
(3) Total Tax Expense		25,66,78,796	9,29,12,717
<b>X. Profit After Tax</b>		<b>51,91,88,371</b>	<b>16,63,77,911</b>
<b>XI. Earnings per Equity Share: (Face Value of Rs. 10/- per share)</b>	29		
(1) Basic and Diluted Earning Per Share Rs.		71.00	22.75
(2) Basic and Diluted (before Extraordinary item) Earning Per Share Rs.		71.00	22.75

Significant Accounting Policies 1  
The accompanying notes are an integral part of financial statements 2 - 42

As per our Report of even date attached.

**For, Trushit Chokshi & Associates**Chartered Accountants  
Firm Registration No. 111072W**Trushit Chokshi***(Partner)*  
Membership No. 040847Place : Ahmedabad  
Date: 05/07/2017

For and on behalf of the Board

**Paru M. Jaykrishna***Chairperson & Mg. Director*  
DIN: 00671721**Meet J. Joshi**  
*Company Secretary***Munjal M. Jaykrishna**  
*Jt. Managing Director & CFO*  
DIN: 00671693Place : Indrad, Mehsana  
Date: 05/07/2017

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rupees)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
<b>A. Cash Flow from Operating Activities</b>				
Profit Before Extraordinary Items and Tax Expenses		77,58,67,167		25,92,90,628
Add: Depreciation and Amortisation Expenses	4,68,68,735		4,24,18,448	
Finance Cost	3,02,06,245		3,34,63,249	
Less: Interest Received/other Income	(35,86,640)		(12,32,871)	
Profit/Loss from Sale of Current Investments/ Assets	(5,26,41,071)		(84,71,481)	
Dividend Income	(16,04,552)	1,92,42,717	(30,19,395)	6,31,57,950
Operating Profit Before Working Capital Changes		79,51,09,884		32,24,48,578
Working Capital Changes				
(Increase)/Decrease Trade & Other Receivables	(7,31,63,543)		(1,78,44,479)	
(Increase)/Decrease Inventories	(2,22,00,967)		2,16,63,227	
Increase/ (Decrease) Trade & other Payables	4,01,10,034	-	(10,56,81,498)	
Changes in Loans and Advances	(14,74,15,723)	(20,26,70,199)	(91,31,018)	(11,09,93,768)
<b>Cash Generated from Operating Activities</b>		<b>59,24,39,685</b>		<b>21,14,54,810</b>
Direct Taxes Paid	(20,69,65,153)		(7,84,27,492)	
		(20,69,65,153)		(7,84,27,492)
<b>Net Cash from / (used in) Operating Activities</b>		<b>38,54,74,532</b>		<b>13,30,27,318</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(15,01,52,621)		(8,08,15,754)	
Proceeds from Sale of Fixed Assets / Investments	550,000		124,000	
Purchase of Current Investments	(29,77,17,394)		(9,04,05,429)	
Sale of Current Investments	14,36,25,112		5,74,54,473	
Interest and Other Income	51,91,192	(29,85,03,711)	42,52,266	(10,93,90,444)
<b>Net Cash from / (used in) Investing Activities</b>		<b>(29,85,03,711)</b>		<b>(10,93,90,444)</b>
<b>C. Cash Flow from Financing Activities</b>				
Availment/(Repayment) Long-term Borrowings	43,04,488		5,64,29,475	
Availment/(Repayment) Short-term Borrowings	41,07,384		1,45,88,020	
Payment of Dividend (including Dividend Distribution Tax)	(3,06,92,146)		(6,15,18,327)	
Interest Paid	(3,02,06,245)	(5,24,86,519)	(3,34,63,249)	(2,39,64,081)
<b>Net Cash from / (used in) Financing Activities</b>		<b>(5,24,86,519)</b>		<b>(2,39,64,081)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>3,44,84,302</b>		<b>(3,27,207)</b>
<b>Cash and Cash Equivalent at the Beginning of the Year</b>		<b>57,80,404</b>		<b>61,07,610</b>
<b>Cash and Cash Equivalent at the End of the Year</b>		<b>4,02,64,706</b>		<b>57,80,403</b>



**CASH FLOW STATEMENT (CONTD...)**

FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Notes to Cash Flow Statement:</b>		
1. Reconciliation of Cash and Cash Equivalent with the Balance Sheet		
Cash and Cash Equivalent as per balance Sheet: (Refer Note -17)	4,27,64,706	82,80,404
Less: Margin Money not considered as Cash and Cash Equivalents as defined in AS - 3 "Cash Flow Statement"	25,00,000	25,00,000
	<b>4,02,64,706</b>	<b>57,80,404</b>
2. Components of Cash and Cash Equivalents:		
Cash on Hand	10,85,297	9,71,783
In Current Accounts	3,43,23,230	9,97,229
In Unclaimed Dividend Accounts	38,56,179	27,35,350
In Deposit Accounts	10,00,000	10,76,042
	<b>4,02,64,706</b>	<b>57,80,404</b>

- Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
- 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. 040847Place : Ahmedabad  
Date: 05/07/2017

For and on behalf of the Board

**Paru M. Jaykrishna***Chairperson & Mg. Director*  
DIN: 00671721**Munjal M. Jaykrishna***Jt. Managing Director & CFO*  
DIN: 00671693Place : Indrad, Mehsana  
Date: 05/07/2017**Meet J. Joshi**  
*Company Secretary*

# 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), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Ltd. (ASE).

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.11 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. Based on the nature of the activities, the Company has determined its 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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.

### 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 form 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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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.
- 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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, 2017	As at 31st March, 2016
<b>Authorised Shares</b>		
2,00,00,000 (Previous Year 85,00,000) Equity Shares of Rs. 10 each	20,00,00,000	8,50,00,000
<b>Issued, Subscribed and Paid-up</b>		
73,12,900 (Previous Year 73,12,900) Equity Shares of Rs. 10 each fully paid	7,31,29,000	7,31,29,000
<b>Total</b>	<b>7,31,29,000</b>	<b>7,31,29,000</b>

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
At the beginning of the year	73,12,900	7,31,29,000	73,12,900	7,31,29,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the year	<b>73,12,900</b>	<b>7,31,29,000</b>	<b>73,12,900</b>	<b>7,31,29,000</b>

#### 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, 2017	As at 31st March, 2016
Not Applicable	-	-

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No of Equity Shares	% of holding	No of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust-2	31,88,819	43.61	-	-
Munjal M. Jaykrishna Family Trust	16,30,361	22.29	-	-
Mrs. Paru M. Jaykrishna	-	-	25,43,571	34.78
Mr. Gokul M. Jaykrishna	-	-	11,25,804	15.39
Mr. Munjal M. Jaykrishna	-	-	11,25,804	15.39
	<b>48,19,180</b>	<b>65.90</b>	<b>47,95,179</b>	<b>65.57</b>

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



## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 3. RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at	As at
	31st March, 2017	31st March, 2016
<b>a. Securities Premium Account</b>		
Balance at the beginning of the year	2,39,76,600	2,39,76,600
<b>Balance at the end of the year</b>	<b>2,39,76,600</b>	<b>2,39,76,600</b>
<b>b. General Reserve</b>		
Balance at the beginning of the year	27,44,36,010	27,44,36,010
<b>Balance at the end of the year</b>	<b>27,44,36,010</b>	<b>27,44,36,010</b>
<b>c. Surplus in statement of Profit and Loss</b>		
Balance at the beginning of the year	47,85,33,019	34,29,60,828
Add: Net Profit for the year	51,91,88,371	16,63,77,911
<b>Less : Appropriation</b>		
Interim Dividend*	2,55,95,150	2,55,95,150
Tax on Proposed Dividend	52,10,570	52,10,570
<b>Balance at the end of the year</b>	<b>96,69,15,670</b>	<b>47,85,33,019</b>
<b>Total (a+b+c)</b>	<b>1,26,53,28,280</b>	<b>77,69,45,629</b>

\*During the year, the Board of Directors of the Company has declared & paid Interim Dividend of Rs. 3.50/- (35%) per share for the Financial Year ending on March 31, 2017

## 4. LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	Non-current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Secured Loans</b>				
<b>a. Term Loans</b>				
Indian Rupees Loan				
From State Bank of India	-	1,00,38,566	1,00,38,564	1,00,38,564
<b>b. Corporate Loan</b>				
<b>Indian Rupees Loan</b>				
From State Bank of India	6,25,00,000	5,47,68,406	2,00,00,000	1,25,00,000
<b>c. Other Loan and Advances</b>				
Vehicle Loan	-	3,05,988	3,05,988	8,88,540
Amount disclosed under the other current liabilities (see Note: 9)	-	-	(3,03,44,552)	(2,34,27,104)
	<b>6,25,00,000</b>	<b>6,51,12,960</b>	-	-

## 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, 2017	Amount of Quarterly Installments	Quarterly Installments for current maturity	Quarterly Installments payable within 12 Months	Total Nos of Quarterly Installments payable
Term Loan	Rupees 1,00,38,564	Rupees 25,09,641	4	Rupees 1,00,38,564	See Note I
Corporate Loan	8,25,00,000	50,00,000	4	2,00,00,000	

#### Note I:

- Term Loan is repayable by 4 quarterly equal installments of Rs. 25,09,641.
- Corporate Loan is repayable by 4 quarterly installments of Rs. 50,00,000, 4 quarterly installments of Rs. 75,00,000, 2 quarterly installments of Rs. 1,00,00,000 and last 1 quarterly installment of Rs. 1,25,00,000.

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

#### Repayment terms of Vehicle Loan

Vehicle loans are repayable in equal monthly installment 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, 2017	As at 31st March, 2016
a. Deferred Tax Liabilities	10,97,92,677	8,91,68,372
b. Deferred Tax Assets	-	60,72,928
<b>Total (a-b)</b>	<b>10,97,92,677</b>	<b>8,30,95,444</b>

## 6. LONG-TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provisions for employees benefits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 7. SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>a. Secured Loans<sup>^</sup></b>		
Loans repayable on demand from bank		
- From State Bank of India		
Working Capital Loans	22,63,92,791	22,22,85,407
Cash Credit Account	-	-
<b>Total</b>	<b>22,63,92,791</b>	<b>22,22,85,407</b>
<b>b. Unsecured</b>		
Deposits from others	-	-
<b>Total</b>	<b>22,63,92,791</b>	<b>22,22,85,407</b>

<sup>^</sup>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, 2017	As at 31st March, 2016
a. Total outstanding dues of Micro Enterprises and Small Enterprises	1,55,92,603	1,56,95,560
b. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	29,93,13,634	27,03,21,076
<b>Total</b>	<b>31,49,06,237</b>	<b>28,60,16,636</b>

(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, 2017.

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	1,55,92,603	1,56,95,560
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 MSMED 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	-	-
<b>Total</b>	<b>1,55,92,603</b>	<b>1,56,95,560</b>

(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, 2017. 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 FINANCIAL STATEMENTS

### 9. OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Unclaimed Dividends*	37,42,538	27,35,283
b. Current maturities of long term borrowings (See note: 4)	3,03,44,552	2,34,27,104
c. Others		
Statutory liabilities	71,91,016	31,47,523
Payables for fixed assets	89,97,736	94,38,161
Other Current liabilities and payables	1,15,64,560	42,92,995
<b>Total</b>	<b>6,18,40,402</b>	<b>4,30,41,066</b>

\*There is no amount due and outstanding to be transferred to the Investors Education and Protection Fund (IEPF) as on March 31, 2017, 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, 2017	As at 31st March, 2016
a. Proposed Dividend	1,13,642	67
b. Tax on Proposed Dividend	-	-
c. Provision for Income Tax	-	-
d. <b>Provision for employee benefits</b>		
Gratuity	8,37,153	14,98,608
<b>Total</b>	<b>9,50,795</b>	<b>14,98,675</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 11. FIXED ASSETS

Sr. No.	Nature of Assets	Gross Block			Depreciation			Net Block		
		As at 01-04-2016	Additions	Disposal	As at 31-03-2017	As at 01-04-2016	Depreciation charge for the Period ended	On disposals	As at 31-03-2017	As at 31-03-2016
<b>A</b>	<b>Tangible Assets</b>									
	Own Assets									
	Freehold Land	5,08,42,535	-	-	5,08,42,535	-	-	-	5,08,42,535	5,08,42,535
	Buildings	13,85,56,729	37,35,499	-	14,22,92,228	2,74,00,077	65,10,747	-	10,83,81,404	11,11,56,652
	Plant & Machinery	60,64,92,950	9,10,80,563	-	69,75,73,513	22,46,56,213	3,33,40,465	-	43,95,76,835	38,18,36,736
	Furniture and Fixtures	1,21,54,640	-	-	1,21,54,640	68,37,465	12,15,464	-	41,01,711	53,17,175
	Office equipment	1,83,09,584	29,90,452	-	2,13,00,036	1,45,71,643	28,77,328	-	38,51,065	37,37,941
	Vehicles	2,47,67,732	40,82,387	30,43,491	2,58,06,628	1,33,33,575	29,24,731	22,64,098	1,18,12,420	1,14,34,157
	<b>Total</b>	<b>85,11,24,170</b>	<b>10,18,88,901</b>	<b>30,43,491</b>	<b>94,99,69,580</b>	<b>28,67,98,973</b>	<b>4,68,68,735</b>	<b>22,64,098</b>	<b>61,85,65,970</b>	<b>56,43,25,196</b>
	Previous Year	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	56,43,25,196	54,82,07,283
<b>B</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-
<b>C</b>	<b>Capital Work In Progress</b>	3,10,39,259	12,41,61,096	9,23,43,496	6,28,56,859	-	-	-	6,28,56,859	3,10,39,259
	Advance Against Land	72,50,000	1,85,72,300	-	2,58,22,300	-	-	-	2,58,22,300	72,50,000
	<b>Total</b>	<b>3,82,89,259</b>	<b>14,27,33,396</b>	<b>9,23,43,496</b>	<b>8,86,79,159</b>	-	-	-	<b>8,86,79,159</b>	<b>3,82,89,259</b>
	Previous Year	1,63,25,976	6,94,58,105	4,74,94,822	3,82,89,259	-	-	-	3,82,89,259	1,63,25,976
<b>D</b>	<b>Intangible Assets Under Development</b>									
	Software Under Development	21,26,180	-	21,26,180	-	-	-	-	-	21,26,180
	<b>Total</b>	<b>21,26,180</b>	-	<b>21,26,180</b>	-	-	-	-	-	<b>21,26,180</b>
	Previous Year	21,26,180	-	-	21,26,180	-	-	-	21,26,180	-
	<b>Total</b>	<b>89,15,39,609</b>	<b>24,46,22,297</b>	<b>9,75,13,167</b>	<b>1,03,86,48,739</b>	<b>28,67,98,973</b>	<b>4,68,68,735</b>	<b>22,64,098</b>	<b>33,14,03,610</b>	<b>60,47,40,635</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 12. NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>a. Investment in Equity Instruments (Other companies)</b>		
<b>Quoted - At Cost - Fully paid up</b>		
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 Tata 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
5,000 (Previous Year 10,000) fully paid Equity Shares of Rs. 2/- each of AIA Engineers Ltd.	16,07,324	32,14,646
11,500 (Previous Year 23,000) fully paid Equity Shares of Rs. 5/- each of Ashoka Buildcon Ltd	10,16,814	16,42,365
34,850 (Previous Year 4,500) fully paid Equity Shares of Rs.2/- each of Bajaj Finance Ltd.	43,64,482	53,93,577
1,500 (Previous Year 3,000) fully paid Equity Shares of Rs. 5/- each of Bajaj Finserve Ltd.	15,40,773	30,71,943
14,000 (Previous Year 18,000) fully paid Equity Shares of Rs. 10/- each of Bharat Financial Inclusion Ltd.	53,27,639	68,49,821
43,570 (Previous Year 43,570) fully paid Equity Shares of Rs. 1/- each of Cadila Healthcare Ltd	94,34,061	94,34,061
1,500 (Previous Year 3,000) fully paid Equity Shares of Rs. 10/- each of Capital First Limited	5,70,810	11,41,619
NIL (Previous Year 10,000) fully paid Equity Shares of Rs. 10/- each of CESC Limited	-	49,03,383
26,000 (Previous Year 52,000) fully paid Equity Shares of Rs. 10/- each of DCB Bank Ltd.	23,36,063	54,19,704
26,674 (Previous Year 51,674) fully paid Equity Shares of Rs.10/- each of Dewan Housing Finance Corporation Ltd.	63,95,847	1,25,69,150
11,000 (Previous Year 8,000) fully paid Equity Shares of Rs.10/- each of Eclerx Services Ltd.	1,07,45,507	60,70,409
24,000 (Previous Year NIL) fully paid Equity Shares of Rs.10/- each of Equitas Holding Ltd.	37,33,655	-
2,700 (Previous Year 2,700) fully paid Equity Shares of Rs.10/- each of Futura Polysters Ltd.	35,183	35,183



## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 12. NON CURRENT INVESTMENTS (Contd...)

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
64,000 (Previous Year 1,28,000) fully paid Equity Shares of Rs. 10/- each of IDFC Bank Ltd.	27,97,441	55,94,882
59,000 (Previous Year 1,18,000) fully paid Equity Shares of Rs. 10/- each of IDFC Ltd.	46,23,796	80,54,679
19,000 (Previous Year 38,000) fully paid Equity Shares of Rs. 10/- each of IRB Infrastructure Developers Ltd	29,24,414	44,85,614
3,770 (Previous Year 7,270) fully paid Equity Shares of Rs.2/- each of Larsen and Toubro Ltd.	54,37,695	77,84,794
15,000 (Previous Year 30,000) fully paid Equity Shares of Rs. 1/- each of Madhucon Projects Ltd.	5,51,726	11,24,164
50,144 (Previous Year 26,144) fully paid Equity Shares of Rs. 10/- each of MBL Infrastructures Ltd.	61,99,805	60,35,529
12,000 (Previous Year NIL) fully paid Equity Shares of Rs. 10/- each of Mindtree Ltd.	59,64,426	-
42,000 (Previous Year 52,000) fully paid Equity Shares of Rs. 1/- each of Nectar Lifescience Limited	23,15,152	28,73,466
2,000 (Previous Year 4,000) fully paid Equity Shares of Rs. 1/- each of Pidilite Industries Ltd.	8,48,906	16,80,122
NIL (Previous Year 17,000) fully paid Equity Shares of Rs. 10/- each of Reliance Capital Limited	-	57,56,599
7,000 (Previous Year 13,500) fully paid Equity Shares of Rs. 10/- each of Shriram Transport Finance Co. Ltd.	59,46,432	96,06,179
13,000 (Previous Year NIL) fully paid Equity Shares of Rs. 1/- each of Sun Pharmaceuticals Ltd.	87,28,180	-
NIL (Previous Year 6,500) fully paid Equity Shares of Rs. 2/- each of Alembic Pharmaceuticals Ltd.	-	34,02,528
NIL (Previous Year 12,999) fully paid Equity Shares of Rs. 10/- each of Ceat Limited	-	99,15,214
2,365 (Previous Year 4,665) fully paid Equity Shares of Rs. 5/- each of Torrent Pharmaceuticals Limited	30,01,704	58,58,714
	<b>9,69,34,390</b>	<b>13,24,04,900</b>
<b>b. UnQuoted - at Cost - Fully paid up</b>		
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
NIL (Previous Year 9,990) fully paid Equity shares of Rs.10/- each of Akshar Pigments Pvt. Ltd.	-	99,900
16,85,000 (Previous Year 8,25,000) fully paid Redeemable Preference Shares of Rs.100/- each of Akshar Silica Pvt. Ltd.	12,99,72,500	8,25,00,000
10,00,000 (Previous Year 10,00,000) fully paid Redeemable Preference Shares of Rs.10/- each of Chhatral Environment Management System Pvt. Ltd.	1,00,00,000	1,00,00,000
	<b>13,99,83,500</b>	<b>9,26,10,900</b>
<b>Total</b>	<b>23,69,17,890</b>	<b>22,50,15,800</b>
Aggregate amount of quoted investments	9,69,34,390	13,24,04,900
Market Value of quoted investments	17,32,22,359	18,57,20,626
Aggregate amount of unquoted investments	13,99,83,500	9,26,10,900

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 13. LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(unsecured, considered good unless otherwise stated)		
Security Deposit	2,06,99,102	1,50,62,645
<b>Total</b>	<b>2,06,99,102</b>	<b>1,50,62,645</b>

### 14. CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Investments in Mutual Funds – Unquoted</b>		
ICICI Prudential Liquid Plan - Growth	18,00,60,654	-
Edelweiss Arbitrage Fund Dividend Option	1,50,00,000	-
<b>Total</b>	<b>19,50,60,654</b>	<b>-</b>

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

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Raw Materials	4,18,01,036	2,42,12,363
b. Work in progress	3,29,94,409	6,25,41,168
c. Finished goods	9,19,84,875	6,23,67,291
d. Stores and spares	1,22,80,694	80,81,931
e. Packing Material	13,30,044	11,92,279
f. Fuel & Oil	16,28,477	14,23,536
<b>Total</b>	<b>18,20,19,535</b>	<b>15,98,18,568</b>

### 16. TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured, considered good)		
a. Outstanding for a period exceeding six months	24,88,051	27,15,810
b. Others	29,85,93,597	22,52,02,295
<b>Total</b>	<b>30,10,81,648</b>	<b>22,79,18,105</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 17. CASH &amp; CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>a. Cash and Cash Equivalents:</b>		
Balance with Banks in Current accounts	3,43,23,230	9,97,229
Deposit	10,00,000	10,76,042
Cash on hand	10,85,297	9,71,783
<b>Total of A</b>	<b>3,64,08,527</b>	<b>30,45,054</b>
<b>b. Other Bank Balances</b>		
Unclaimed Dividend accounts	38,56,179	27,35,350
Term Deposit with Bank as Margin money against Letters of Credit.		
Maturity within 12 months	25,00,000	25,00,000
<b>Total of B</b>	<b>63,56,179</b>	<b>52,35,350</b>
<b>Total</b>	<b>4,27,64,706</b>	<b>82,80,404</b>

## 18. SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(unsecured, considered good unless otherwise stated)		
a. Loans and advances to Employees	6,27,492	7,93,396
b. Advances to Capital Goods Suppliers	97,98,742	1,65,35,649
c. Prepaid expenses	15,58,115	24,88,823
d. Balance with government authorities		
i) CENVAT credit receivables	8,14,85,308	7,83,56,197
ii) VAT - credit receivables	14,37,14,581	12,64,04,651
iii) Export Incentive Receivable	5,91,44,582	3,63,18,704
iv) Advance payment of tax (Net of Provisions)	60,97,837	2,91,14,247
v) Sales Tax	9,16,649	9,16,649
e. Others - Advance to suppliers	1,78,60,478	1,78,75,348
f. Other Receivable	10,62,05,061	-
<b>Total</b>	<b>42,74,08,845</b>	<b>30,88,03,664</b>

## 19. OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest receivables on deposits	16,42,672	14,84,996
<b>Total</b>	<b>16,42,672</b>	<b>14,84,996</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 20. REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Sale of Products</b>		
a. Export Sales	2,32,59,61,568	1,53,46,77,239
b. Domestic Sales	16,58,23,202	27,87,34,922
Less : Excise Duty	1,98,73,272	2,93,03,255
<b>Net Domestic Sales</b>	<b>14,59,49,930</b>	<b>24,94,31,667</b>
<b>Total Sale of Products</b>	<b>2,47,19,11,498</b>	<b>1,78,41,08,906</b>
c. Other operating revenues (Refer 1 below)	12,46,09,012	9,29,51,647
<b>Total</b>	<b>2,59,65,20,510</b>	<b>1,87,70,60,553</b>
<b>1 Other Operating revenues</b>		
Sale of Scrap	24,20,978	5,89,040
Export incentives	8,96,42,458	6,28,37,908
Exchange Rate differences	3,25,45,576	2,95,24,699
<b>Total - Other Operating revenues</b>	<b>12,46,09,012</b>	<b>9,29,51,647</b>

### 21. OTHER INCOME

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
a. Interest from Fixed Deposits with Bank	35,86,640	12,32,871
b. Cash Discount/Other Income	40,000	20,000
c. Dividend Income	16,04,552	30,19,395
d. Gain/ (Loss) on Investment on Shares Long Term & Short Term	5,28,70,464	86,63,591
<b>Total</b>	<b>5,81,01,656</b>	<b>1,29,35,857</b>

### 22. COST OF MATERIAL CONSUMED

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>a. Raw Material</b>		
Opening Stock	2,40,92,223	5,30,88,724
Add : Purchases	1,21,19,66,294	1,02,52,65,065
	1,23,60,58,517	1,07,83,53,789
Less : Closing Stock	4,16,80,896	2,40,92,223
<b>Cost of Raw Material Consumed</b>	<b>1,19,43,77,621</b>	<b>1,05,42,61,566</b>
<b>b. Packing Material</b>		
Opening Stock	11,92,279	7,94,924
Add : Purchases	1,15,33,904	1,12,83,674
	1,27,26,183	1,20,78,598
Less : Closing Stock	13,30,044	11,92,279
Cost of Packing Material Consumed	1,13,96,139	1,08,86,319
<b>Cost of Total Material Consumed</b>	<b>1,20,57,73,760</b>	<b>1,06,51,47,885</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 23. PURCHASES OF STOCK IN-TRADE

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Pigments	4,83,85,480	3,70,32,557
<b>Total</b>	<b>4,83,85,480</b>	<b>3,70,32,557</b>

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

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
a. Inventories at the end of the year		
Finished goods	9,19,84,875	6,23,67,291
Work-in-progress	3,29,94,409	6,25,41,168
<b>Total</b>	<b>12,49,79,284</b>	<b>12,49,08,459</b>
b. Inventories at the beginning of the year		
Finished goods	6,23,67,291	6,54,31,726
Work-in-progress	6,25,41,168	5,06,39,570
<b>Total</b>	<b>12,49,08,459</b>	<b>11,60,71,296</b>
<b>Net (Increase) / decrease</b>	<b>(70,825)</b>	<b>(88,37,163)</b>

## 25. EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
a. Salaries, Wages and Bonus	4,77,52,326	4,59,79,694
b. Contribution to Provident and other funds	30,89,733	30,05,806
c. Staff welfare expenses	20,58,844	15,24,573
d. Directors Remuneration including perquisites and commission	2,23,40,900	1,20,00,000
<b>Total</b>	<b>7,52,41,803</b>	<b>6,25,10,073</b>

## 26. FINANCE COSTS

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
a. Interest		
On long term borrowings	75,70,798	33,43,748
On short term borrowings	1,11,20,515	2,11,02,814
Other Interest	-	-
b. Bank and other charges		
Bank Charges	1,15,14,932	90,16,687
<b>Total</b>	<b>3,02,06,245</b>	<b>3,34,63,249</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 27. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation and Amortisation relating to continuing operations (Refer Note 11)	4,68,68,735	4,24,18,448
<b>Total</b>	<b>4,68,68,735</b>	<b>4,24,18,448</b>

### 28. OTHER EXPENSES

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>a. Manufacturing Expenses</b>		
Power and Fuel	14,91,76,645	13,59,19,078
Consumption of Stores and Spares parts	1,80,36,429	1,77,55,158
Pollution Treatment Expenses	11,96,08,508	10,75,72,916
Repairs to Machinery	2,06,84,717	1,01,40,327
Repairs to Building	21,97,163	12,41,807
Manufacturing & Labour Charges	5,59,69,601	4,97,05,020
	<b>36,56,73,063</b>	<b>32,23,34,306</b>
<b>b. Selling and Distribution Expenses</b>	<b>5,51,69,219</b>	<b>4,28,21,914</b>
<b>c. Establishment Expenses</b>		
Rent	1,91,000	7,57,912
Rates & Taxes (excluding taxes on income)	1,34,487	62,942
Insurance	24,19,958	11,97,454
Traveling, Conveyance & Vehicle Expenses	74,10,475	62,10,958
Directors Traveling Expenses	92,92,428	76,30,695
Stationery and Printing Expenses	9,65,658	7,88,572
Communication Expenses	22,75,145	19,28,806
Auditors Remuneration (Refer Note No. 32)	2,49,972	2,89,472
Internal Audit Fees	3,00,000	2,25,000
Directors Sitting Fees	41,500	35,000
Legal & Professional Expenses	1,12,18,647	64,52,729
General Charges	20,01,242	31,69,349
Other Repairs	9,18,597	15,91,866
Donation	89,601	1,67,500
Freight, Handling, Transportation & other Expenses	76,76,912	17,14,148
Loss on sale of assets/Investments	2,29,393	1,92,110
CSR Expenses	60,92,504	14,00,000
<b>Total</b>	<b>47,23,49,801</b>	<b>39,89,70,733</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 29. EARNING PER EQUITY SHARES

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Net profit after tax as per statement of profit and loss	51,91,88,371	16,00,02,022
Net profit before Extraordinary items and after Tax	51,91,88,371	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.	71.00	22.75
Basic and Diluted (before Extraordinary item) Earning per share Rs.	71.00	22.75

### 30. CONTINGENT LIABILITIES & COMMITMENTS

(Amount in Rupees)

Particulars	31/03/2017	31/03/2016
1 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
2 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
3 The Commissioner of Income Tax -1 Ahmedabad has filed an appeal for the Asst. Year 2004-05	2,93,669	2,93,669
4 Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods.	4,11,68,266	5,45,03,112
5 Bills discounted against Letter of Credit but not realized and credited to the parties accounts	2,29,84,119	1,76,54,751

### 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	31/03/2017	31/03/2016
Audit fees (Including tax audit fees)	2,49,972	2,49,972
For others (Certification work)	-	39,500
<b>Total</b>	<b>2,49,972</b>	<b>2,89,472</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	31/03/2017		31/03/2016	
	Amount Rs.	%	Amount Rs.	%
<b>A. Raw Materials</b>				
Imported	1,16,90,689	0.98	1,51,72,889	1.44
Indigenous	1,18,26,86,932	99.02	1,03,90,88,677	98.56
<b>Total</b>	<b>1,19,43,77,621</b>	<b>100.00</b>	<b>1,05,42,61,566</b>	<b>100.00</b>
<b>B. Packing Materials</b>				
Imported	-	-	-	-
Indigenous	1,13,96,139	100.00	1,08,86,319	100.00
<b>Total</b>	<b>1,13,96,139</b>	<b>100.00</b>	<b>1,08,86,319</b>	<b>100.00</b>

### 34. FOREIGN CURRENCY TRANSACTIONS

(Amount in Rupees)

Particulars	31/03/2017	31/03/2016
<b>a) Value of Imports Calculated on CIF Basis</b>		
Raw Materials	1,13,52,213	1,46,54,889
Capital Goods	-	-
<b>b) Expenditure in Foreign Currency</b>		
Purchase of Raw Materials	1,28,73,359	1,51,72,889
Capital Goods	-	-
Commission	1,62,49,828	63,30,946
<b>c) Dividends remitted in Foreign Currency</b>		
<b>Final Dividend</b>		
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
<b>Interim Dividend</b>		
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	5,82,344
Period to which dividend relates	2016-17	2015-16
<b>d) Earnings in Foreign Exchange</b>		
Export of Goods (FOB)	2,32,12,38,642	1,52,83,49,777
<b>e) Effect of Exchange Fluctuations including Forward Contracts:</b>		
Statement of Profit and Loss Account	3,25,45,576	2,95,24,699

### 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	31/03/2017	31/03/2016
i) Contribution to Provident and Other Funds	29,65,341	29,36,072
ii) Contribution to Employee's State Insurance Corporation	1,24,392	69,734

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 2 Defined benefit plans / compensated absences - As per actuarial valuation

Assumption	April 2016 – March 2017
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	8.00%
Salary Escalation Current Period	8.00%
<b>Table showing change in benefits obligations</b>	
Present Value of DBO at Start of Period	1,96,07,813
Current Service Cost	12,30,740
Past Service Cost	-
Interest Cost	15,19,137
Net Transfer In/(Out)	-
Benefit Paid	(12,37,212)
Actuarial (gain)/loss	(5,28,949)
Present Value of DBO at end of period	2,05,91,529

### 36. SEGMENT REPORTING

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.
  - Vapi Enviro Management System Private Limited
- b) Key Managerial Personnel:
  - Mrs. Paru M. Jaykrishna
  - Mr. Munjal M. Jaykrishna
  - Mr. Meet Joshi
- c) Relative of Key Managerial Personnel
  - Mr. Mrugesh 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	31/03/2017	31/03/2016
<b>A Enterprises own or significantly influenced by key managerial personnel or their relatives</b>		
1 Asahi Songwon Colors Limited		
Purchase of Goods	1,00,78,294	81,53,656
Sales of Goods	-	8,50,211
2 Akshar Silica Pvt Ltd.		
Investment	4,74,72,500	-
3 Skyways		
Rent Paid	2,01,500	1,86,000
4 Skyjet Aviation Pvt. Ltd.		
Air Tickets booking services	39,99,994	18,80,060
<b>B Key Managerial Personnel and their relatives</b>		
1 Mrs. Paru M. Jaykrishna		
Remuneration	72,00,000	72,00,000
Perquisites	79,400	-
Provident Fund Contribution	8,64,000	8,64,000
Commission	50,00,000	
2 Mr. Munjal M. Jaykrishna		
Remuneration	48,00,000	48,00,000
Perquisites	2,61,500	-
Provident Fund Contribution	5,76,000	5,76,000
Commission	50,00,000	
3 Mr. Mrugesh Jaykrishna		
Consultancy	1,80,000	1,80,000
4 Mr. Meet Joshi		
Salary and allowances	4,43,598	4,14,000
<b>C Subsidiary Company</b>		
1 Akshar Pigments Pvt. Ltd.		
Investment	-	99,900

\*During the year, Company has disposed off 9,990 equity Shares in Akshar Pigments Private Limited, hence as on 31.03.2017 the Company is not having any subsidiary.

### 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.

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

- a. Gross amount required to be spent by the Company during the year: Rs. 51.13 Lakhs (Previous year Rs. 41.13 Lakhs)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### b. Amount spent and utilized during the year on:

(Rs. Lakhs)

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	-	-	-	-	-	-
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	58.43	-	58.43	14.00	-	14.00
	b) Expenditure on Administrative Overheads for CSR	2.50	-	2.50	-	-	-
	<b>Total</b>	<b>60.93</b>	<b>-</b>	<b>60.93</b>	<b>14.00</b>	<b>-</b>	<b>14.00</b>

### 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.

### 41. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS):

During the year, the Company had specified bank notes { SBNs} and other denomination notes as defined in the MCA notification G.S.R. 308 {E} dated 31st March,2017,on the details of Specified Bank Notes {SBNs} held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rupees)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8th November,2016	12,01,500	7,22,438	19,23,938
{+} Permitted receipts	-	13,77,750	13,77,750
{-} Permitted payments	-	5,19,944	5,19,944
{-} Amount deposited in banks	12,01,500	-	12,01,500
<b>Closing cash in hand as on 30th December, 2016</b>	<b>-</b>	<b>15,80,244.00</b>	<b>15,80,244.00</b>

\* For the purpose of this clause "Specified Bank Notes": shall have the same meaning provided in the notification of the Government of the India, in the Ministry of Finance. Department of Economic Affairs number S.O. 3407{E}, dated the 8th November, 2016.

42. 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: 05/07/2017

**Meet J. Joshi**  
Company Secretary

For and on behalf of the Board

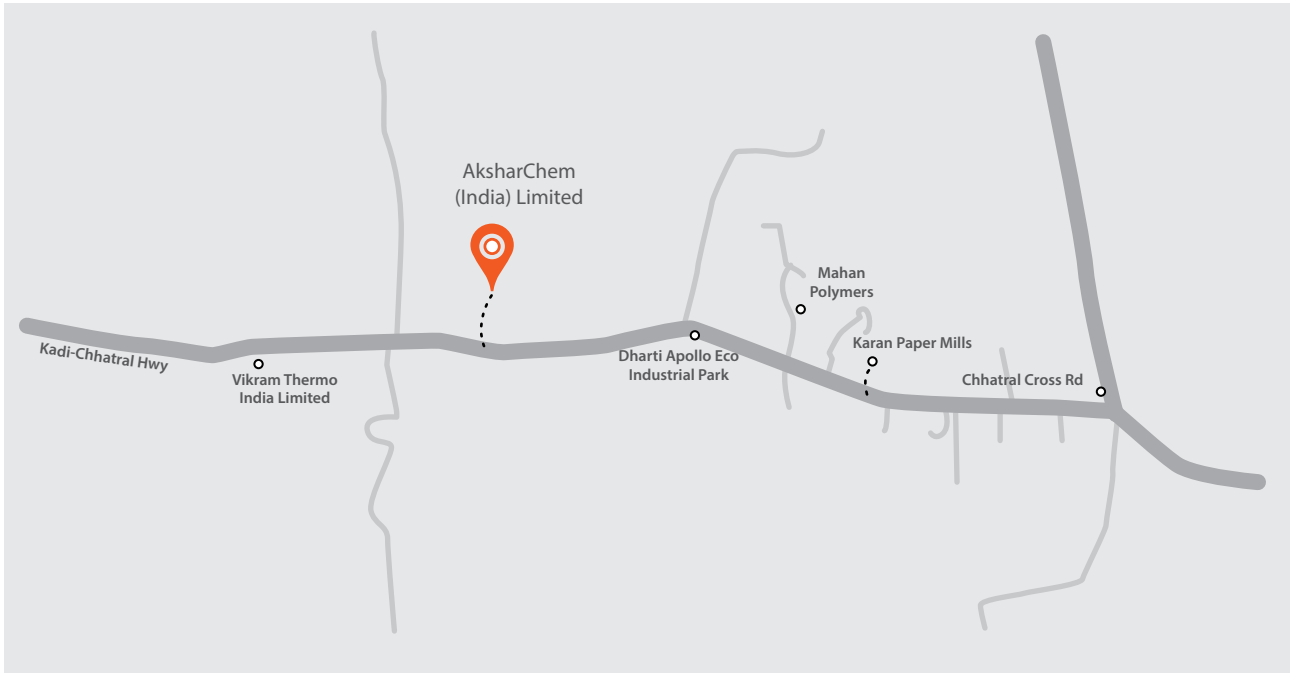
**Paru M. Jaykrishna**

Chairperson & Mg. Director  
DIN: 00671721

**Munjal M. Jaykrishna**

Jt. Managing Director & CFO  
DIN: 00671693  
Place : Indrad, Mehsana  
Date: 05/07/2017

**CHHATRAL CROSS ROAD TO AKSHARCHEM (INDIA) LIMITED**  
**Route map to AGM**







**AksharChem**

**AKSHARCHEM (INDIA) LIMITED**

"Akshar House"

166/169, Village: Indrad

Kadi-Kalol Road,

Dist: Mehsana -382 715, Gujarat

T: + 91 2764 233 007

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CIN: L24110GJ1989PLC012441