



AksharChem

AksharChem (India) Ltd.

[Formerly Known as Audichem (India) Ltd.]

A N N U A L
R E P O R T
2 0 1 0 - 2 0 1 1



BOARD OF DIRECTORS

Mrs. PARU M. JAYKRISHNA	<i>CHAIRPERSON & MANAGING DIRECTOR</i>
Mr. GURCHARAN SINGH	<i>ADDITIONAL DIRECTOR</i>
Prof. PRADEEP JHA	
Mr. PARAM J. SHAH	
Mr. KIRAN J. MEHTA	
Mr. GOKUL M. JAYKRISHNA	<i>JOINT MANAGING DIRECTOR</i>
Mr. MUNJAL M. JAYKRISHNA	<i>JOINT MANAGING DIRECTOR</i>

AUDITORS

M/s. TRUSHIT CHOKSHI & ASSOCIATES

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE & WORKS

166/169, INDRAD VILLAGE
KADI KALOL ROAD,
DIST. MEHSANA
GUJARAT — 382 727 (INDIA)

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of AKSHARCHEM (INDIA) LIMITED will be held on Tuesday, 30th August, 2011 at 11.30 A.M. at the Registered Office of the Company situated at 166-169, Village : Indrad, Kadi - Kalol Road, Dist: Mehsana, Gujarat, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Audited Balance Sheet as at that date and the Director's and Auditor's report thereon.
2. To appoint a Director in place of Mr. Param J. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Prof Pradeep Jha who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Gurcharan Singh, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 7th July, 2011 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 together with a deposit of Rs. 500/- in cash proposing his candidature for the office of the Director of the Company, be and is hereby appointed as an Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) such other approvals, permissions and sanctions from Central Government, if required, approval of the Company be and is hereby accorded to the reappointment of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company for a period of 5 years with effect from 1st April, 2011 on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mrs. Paru M. Jaykrishna as the Chairperson and Managing Director, the Company has no profits or its profit are inadequate, the Chairperson and Managing Director shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised further to alter, vary and/or amend the terms and conditions of re-appointment including the remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereof."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

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7. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) such other approvals, permissions and sanctions from Central Government, if required, approval of the Company be and is hereby accorded to the reappointment of Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company for a period of 5 years with effect from 1st April, 2011 on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Gokul M. Jaykrishna as the Joint Managing Director, the Company has no profits or its profit are inadequate, the Joint Managing Director shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised further to alter, vary and/or amend the terms and conditions of re-appointment including the remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereof.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

By order of the Board of Directors

Place : Indrad, Mehsana

Date : 07/07/2011

Registered Office :

166-169, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 727 (India)

Mrs. Paru M. Jaykrishna

Chairperson and Managing Director

NOTES

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

PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY ATLEAST 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business at Item No. 5 to 7 is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. A brief resume of Directors retiring by rotation and directors seeking reappointment with nature of their expertise in specific functional areas and name of Companies in which they hold directorship and membership/ chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.
6. Members who hold shares in dematerialised form are requested to fill their Client ID and DP ID numbers and those hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain close from Thursday, 25th August, 2011 to Tuesday, 30th August, 2011 (both days inclusive).
8. (a) Members are requested to notify immediately any change of address:
 - i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii) to the Company or to its Share Transfer Agents in respect of their physical share folios, if any.(b) In case the mailing address on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately.
9. The members can also avail facility of nomination in terms of extant legal provisions in this regard. On request, the necessary form will be supplied by the Registrar and Share Transfer Agents.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing service of notices / documents including Annual Report by e-mails to its members. To support this green initiative of the Government in full measure, members are requested to register their email address with the Company or the Registrar and Share Transfer agent.
11. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has to transfer dividend which remain unpaid/ unclaimed for a period of 7 years from the date it become due for payment to Investors Education and Protection Fund (IEPF) of the Central Government. Members who have not encashed dividend cheque for the financial year 2004-05 and 2005-2006 are requested to approach the Company or RTA for the payment thereof.
12. Members desirous of obtaining any information or clarification concerning to accounts and operations of the Company are requested to write to the Company at least 7 days in advance of the meeting.

ANNEXURE TO THE NOTICE

Disclosure pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking reappointment/appointment at the forthcoming Annual General Meeting (Refer Item No. 5 to 7) of the Notice

Name of Director	Mr. Param J. Shah	Prof. Pradeep Jha	Mr. Gurcharan Singh	Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna
Designation	Independent Director	Independent Director	Independent Director	Executive Director	Executive Director
Date of Birth	30/12/1980	28/11/1945	03/12/1949	05/08/1943	24/10/1968
Date of Appointment	13/08/2010	28/05/2002	07/07/2011	04/07/1989	01/01/1994
Expertise in specific functional areas	Academician with over 11 years experience. He has wide knowledge in Finance and Law.	Academician with over 34 years experience. He is senior Professor of Mathematics.	Retd IAS Officer, worked as additional chief secretary of the Government of Gujarat	Experience of more than 39 years in the business of travel and chemicals.	He possesses rich experience of more than 22 years in Finance and Marketing
Qualification and Experience	MBA, M. Com, LLB	M. Sc (Maths)	B.Sc. LLB	MA, LLB	Major in Finance and Marketing
No of Equity Shares held as on 31.03.2011	Nil	Nil	Nil	853271	431843
List of outside Company Directorship held	Nil	Asahi Songwon Colors Limited	Nil	Nil	Nil
Chairman / Member of Committees of the Board of Directors of the Company	- Audit committee. - Remuneration committee. - Shareholders / Investors Grievances Committee.	- Audit committee. - Remuneration committee. - Shareholders / Investors Grievances Committee.	Nil	Nil	Nil
Chairman / Member of Committees of Directors of Companies in which he/she is a Director					
a) Audit Committee	Nil	Asahi Songwon Colors Ltd	Nil	Nil	Nil
b) Shareholders/ Investors Grievance Committee	Nil	Asahi Songwon Colors Ltd	Nil	Asahi Songwon Colors Ltd	Nil

ANNEXURE TO THE NOTICE

Explanatory statement in pursuant to the provisions of Section 173 (2) of the Companies Act, 1956

Item No. 5

The Board of Directors of the Company at their meeting held on 7th July, 2011 appointed Mr. Gurcharan Singh as Additional Director on the Board of the Company. As per the provisions of Section 260 of the Companies Act, 1956, he hold office up to the date of ensuing Annual General Meeting and is eligible for the appointment as Director of the Company liable to retire by rotation.

Mr. Gurcharan Singh is a Retd IAS Officer who has held very senior position in Government of Gujarat. He was the additional chief secretary to the Government of Gujarat. Keeping in view the experience, expertise, knowledge of Mr. Gurcharan Singh, the Board recommends his appointment as a Director of the Company.

Details regarding the person proposed to be appointed as Director and his brief resume are given in the Annexure to the Notice.

The Company has received a notice from the member proposing his candidature for his appointment as Director liable to retire by rotation along with deposit of Rs. 500/- in cash.

Item No. 6

At the 17th Annual General Meeting held on 26th September, 2006, Mrs. Paru M. Jaykrishna was reappointed as Chairperson and Managing Director of the Company for a further period of five years with effect from 1st April, 2006 to 31st March, 2011. The Board of Directors, at their meeting held on 11th April, 2011 has decided to reappoint Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company for a further period of 5 years with effect from 1st April, 2011, subject to the approval of the shareholders in the general meeting by way of a special resolution.

Mrs. Paru M. Jaykrishna, 68 years, is a M.A. LLB from University of Gujarat. She is one of the renowned women entrepreneurs of India. She was the first lady elected as President of Gujarat Chambers of Commerce and Industry. Under her able leadership, the Company has achieved phenomenal growth since inception to the current year.

The brief particulars of her terms and conditions of remuneration are mentioned herein below:

1. Tenure of Appointment : 5 years with effect from 1st April, 2011.
2. Remuneration :
 - a. Basic Salary :

Rs. 1,00,000/- per month to Rs. 2,00,000/- with such revisions as approved by the Board from time to time. Presently, Chairperson and Managing Director shall not be paid any remuneration by way of Salary.
 - b. Commission :

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.
3. Perquisites:

In addition to the salary and commission as outlined above, the Chairperson and Managing Director shall be entitled to perquisites/allowances as under:

Category "A"

 - a. Housing :
 - i) The expenditure incurred by the Company on hiring furnished accommodation for the Chairperson and Managing Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Chairperson and Managing Director.
 - ii) In case the accommodation is owned by the Company, 10% of the salary of Chairperson Managing Director shall be deducted by the Company.
 - iii) In case no accommodation is provided by the Company, Chairperson and Managing Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.

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Explanation :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.

b. Medical Reimbursement :

The Company shall reimburse expenses incurred for the Chairperson and Managing Director for herself and her family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.

c. Leave Travel Concession :

For the Chairperson and Managing Director and her family once in a year incurred in accordance with the rules of the Company.

d. Insurance :

Insurance policy to cover personal effects, personal accident and medical expenses.

e. Club Fees :

Fees of clubs subject to maximum two clubs. This will include admission or entrance fees and monthly and annual subscriptions.

f. Entertainment Expenses :

The Company shall reimburse entertainment expense actually incurred in the course of business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.

Explanation:

For the purposes of Category "A" family means the spouse, the dependent children and dependent parents of the Chairperson and Managing Director.

Category "B" :

Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration.

Category "C" :

The Company shall provide a car with driver and telephone at residence. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Chairperson and Managing Director.

4. Overall Remuneration:

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 read with read with Schedule XIII of the Companies Act, 1956 or any statutory modifications or re-enactments thereof.

5. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Chairperson and Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956.

Mrs. Paru M. Jaykrishna is aged 68 years and her age may override the maximum age limit of directors during her tenure hence in terms of the provisions of Companies Act, 1956 consent of the members by way of special resolution is required for re-appointment of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company. The Board hereby recommends the resolution for your approval.

The Chairperson and Managing Director so long as she functions as such shall not be paid any sitting fees for attending the meetings of Board or Committee thereof.

The Chairperson and Managing Director shall not be liable to retire by rotation under Section 256 of the Companies Act, 1956.

Copy of draft supplementary agreement to be entered between the Company and Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company is available for inspection at the Registered Office of the Company on any working days during usual business hours up to the Annual General Meeting.

This may be treated as the abstract and memorandum of interest pursuant Section 302 of the Companies Act, 1956. None of the Directors, except Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna are interested or concerned in the aforesaid resolution.

Item No. 7

At the 17th Annual General Meeting held on 26th September, 2006 the shareholders had approved the reappointment of Mr. Gokul M. Jaykrishna as Executive Director of the Company for a further period of 5 years with effect from 1st April, 2006 to 31st March, 2011. At the 21st Annual General Meeting, the shareholders approved the revision in remuneration and change in his designation from Executive Director to Joint Managing Director of the Company. The Board of Directors, at their meeting held on 11th April, 2011 reappointed Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company for a further period of 5 years with effect from 1st April, 2011, subject to the approval of the shareholders in the general meeting.

Mr. Gokul M. Jaykrishna, aged around 42 years is a Major in Finance from Lehigh University, Bethlehem. He is associated with the Company since 1994. He is looking after finance, marketing and overall development of the Company. The brief particulars of his terms and conditions of remuneration are mentioned herein below:

1. Tenure of Appointment : 5 years with effect from 1st April, 2011.
2. Remuneration :
 - a. Basic Salary :

Rs. 50,000/- per month with effect from 1st April, 2011 with such revisions as approved by the Board from time to time.
 - b. Commission :

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.
3. Perquisites:

In addition to the salary and commission as outlined above, the Joint Managing Director shall be entitled to perquisites/allowances as under:

Category "A"

 - a. Housing :
 - i) The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Joint Managing Director.
 - ii) In case the accommodation is owned by the Company, 10% of the salary of Joint Managing Director shall be deducted by the Company.
 - iii) In case no accommodation is provided by the Company, Joint Managing Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.

Explanation :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.

- b. Medical Reimbursement :

The Company shall reimburse expenses incurred for the Joint Managing Director for himself and his family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.
- c. Leave Travel Concession :

For the Joint Managing Director and his family once in a year incurred in accordance with the rules of the Company.

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d. Insurance :

Insurance policy to cover personal effects, personal accident and medical expenses.

e. Club Fees :

Fees of clubs subject to maximum two clubs. This will include admission or entrance fees and monthly and annual subscriptions.

f. Entertainment Expenses :

The Company shall reimburse entertainment expense actually incurred in the course of business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.

Explanation :

For the purposes of Category "A" family means the spouse, the dependent children and dependent parents of the Joint Managing Director.

Category "B" :

Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration.

Category "C" :

The Company shall provide a car with driver and telephone at residence. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Joint Managing Director.

4. Overall Remuneration:

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 or any statutory modifications or re-enactments thereof.

5. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Joint Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956.

In terms of the provisions of Companies Act, 1956, consent of the members is required for re-appointment of Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company. The Board hereby recommends the resolution for your approval.

The Joint Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of Board or Committee thereof.

The Joint Managing Director shall not be liable to retire by rotation under Section 256 of the Companies Act, 1956.

Copy of draft supplementary agreement to be entered between the Company and Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company are available for inspection at the Registered Office of the Company on any working days during usual business hours up to the Annual General Meeting.

This may be treated as the abstract and memorandum of interest pursuant Section 302 of the Companies Act, 1956.

None of the Directors, except Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna are interested or concerned in the aforesaid resolution.

By order of the Board of Directors

Place : Indrad, Mehsana

Date : 07/07/2011

Registered Office :

166-169, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 727 (India)

Mrs. Paru M. Jaykrishna

Chairperson and Managing Director

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Second Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

Particulars	Current Year 2010-2011	(Rs. in Lacs) Previous Year 2009-2010
Sales and Income from Operations	8,455.65	8,157.62
Other Income	586.88	62.74
Income / (Decrease) in stock	485.35	56.83
Total Income	9,527.88	8,277.19
Profit/(Loss) for the year before Interest & Depreciation	862.52	440.47
Less : Interest	153.64	189.65
Profit/(Loss) for the year before Depreciation	708.88	250.82
Less : Depreciation	87.67	86.01
Profit/(Loss) for the year before Taxation	621.21	164.81
Less : Provision for Current Tax	0.26	1.12
Less : Provision for Deferred Tax (Net)	(16.34)	11.67
Profit/(Loss) for the year after Tax	637.29	152.02
Less : Prior Period Adjustments (Net)	—	0.70
Net Profit/(Loss) for the year	637.29	151.32
Add : Balance brought forward from last year	198.20	46.88
Balance Carried over to Balance Sheet	835.49	198.20
Earning per Share (EPS) in Rs. (Basic & Dilute per share of face value of Rs. 10/- each)	18.73	4.45

FINANCIAL PERFORMANCE**Results of Operations**

During the year under review, the Company has earned a total income of Rs. 9,042.53 Lacs as compared to Rs. 8,220.36 Lacs of the previous year.

The net sales of the Company increased from Rs. 7,590.66 Lacs to Rs. 7,941.50 Lacs during the year.

Exports

The Export sales of the Company increased from Rs. 7,020.17 to Rs. 7,345.70 Lacs compare to previous year. Your Directors are confident to explore better overseas market in the year to come.

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DIVIDEND

To conserve the resources, your Directors do not recommend any dividend to the for the current financial year.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

A Management Discussion and Analysis Report as required under the Clause 49 of the Listing Agreement is annexed to and forming part of the Directors' Report

DIRECTORATE

In accordance with provision of the Companies Act, 1956 and the Articles of Association of the Company Mr. Param J. Shah and Prof Pradeep Jha retire by rotation as Directors at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. A brief resume, expertise and details of other directorships of these directors are attached along with the Notice of the ensuing Annual General Meeting.

Mr. Gurcharan Singh was appointed as Additional Director of the Company with effect from 7th July, 2011. He shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of Rs. 500/- pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director liable to retire by rotation. The Board recommends his appointment as Director.

The Board of Directors in their meeting held on 11th April, 2011 has reappointed Mrs. Paru M. Jaykrishna as Chairperson and Managing Director and Mr. Gokul M. Jaykrishna as Joint Managing Director of the Company with effect from 1st April, 2011 for a further period of 5 years respectively, subject to approval of shareholders at the ensuing Annual General Meeting. The Company is seeking your approval for their reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanations in case of material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad were appointed as the Statutory Auditors of your Company at the last Annual General Meeting to hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from the statutory auditors to the effect that their re-appointment if made, would be in accordance with the provisions of Section 224(1) (B) of the Companies Act, 1956. You are requested to consider their reappointment.

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

FIXED DEPOSITS

The Company has neither accepted nor renewed any fixed deposits from the public during the year and as on 31st March, 2011 there was no outstanding deposits.

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

The information required pursuant to provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure – 1 to this Directors' Report.

STATEMENT OF EMPLOYEES' PARTICULARS

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, none of the employee of the Company was in receipt of a remuneration aggregating to Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- per month in case employed through out the financial year or part thereof during the financial year.

CORPORATE GOVERNANCE

The Company has been proactive in following the principles and practices of good corporate governance. A report in line with requirements of Clause 49 of the listing agreement with the Stock Exchange(s) followed by the Company is annexed as per Annexure – III along with an Auditors Certificate on Corporate Governance and a Declaration by the Management Director with regard to Code of Conduct.

COST AUDITORS

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

Mr. Manish B. Analkat is appointed as Cost Auditors of the Company.

SECRETARIAL AUDIT REPORT

As required under the provisions of Section 383A of the Companies Act, 1956 and the rules made there under, a certificate is attached herewith as per Annexure -IV and the same forms part of this Report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations of the Company with all its employees and workers remained cordial and harmonious through out the year. Your directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

FINANCE AND INSURANCE

The Company is financed by State Bank of India for both working capital and term loans.

The CARE has assigned "BBB-" rating to the long term bank loans/facilities and "PR 3" rating for to the short term bank loans/facilities as per Basel – II norms.

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

SAFETY, HEALTH AND ENVIRONMENT

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

Safety records showed further improvements and Zero accident target is achieved. This was made possible by strict adherence to laid down procedures and following of international guidelines.

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

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

Your Company has ISO 14001:2004 and ISO 9001-2008 certification for its unit.

APPRECIATION AND ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Place : Indrad, Mehsana
Date : 07/07/2011
Registered Office :
166-169, Village Indrad
Kadi – Kalol Road, Dist : Mehsana
Gujarat – 382 727 (India)

Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 and forming part of the Directors' Report for the year ending 31st March, 2011.

I. (A) ENERGY CONSERVATION MEASURES TAKEN DURING THE YEAR 2010-11

- a. Energy conservation measures taken :

Energy conservation is an ongoing and focused area of the Company. Potential energy saving necessary have been identified and implemented which includes: Replacement of motors with energy efficient ones and with appropriate capacities. Replacement of pumps with appropriate and efficient pumps.

- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy : No

- c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The adoption of energy conservation measures indicated above has resulted in awareness amongst the employees and shall have impact on savings of extra costs on energy.

- d. Total energy consumption and energy consumption per unit of production : As per Form A

FORM 'A'

Sr. No.	Particulars	Unit of Measurement	2010-2011	2009-2010
A) POWER & FUEL CONSUMPTION				
1. Electricity				
a.	Purchased			
	Unit	Lacs KWH	65.48	50.85
	Total amount	Rs. in Lacs	329.81	232.98
	Rate/Unit	Rupees	5.04	4.58
b.	Own Generation			
	Unit generated through diesel generator	Lacs KWH	NA	NA
	Unit per litre of diesel oil	Rs. in Lacs	NA	NA
	Cost/Unit	Rupees	NA	NA
2. Diesel/Furnace Oil				
	Unit	Thousand Ltrs	300.80	175.81
	Total amount	Rs. in Lacs	105.62	43.55
	Rate/Unit	Rupees	35.11	24.77
3. Lignite, Coal & other Fuels				
	Unit	Thousand Kgs	12,168.23	8,082.85
	Total amount	Rs. in Lacs	445.95	252.94
	Rate/Unit	Rupees	3.66	3.13
B) CONSUMPTION PER UNIT OF PRODUCTION (DYE INTERMEDIATE)				
	Unit cost per MT. of product			
	Electricity	(Units/Ton)	1,091.81	808.28
	Diesel/furnace oil	(Ltrs./Ton.)	50.16	27.94
	Lignite, Coal and other fuels	(kg/ton)	2,028.94	1,284.72

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption in Form "B"

**RESEARCH & DEVELOPMENT (R & D)
FORM "B"**

1. Specific area in which R & D carried out by the Company

The Research and Development department continued to direct its efforts towards the development of technology for Dye Intermediates and auxiliaries meant for exports.

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

- Research and Development work in enrichment of the Company's product range with promising new products and higher value addition due to cost reduction by way of process improvements, energy savings and reduction of chemical waste.

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- With installation of Quality System and Total Quality Management, we have been able to get ISO 9001:2008 accreditation and this in turn, has enabled us to plan, manufacture and supply material of International Standards. This activity has resulted in up gradation of all the documentation on the products to specify complete manufacturing and quality assurance needs.
- The company has received ISO 14001-2004 Certification.

3. Future plan of action

Research and Development activities are being intensified to improve quality, develop product variants and improve productivity.

4. Expenditure on Research & Development

	2010-2011	(Rs. in Lacs) 2009-2010
Capital	7.41	0.85
Revenue/Recurring	2.94	4.21
Total	10.35	5.06
Total Expenditure as % of turnover	0.12%	0.06%

5. Technology absorption, adaptation and innovation

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

The Research & Development Department absorbs the knowledge of chemical technology from various sources and thereafter adapts the same to the Company's infrastructure, effect improvements to the products and processes of the Company including containment of pollution and control of effluents.

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

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

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

- Technology imported : NIL
- Year of Import : Not Applicable
- Has technology been fully absorbed? : NIL

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

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

During the year the Company exported Vinyl Sulphone valuing to Rs. 7,282.77 Lacs (Previous Year Rs. 7,004.78 Lacs) to various countries around the World. The Company exports its product to USA, Middle East, Europe and Asian Countries. Continuous efforts are being taken to increase exports by exploring new markets.

- b. Foreign Exchange used and earned:

	2010-2011	(Rs. in Lacs) 2009-2010
Foreign Exchange Earned	7,282.77	7,004.78
Foreign Exchange Used	22.00	11.73

ANNEXURE - II TO THE DIRECTORS' REPORT**MANAGEMENT DISCUSSION AND ANALYSIS****OVERVIEW**

The Company is engaged in the manufacturing of Dyes and Dyestuff. The principal product of the Company is Vinyl Sulphone. Vinyl Sulphone is used as a key raw material in the manufacturing of reactive dyes, which is having application in color paints, pigments, rubber, textiles, plastics and leathers.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Chemical Industry occupies an important place in the India's economy. Its size is estimated around US\$ 35 billion approx, contributes 3% to India's GDP and 14% of total exports, employs around 1 million and is the largest in Asia and 12th in the World. The dyestuff sector is one of the important segments of the chemicals industry in India. The global dyestuff industry has witnessed a gradual shift of manufacturing facilities from the developed countries to Asia, particularly China and India due to high cost of production, environmental constraints, availability of trained and inexpensive manpower. Vinyl Sulphone a part of dyestuff industry has also witnessed good demand as result.

OPPORTUNITIES AND THREATS

The rising cost of raw material and exchange rate fluctuation are concern to the Company. Your Company is one of the leading suppliers of Vinyl Sulphone and have regular list of buyers/importers from various countries including multinationals. The Company is competitive in pricing, consistent in quality and timely delivery.

OUTLOOK

After the global meltdown, the business around the world is showing sign of recovery. India in particular has done extremely well. The demand for your product has shown good global demand and is expected to continue for the financial year 2011-12.

RISK & CONCERNS

Your company is working in a very global competitive business environment where, major source of income comes from exports, hence, fluctuation in the foreign exchange rate and general economic condition effect the performance of the Company. The future of the industry is directly linked to the environmental protection policy of the Government.

The volatility of raw material prices continues to be challenge for the Company. However, the Company keeps constant monitoring on the cost of raw materials, energy and transportation to mitigate the risk. The Company is having a well structured risk management system under the guidance of experienced Board of Directors.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has suitable and proper internal control system according to the nature of its business and its size to ensure propriety in the utilization of funds, safeguarding of assets against unauthorized use or disposition, true and fair reporting and compliance with all the applicable regulatory laws and company polices. Internal Auditors conduct audits of the performance of various departments, functions and also statutory compliances based on annual audit plan. They report their observations / recommendations to the Audit Committee of the Board of Directors. Internal control systems are reviewed by Audit Committee on a regular basis for its effectiveness and the necessary changes suggested are incorporated into the system.

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FINANCIAL PERFORMANCE

In the year under review, in spite of rising cost of raw materials, the Company was able to sustain its performance primarily on account of efficient cost management.

Particulars	(Rs. In Lacs)	
	2010-2011	2009-2010
Net Turnover	8,455.65	8,157.62
Other Income	586.88	62.74
Total Expenditure	8,180.01	7,779.89
Operating Profit (PBIDT)	862.52	440.47
Interest	153.64	189.65
Depreciation	87.67	86.01
Profit Before Tax	621.21	164.81
Tax Expenses	(16.08)	12.79
Profit after Tax	637.29	152.02
Exceptional Items	—	0.70
Net Profit	637.29	151.32
EPS (Rs) (of Rs. 10/- each)	18.73	4.45

RESULTS OF OPERATIONS

During the year under review, the Company has earned a total income of Rs. 9,042.53 Lacs as compared to Rs. 8,200.36 Lacs of the previous year.

The net sales of the Company increased from Rs. 7,590.66 Lacs to Rs. 7,941.50 Lacs during the year.

EXPORTS

The Export sales of the Company increased from Rs. 7,020.17 to Rs. 7,345.70 Lacs as compare to the previous year. Your Directors are confident to explore better overseas market in the year to come.

HUMAN RESOURCES DEVELOPMENT

The Industrial relations remained normal and there were no significant labour issues outstanding or remaining unresolved during the year. The Board of Directors and the Management wish to place on record their appreciation for the efforts put in by all employees to achieve good performance.

CAUTIONARY STATEMENT

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

ANNEXURE - III TO THE DIRECTORS' REPORT**CORPORATE GOVERNANCE REPORT 2010-2011**

As required by Clause 49 of the Listing Agreement with the Stock Exchange(s), a report on Corporate Governance is furnished below:

MANDATORY REQUIREMENTS**1. Company's Philosophy on Code of Governance**

AksharChem (India) Limited endeavors to practice good corporate governance to ensure transparency, integrity and accountability of its functioning. Our governance practice is to build the trusts between the Company and its stakeholders viz. shareholders, customers, suppliers and employees.

Your company has fully complied with the provisions of Clause 49 of the Listing Agreement with Stock Exchange(s). The details of compliances are as follows:

2. Board of Directors**2.1. Composition of the Board**

The Board of Directors as on 31st March, 2011 comprises of six Directors out of which three are Executive Directors and three are Non-Executive Directors. The three Executive Directors includes one Chairperson and Managing Director and two Joint Managing Directors and who are promoter of the company. All three Non-Executive Directors are independent directors.

Independent Directors

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

The independent directors on the Board are senior, competent and highly respected persons from their receptive fields. None of the Directors on the Board is a Member on more than 10 committees. Necessary disclosures have been made by the Directors in this regards.

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

2.2. Non-Executive Directors' Compensation and Disclosures

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

2.3. Other provisions as to the Board and Committees

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

The meetings of the Board of Directors are held at periodical intervals and are generally at the Registered Office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. Senior level employees are often invited to attend the Board Meeting and provide clarifications as and when required. During the

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year under review, the Board of Directors met five (5) times and time gap between two meetings does not exceed four months. The details of Board Meeting and Attendance thereof are as below:

Sr. No.	Date of Board Meeting	Place	No. of Directors Present
1.	25.05.2010	Indrad, Kadi	4
2.	13.08.2010	Indrad, Kadi	6
3.	28.08.2010	Indrad, Kadi	5
4.	20.10.2010	Indrad, Kadi	6
5.	01.02.2011	Indrad, Kadi	5

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

Name of the Director	No. of Outside Directorship Held		No. of Outside Committee Positions Held		No. of Board Meetings		Attended at Last AGM
	Public	Private	Public	Private	Held	Attended	
Mrs. Paru M. Jaykrishna	1	5	1	—	5	5	Yes
Prof. Pradeep Jha	1	—	—	—	5	4	No
Mr. Kiran J. Mehta	—	—	—	—	5	5	Yes
Mr. Prafulchandra V. Patel@	—	—	—	—	1	—	No
Mr. Param J. Shah*	—	—	—	—	4	3	No
Mr. Gokul M. Jaykrishna	1	6	—	—	5	5	Yes
Mr. Munjal M. Jaykrishna	1	6	—	—	5	4	Yes

* Appointed as Director with effect from 13.08.2010.

@ Resigned from directorship with effect from 13.08.2010.

2.4 Information placed before the Board of Directors

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

1. The minutes of the meetings of the Board, Audit Committee and Shareholder/Investor Grievances Committee.
2. Quarterly, half yearly and annual financial results of the Company and its operating divisions.
3. Annual operating plans and budgets and any updates thereon.
4. Capital budgets and any updates thereof.
5. The information on recruitment and remuneration of senior officers just below the board level, including the appointment or removal of Chief Financial Officer and the Company Secretary.
6. Materially important show cause show cause, demand, prosecution and penalty notices.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
8. Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal courses of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing agreements and shareholders service such as non-payment of dividend, delay in share transfer etc.
16. Appointment of statutory auditor, secretarial auditor, cost auditor and internal auditor.
17. General Disclosure of Interest.
18. Contracts in which director(s) are deemed to be interested.
19. Details of investment of surplus funds available with the Company.
20. Cost Audit Report / Secretarial Audit Report.

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

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

Mr. Gurcharan Singh was appointed as an Additional Director with effect from 7th July, 2011.

At the Board Meeting held on 11th April, 2011 Mrs. Paru M. Jaykrishna was reappointed as Chairperson and Managing Director with effect from 1st April, 2011 and Mr. Gokul M. Jaykrishna was reappointed as Joint Managing Director of the Company with effect from 1st April, 2011.

2.6 Code of Conduct

The Company has laid down a Code of a Conduct for its Board of directors and Senior level employees which is adhered to by all the concerned persons. The Code has adopted by the Board and senior level employees from the financial year 2010-11.

3. COMMITTEE OF THE BOARD

The Company has three Board level Committees, namely:

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

3.1 Audit Committee

i) Composition of Audit Committee

The Audit Committee constituted by the Board of Directors as per the provisions of Clause 49 of the listing Agreements as well as Section 292A of the Companies Act, 1956, comprises of three members, who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the Audit Committee Meeting. On 13.08.2010 the Audit committee was reconstituted due to the resignation of Mr. Prafulchandra V. Patel. The following are members of Audit Committee:

1. Mr. Kiran J. Mehta – Chairman
2. Prof Pradeep Jha – Member
3. Mr. Param J. Sahh – Member

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

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

ii) Meeting and Attendance of the Audit Committee:

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

Name of Members	No. of Meetings	
	Held	Attended
Mr. Kiran J. Mehta	4	4
Prof. Pradeep Jha	4	3
*Mr. Prafulchandra V. Patel	1	—
Mr. Param J. Shah	3	2

* Resigned from directorship with effect from 13.08.2010.

iii) Terms of reference of Audit Committee:

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 2. Changes, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by management.
 4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of any related party transactions.
 7. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- 5A. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue etc) the statement of funds utilized for purposes other than stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the Internal Control Systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the whistle blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO after assessing the qualification, experience & background, etc. of the candidate.
13. Carrying out any other function as in mentioned in terms of reference of the Audit committee.

iv) Review of information by Audit Committee :

The Audit Committee shall mandatory review the following information in their meetings:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

v) Subsidiary Company :

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

3.2. Remuneration Committee

Your Company has a Remuneration Committee which reviews the remuneration to the Executive Directors and recommends the same to the Board of Directors. On 13.08.2010 the remuneration committee was reconstituted due to the resignation of Mr. Prafulchandra V. Patel. All the remuneration is decided by the Board of Directors in accordance with the Shareholder's approval, if necessary. Apart from sitting fees, there is no other remuneration to the Non-Executive Directors.

The Committee comprises of:

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

Constitution of Remuneration Committee:

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

Attendance of Remuneration Committee:

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

The details of members and their attendance are as below:

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

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

Whole – Time Director	Business relationship with the Company	Remuneration paid during the year 2010-11
All elements of remuneration package i.e. salary, benefits, bonus, pension etc. paid during the year		
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	NIL
Mr. Gokul M. Jaykrishna	Joint Managing Director	Rs. 6,00,000
Mr. Munjal M. Jaykrishna	Joint Managing Director	Rs. 6,00,000

1. Service Contract, Notice Period and Severance Fees:

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

2. Stock Option details, if any : NIL

Non Executive Director

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

Shareholding of Directors

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

3.3. Shareholders'/Investors' Grievances Committee :

The shareholder's/investor's grievances committee has been constituted to attend and to redress the investor grievances. On 13.08.2010 the shareholder's/investor's grievances committee was reconstituted.

The Committee comprises of:

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

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

Name of Committee Member	No. of Meetings	
	Held	Attended
Mr. Kiran J. Mehta	1	1
Prof. Pradeep Jha	1	1
Mr. Param J. Shah	1	1

The committee is responsible for:

- A. To monitor work related to:
 - Transfer and/or transmission of the shares of the Company.
 - Dematerialization / remmaterialisation of the shares of the Company.
 - Sub-division, consolidation of any share certificate(s) of the Company.
- B. Approval of issue of duplicate share certificates against the original share certificates.

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

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

Complaint Status :

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

Number of complaints received : NIL

Number of complaints solved : NIL

Number of pending complaints : NIL

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

4. Management

The Management Discussion and Analysis Report forms part of Annual Report as per Clause 49 of the Listing Agreement is as per Annexure - 2.

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

5. CEO/CFO Certification

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

6. General Body Meetings

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

For Financial Year	Venue	Date	Time
2007-08	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	30.09.2008	11.30 a.m
2008-09	At the Registered Office at 166-169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	30.09.2009	11.30 a.m
2009-10	At the Registered Office at 167-168, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	25.09.2010	11.00 a.m

6.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2010-11.

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

No Special resolution was passed in the last three Annual General Meetings.

6.4 Special Resolution passed last year through Postal Ballot

No resolution was passed through Postal Ballot in the Financial Year 2010-11.

6.5 Whether any Special Resolutions are proposed to be passed through Postal Ballot : No

6.6 Procedure for Postal Ballot

☞ The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered addresses of all the shareholders of the Company along with a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.

☞ The Postal Ballot Forms received within 30 days of dispatch are considered by the Scrutinizer.

☞ The Scrutinizer submits his report to the Chairperson and Managing Director of the Company, who on the basis of the report announces the results.

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7. A. Disclosures

1. Related party transactions

The Company places all the information and details as required under this section before the Audit Committee. A Comprehensive details of the related party transactions as required under Accounting Standard (AS) 18 issued by the Institute of Chartered Accountant of India, forms part of Note No. 9 of Part 2 of Schedule 19 to the Accounts in the Annual Report. However, there were no materially significant related party transactions which had potential conflict with the interest of the Company at large.

2. Disclosure of Accounting Treatment

The Company followed all the relevant Accounting Standards as issued by the Institute of Chartered Accountant of India while preparing the Financial Statements.

3. Board Disclosures – Risk Management

The risk management issues are discussed in the Management Discussion & Analysis.

4. Proceeds from public issues, rights issue, preferential issues etc.

During the period under review the Company has not raised any proceeds from public issue, right issue, preferential issue etc.

5. Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities Exchange Board of India (SEBI) and other authorities on all matters relating to capital markets during the last three years.

No penalties/strictures have been imposed on the Company by Stock Exchange or Securities and Exchange Board of India (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years.

6. Whistle Blower

The Company has adopted a Whistle Blower policy and has established necessary mechanism in line with Clause 7 of the Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchange(s) for employees to report concerns about the unethical behaviour. No personnel have been denied access to the Chairman of the Audit Committee.

7. Non-Mandatory Requirements

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchange(s):

- a. Office of the Chairman of the Board and re-imbursement of expenses by the Company

The same is not applicable as the Chairperson of the Company is a Whole time Director.

- b. Remuneration Committee

The Company has a Remuneration Committee in place.

- c. Shareholders' Rights – Furnishing of Half Yearly Results

The Company publishes half yearly result in the newspaper. Further, the Company furnishes the quarterly and half yearly results on request from the shareholders.

- d. Audit Qualifications

The Company, at present, does not have any audit qualifications pertaining to the financial results.

- e. Mechanism for evaluating Non-Executive Board Members

The Company, at present, does not have any mechanism for evaluating the performance of Non-Executive Directors by a peer group.

- f. Whistle Blower Policy

The Company has adopted Whistle Blower Policy.

B. Secretarial Audit for Capital Reconciliation

As stipulated by SEBI, a qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchange(s) and to the Board of Directors. The audit confirms that the total listed and paid-up share capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

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

8. Means of Communication**Results**

The Board of Directors of the Company approves and takes on record the Financial Results and announces the said financial results to the Bombay Stock Exchange Ltd and Ahmedabad Stock Exchange Limited where the shares of the Company are listed. Further, the quarterly/half yearly results are generally published in Local English and Vernacular language newspapers.

Presentation to Institutional Investors or to analysts

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

Management Discussion & Analysis Report

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

Green Initiative in Corporate Governance

Pursuant to Circular No. 17/2011 dated April 21, 2011, Ministry of Corporate Affairs, Government of India has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, Annual Report, documents and other communications from the Company through electronic mode, can register their e-mail addresses with the Company.

Your Company encourages the shareholders to register their email addresses by sending a letter signed by the shareholders to the Company or its Registrar and Share Transfer Agent, Link Intime India Pvt Ltd.

9. General Shareholder's information**i. Annual General Meeting**

Day, Date, Time & Venue

Tuesday, 30th August, 2011 at 11.30 A.M. at the Registered Office of the Company situated at 166-169, Village : Indrad, Kadi - Kalol Road, Dist: Mehsana.

ii. Financial Year Calendar(2011-12) Tentative

Financial Year

1st April, 2011 to 31st March, 2012

Annual General Meeting

August / September, 2012

Results for quarter ended on

30th June, 2011

On or before 14th August, 2011

30th September, 2011

On or before 14th November, 2011

31st December, 2011

On or before 14th February, 2012

31st March, 2012

On or before 14th May, 2012

iii. Date of Book Closure

Closure of Register of Members and Share Transfer Books

The Book Closure is from 25th August, 2011 to 30th August, 2011 (both days inclusive).

iv. Dividend Payment Date

No Dividend has been declared.

v. Listing of Equity Shares on Stock Exchange at

The Equity Shares of the Company are listed at Bombay Stock Exchange Ltd and Ahmedabad Stock Exchange Ltd and Annual Listing Fees for the Financial Year 2011-12 has been paid to the above stock exchanges.

Name and Address of Stock Exchange(s)**Bombay Stock Exchange Limited**

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

Ahmedabad Stock Exchange Ltd

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

vi. Stock Code

524598 (BSEL)

6408 (ASEL)

vii. Market Price Data

High and Low during each month in the (2010-11) financial year on Bombay Stock Exchange Ltd

Month	High (Rs.)	Low (Rs.)
April, 2010	23.00	16.90
May, 2010	26.90	19.75
June, 2010	21.75	18.40
July, 2010	20.95	18.00
August, 2010	24.30	19.10
September, 2010	27.45	21.00
October, 2010	25.00	19.40
November, 2010	20.75	16.10
December, 2010	17.70	12.25
January, 2011	20.25	15.60
February, 2011	18.80	13.00
March, 2011	16.40	14.05

viii. Registrar and Transfer Agent

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

Link Intime India Pvt Ltd**Mumbai Office**

C-133, Pannalal Silk Mills Compound, L. B. S. Marg,
Bhandup (West), Mumbai - 400 078.

Tel : 022-25960320-28 Fax : 022-25960329

Ahmedabad Branch Office

211, Sudarshan Complex, Near Mithakhali Under Bridge,
Navrangpura Ahmedabad - 380 009. Tel : 079-26465179

ix. Share Transfer System

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

x. Distribution of shareholding as on 31st March, 2011
a. Distribution Schedule

Number of Equity Shares Held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
001-500	4558	94.98	634517	18.65
501-1000	124	2.59	103680	3.05
1001-2000	55	1.15	88967	2.61
2001-3000	17	0.35	42455	1.25
3001-4000	11	0.23	37819	1.11
4001-5000	3	0.06	14434	0.42
5001-10000	14	0.29	98804	2.90
10001 & above	17	0.35	2382174	70.01
Total	4799	100.00	3402850	100.00

b. Shareholding Pattern as on 31st March, 2011

Category	No of Shares	% of Shareholding
A. Promoters		
1. Indian Promoters		
Individuals	1716241	50.44
Bodies Corporate	323922	9.51
2. Foreign Promoters	NIL	NIL
Total Promoters Holding	2040163	59.95
B. Non Promoters		
3. Institutional Investors		
a. Mutual Funds	5500	0.16
b. Banks, Financial Institutions, Insurance Companies	NIL	NIL
c. Foreign Institution Investors	NIL	NIL
Sub Total	5500	0.16
4. Others		
a. Bodies Corporate	44238	1.30
b. Indian Public	1287702	37.84
c. NRIs/OCBs	21886	0.64
d. Clearing Members / Clearing House	3361	0.10
Sub Total	1357187	39.89
Grand Total	3402850	100.00

xi. Dematerialization of Shares and Liquidity

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

Details of Demat Shares as at 31st March, 2011

	No of shareholders	No of Shares	% of Capital
NSDL	1,104	26,85,463	78.91
CDSL	434	1,86,667	5.49
Physical Form	3,261	5,30,720	15.60
Total	4,799	3,402,850	100.00

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

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

xiii. Plant Locations

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

xiv. Address for correspondence

At Company

Aksharchem (India) Limited

“Asahi House”, Kadi – Kalol Road, Village : Indrad

Dist : Mehsana - 382 727, Gujarat

Tel : (02764) 233007-10 Fax: (02764) 233020

Email: cs@asahisongwon.com

At Registrar and Transfer Agent

Link Intime India Private Limited

211, Sudarshan Complex, Near Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009

Tel : (079) 26465179 Fax : (079) 26465179

Email: ahmedabad@linkintime.co.in

For and on behalf of the Board

Mrs. Paru M. Jaykrishna

Chairperson and Managing Director

Date : 07/07/2011

Place : Indrad, Mehsana

DECLARATION ON CODE OF CONDUCT

To the Members of AksharChem (India) Limited

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

It is further confirmed that all Directors and Senior Level Employees of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2011, as envisaged in Clause 49 of the Listing Agreement with Stock Exchange(s).

For and on behalf of the Board

Mrs. Paru M. Jaykrishna

Chairperson and Managing Director

Date : 07/07/2011

Place : Indrad, Mehsana

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Aksharchem (India) Limited

We have examined the compliance of conditions of corporate governance by Aksharchem (India) Limited for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending for a period exceeding one month against the company as per the records maintained by the shareholders and Investors Grievance Committee.

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

For, Trushit Chokshi & Associates

Chartered Accountants

Firm No. : 111072W

(Trushit Chokshi)

Proprietor

Membership No. 40847

Date : 07/07/2011

Place : Ahmedabad

ANNEXURE - IV TO THE DIRECTORS' REPORT**COMPLIANCE CERTIFICATE**

Company No.:04:12441

Nominal Capital :Rs.500 Lacs.

To,
The Members
AksharChem (India) Limited

I have examined the registers, records, books and papers of M/s. AksharChem (India) Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Associations of the Company for the financial year ended on 31st March, 2011. In My opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. the company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. the Company is a Public limited company and having the paid up capital exceeding minimum capital under the Act. The other comments are not required.
4. the Board of Directors duly met 5 times on 25/05/2010, 13/08/2010, 28/08/2010, 20/10/2010 and 01/02/2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. the Company has closed its Register of Members during the year in accordance with the provisions of Section 154 of the Act.
6. the annual general meeting for the financial year ended on 31/03/2010 was held on 25/09/2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the year.
8. the company has not advanced loan to its directors and/or persons firms or companies referred in Section 295 of the Companies Act, 1956.
9. The company has duly entered into Contract falling within the purview of Section 297 of the Act during the year under review.
10. the company is in process of making necessary entries in the register maintained under Section 301 of the Act.
11. One relative of Directors is drawing salary after obtaining approval of Board of Directors in accordance with the provisions of Section 314 of the Companies Act, 1956.
12. the Board of Directors or committee of Directors has approved the issue of duplicate share certificates in accordance with the provisions of the Act.
13. the Company has
 - (i) not made allotment of securities during the year. The Company has delivered all the certificates on lodgment thereof for transfer/ transmission within the time prescribed under the provisions of the Act barring few exception of delayed transfer.
 - (ii) not deposited the amount of dividend since it has not declared the dividend during the year
 - (iii) not paid/posted warrants for dividends to all the members and deposited unpaid dividend as required under the Act as it has not declared any dividend during the year

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

Signature:

Place : Ahmedabad
Date : 07/07/2011

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

Company No.:04:12441
Aksharchem (India) Limited

Nominal Capital : Rs.500 Lacs

Annexure 'A'

Registers as maintained by the Company

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

Annexure 'B'

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

Sl. No.	Nature of Document	Date of Filing	Filed within prescribed time	Not filed within prescribed time but filed with additional fees
01	Form No. 23 Registration of Resolution – Appointment of Managing Director u/s 269 read with 198, 309, 310 of the Act	10/06/2010	No	Yes
02	Form No. 23 Registration of Resolution – Appointment of Managing Director u/s 269 read with 198, 309, 310 of the Act	16/09/2010	No	Yes
03	Form No. 25C Return of Appointment of Managing Director Resolution u/s 269 read with 198, 309, 310 of the Act	27/09/2010 & 29/10/2010	Yes	—
04	Form No. 66 for submission of Compliance Certificate u/s 383A of the Act.	02/10/2010	Yes	—
05	Form No.23AC, Form No.23ACA (Balance Sheet, P& L A/c for the year ending 31.03.2010) u/s 220 of the Act.	12/10/2010	Yes	—
06	Form No. 32 Appointment of Director and Resignation of Director	16/11/2010	No	Yes
07	Form No.20B (Annual Return made up to 25/09/2010) u/s 161 of the Act.	24/11/2010	Yes	—

Signature:

Place : Ahmedabad
Date : 07/07/2011

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

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REPORT OF THE AUDITORS

TO THE MEMBERS OF AKSHARCHEM (INDIA) LIMITED

1. We have audited the attached Balance Sheet of **AKSHARCHEM (INDIA) LIMITED** as at 31st March 2011, and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956; we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3, we report that :-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) On the basis of written representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of Clause (g) of sub-section 1 of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash-Flow Statement, of the Cash-Flows for the year ended on that date.

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

(Trushit Chokshi)
Proprietor
Membership No. 40847

Date : 07/07/2011
Place : Ahmedabad

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF THE AKSHARCHEM (INDIA) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED ON 31st March 2011.

On the basis of such checks of books and records, as we considered appropriate and in terms of the information and explanations given to us during the course of our audit, we state that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, fixed assets, according to the practice of the company, are physically verified by the management at reasonable intervals, in phased verification programme, which in our opinion, is reasonable looking to the size of the Company and the nature of its business. As explained to us, on such physical verification of fixed assets, no major discrepancies have been noticed.
c) The Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. a) During the year, the inventories have been physically verified, by the Management and the Internal Auditors at regular intervals, except for the stock lying with the outside parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedure of the physical verification of inventories followed by the Management and Internal Auditors are reasonable and adequate in relation to the size of the company and the nature of its business.
c) On the basis of our examination of records of the inventories, we are of the opinion that, the Company is maintaining proper records of inventories. Discrepancies noticed on the physical verification of the inventories as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured loans to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 3(b), 3(c) and 3(d) of Paragraph 4 of the Order are not applicable to the company for the current year.
b) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured loans from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses 3(f) and 3(g) of Paragraph 4 of the Order are not applicable to the company for the current year.
4. In our opinion and as per the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, no major weaknesses in the internal control system have been noticed and there is no continuing failure in the same.
5. a) Based on the audit procedure applied by us and according to the information and explanations and representations given to us by the management, we are of the opinion that the transactions in which directors were interested and which need to be entered into the register to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and as per the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year is reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and as per the information and explanations given to us, as the company has not accepted any deposits from the public, paragraph 4(vi) of the order is not applicable.
7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that the coverage of internal audit functions carried out by the internal auditor is commensurate with the size and the nature of business.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to Rules made by the Central Government, for the maintenance of cost records prescribed under section 209 (1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determining whether they are accurate or complete.

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9. a) In our opinion and as per the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty and cess and other statutory dues, if any, with the appropriate authorities.
- b) As at 31st March, 2011 according to the records of the Company, following are the particulars of disputed dues on account of Sales Tax, VAT, Excise Duty, Custom and Income Tax.

Name of the statute	Nature of Dues	Amount of Demand net of Deposits (Rs. In Lacs)	Period to Which Amount relates	Forum where Dispute is Pending
Income Tax Law	Income Tax	26.81	2000-2001	Commissioner Of Income Tax (Appeal)
Sales Tax Laws	Sales Tax	1.10	1997-1998	Gujarat Sales Tax Tribunal
Income Tax Law	Income Tax	44.27	2003-2004	Commissioner Of Income Tax (Appeal)
Sales Tax Law	Sales Tax	18.03	2004-2005	Ahmedabad VAT Tribunal
Central Excise Law	Central Excise	4.62	2008-2009	Commissioner of Central Excise Ahmedabad-III (Appeal)

10. The Company has neither accumulated losses at the end of the financial year as at 31st March 2011, nor has it incurred cash losses in the current financial year ended on that date and in the immediately preceding financial year.
11. In our opinion and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks and Financial Institutions.
12. In our opinion and as per the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi, Mutual Benefit Fund and / or a Society.
14. In our opinion the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the company are held in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loans were applied by the Company for the purpose for which they were obtained.
17. According to the information and explanations given to us and on verification of Cash flow and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short-term basis used for long-term investments.
18. The Company, during the year under review, has not made any preferential allotment of shares.
19. On the basis of the records and documents examined by us, the Company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by Company was noticed or reported in the course of our audit during the year.

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

(Trushit Chokshi)
Proprietor
Membership No. 40847

Date : 07/07/2011
Place : Ahmedabad

BALANCE SHEET AS AT 31ST MARCH, 2011

			AS AT 31.03.2011 (RS.)	AS AT 31.03.2010 (RS.)
	SCHEDULE	(Rs.)		
SOURCES OF FUNDS				
SHARE HOLDERS' FUNDS				
Share Capital	1	34,028,500		34,028,500
Reserve & Surplus	2	110,650,810		46,922,085
			144,679,310	80,950,585
LOAN FUNDS				
Secured Loans	3	107,640,446		149,438,980
Unsecured Loans	4	—		4,000,000
			107,640,446	153,438,980
DEFERRED TAX (NET)				
			7,253,364	8,887,194
TOTAL				
			259,573,120	243,276,759
APPLICATION OF FUNDS				
FIXED ASSETS				
	5			
Gross Block		207,348,810		202,422,246
Less : Depreciation		89,426,133		80,705,266
Net Block		117,922,677		121,716,980
Capital Work In Progress		9,376,993		—
			127,299,670	121,716,980
INVESTMENTS				
	6		553,768	10,451,688
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	7	96,522,329		42,103,711
Sundry Debtors	8	56,865,101		88,406,978
Cash & Bank Balance	9	17,034,942		5,273,702
Loans & Advances	10	143,951,797		136,860,182
			314,374,169	272,644,574
LESS : CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	11	172,005,572		151,156,769
Provisions	12	10,648,915		10,379,714
			182,654,487	161,536,483
NET CURRENT ASSETS				
			131,719,682	111,108,091
TOTAL				
			259,573,120	243,276,759
Significant accounting policies and Notes of Accounts	19			
Schedules 1 to 19 form an integral part of the accounts				
As per our Report of even date attached			For and on behalf of the Board	
For, Trushit Chokshi & Associates			Mrs. Paru M. Jaykrishna	
Chartered Accountants			Chairperson & Managing Director	
Firm No. 111072W			Gokul M. Jaykrishna	
Trushit Chokshi			Joint Managing Director	
(Proprietor)			Munjal M. Jaykrishna	
Membership No. 40847			Joint Managing Director	
Place : AHMEDABAD				
Date : 07/07/2011				

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	YEAR ENDED 31.03.2011 (RS.)	YEAR ENDED 31.03.2010 (RS.)
INCOME			
Sales and Income from Operations	13	845,565,039	815,762,058
Other Income	14	58,687,620	6,274,116
Increase / (Decrease) in stock	15	48,535,108	5,683,231
TOTAL INCOME		952,787,767	827,719,405
EXPENDITURE			
Goods Purchased for Trading		19,671,300	32,934,000
Raw Material Consumption		633,573,732	595,497,057
Packing Materials		4,213,949	3,964,795
Payments to and Provisions for Employees	16	13,719,409	9,428,007
Manufacturing & Other Expenses	17	195,356,565	141,848,377
Financial Charges	18	15,364,775	18,964,813
Depreciation		8,767,336	8,601,188
TOTAL EXPENDITURE		890,667,065	811,238,236
PROFIT/(LOSS) BEFORE TAXATION		62,120,702	16,481,169
Provision for Current Tax		25,808	112,465
Provision for deferred Tax (Net)		(1,633,830)	1,166,586
PROFIT/(LOSS) FOR THE YEAR		63,728,724	15,202,118
Less : Prior Period Adjustments (Net)		—	70,780
		63,728,724	15,131,338
Add : Balance of Profit of earlier year		19,820,188	4,688,850
		83,548,913	19,820,188
APPROPRIATION			
BALANCE CARRIED OVER TO BALANCE SHEET		83,548,913	19,820,188
		83,548,913	19,820,188
Earnings per share (In Rs.) (face value of Rs. 10/- each)			
Basic		18.73	4.45
Diluted		18.73	4.45
Significant accounting policies and Notes of Accounts	19		
Schedules 1 to 19 form an integral part of the accounts			
As per our Report of even date attached For, Trushit Chokshi & Associates Chartered Accountants Firm No. 111072W Trushit Chokshi (Proprietor) Membership No. 40847 Place : AHMEDABAD Date : 07/07/2011		For and on behalf of the Board Mrs. Paru M. Jaykrishna Chairperson & Managing Director Gokul M. Jaykrishna Joint Managing Director Munjal M. Jaykrishna Joint Managing Director	

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in Lacs)

	Year ended March 31, 2011	Year ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extraordinary items	621.21	164.81
ADJUSTED FOR :		
Depreciation	87.67	86.01
Investment income	(20.57)	(17.48)
Interest charged	153.65	189.65
Profit / Loss on disposal of assets	(0.16)	(33.67)
Long Tem Capital Gain on Investment	(561.38)	—
Interest / Other Income Received	(4.76)	(3.00)
	<u>(345.56)</u>	<u>221.51</u>
Operating Profit before Working Capital Changes	275.65	386.32
CHANGES IN :		
Trade & Other receivables	353.24	(337.77)
Inventories	(544.19)	(124.96)
Trade & Other Payables	212.10	729.43
	<u>21.15</u>	<u>266.69</u>
Cash generated from operations	296.80	653.01
Interest paid	(153.65)	(189.65)
Direct taxes paid	(109.91)	(30.66)
	<u>(263.56)</u>	<u>(220.31)</u>
Cash flow before extra-ordinary items	33.24	432.70
Extra-ordinary items	—	(0.71)
NET CASH FROM OPERATING ACTIVITIES	33.24	431.99
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(144.54)	(77.90)
Sale of fixed assets / Investments	661.56	68.31
Purchase of investments	—	—
Other Income	25.33	20.48
	<u>542.36</u>	<u>10.90</u>
NET CASH USED IN INVESTING ACTIVITIES	542.36	10.90
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital issue	—	—
Proceeds form borrowings	(335.89)	(320.94)
Loan repayments	(122.09)	(122.92)
Dividend paid	—	—
	<u>(457.99)</u>	<u>(443.86)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	117.61	(0.97)
CASH & CASH EQUIVALENTS-OPENING BALANCE	52.74	53.71
CASH & CASH EQUIVALENTS-CLOSING BALANCE	170.35	52.74

As per our Report of even date attached

For, Trushit Chokshi & Associates

Chartered Accountants

Firm No. 111072W

Trushit Chokshi

(Proprietor)

Membership No. 40847

Place : AHMEDABAD

Date : 07/07/2011

For and on behalf of the Board

Mrs. Paru M. Jaykrishna

Chairperson & Managing Director

Gokul M. Jaykrishna

Joint Managing Director

Munjal M. Jaykrishna

Joint Managing Director

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SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
5,000,000 Equity Shares of Rs. 10/- each (Previous Year 5,000,000 Equity Shares of Rs. 10/- each)	50,000,000	50,000,000
ISSUED, SUBSCRIBED & PAID UP		
3,402,850 Equity Shares of Rs. 10/- each fully paid (Previous Year 3,402,850 Equity Shares of Rs. 10/- each fully Paid)	34,028,500	34,028,500
Total	34,028,500	34,028,500
Note: Of the above: 479,450 Equity Shares of Rs. 10/- each are allotted as fully paid up Bonus Shares by capitalisation of General Reserve.		
SCHEDULE - 2 : RESERVE & SURPLUS		
GENERAL RESERVE		
Balance as per last Balance Sheet	16,300,297	16,300,297
	16,300,297	16,300,297
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	10,801,600	10,801,600
	10,801,600	10,801,600
BALANCE IN PROFIT & LOSS A/C		
	83,548,913	19,820,188
Total	110,650,810	46,922,085
SCHEDULE - 3 : SECURED LOANS		
Term Loan	18,202,987	30,290,805
Vehicle Loan	—	121,236
Working Capital Loan	89,437,459	119,026,939
Total	107,640,446	149,438,980

Note :

1. Term Loans from State Bank of India are secured by Equitable Mortgage of Land & Building 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 and accessories present and future and other movables save & except book debts & current assets and further secured by personal guarantee of three directors of the Company. An amount of Rs. 12,000,000/- is payable within 12 months (Previous Year Rs. 12,000,000/-).
2. Vehicle loans are secured by Hypothecation of vehicles purchased. An amount of Rs. NIL/- is payable within 12 months (Previous Year Rs. 121,236/-).
3. Working Capital Loans from State Bank of India are secured by hypothecation of raw materials, finished goods, stock in process and book debts ; and further secured by first charge over the fixed assets of the Company and personal guarantee of three directors of the Company.

AksharChem (India) Ltd.

AS AT	AS AT
31.03.2011	31.03.2010
(Rs.)	(Rs.)

SCHEDULE - 4 : UNSECURED LOANS

From Directors	—	4,000,000
Total	—	4,000,000

SCHEDULE - 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2010 (Rs.)	ADDITI- ONS (Rs.)	DEDUC- TION (Rs.)	AS AT 31.03.2011 (Rs.)	AS AT 01.04.2010 (Rs.)	FOR THE PERIOD (Rs.)	DEDUC- TION (Rs.)	UP TO 31.03.2011 (Rs.)	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
Land	661,013	—	—	661,013	—	—	—	—	661,013	661,013
Buildings	21,734,121	505,585	—	22,239,706	4,612,401	739,063	—	5,351,464	16,888,242	17,121,720
Plant & Machinery	165,635,701	4,533,696	—	170,169,397	68,743,727	7,016,933	—	75,760,660	94,408,737	96,891,974
Furniture & Fixture	2,044,924	14,650	—	2,059,574	1,042,486	129,800	—	1,172,286	887,288	1,002,438
Office Appliances	4,436,194	22,633	—	4,458,827	3,411,803	144,312	—	3,556,115	902,712	1,024,391
Vehicles	7,910,293	—	150,000	7,760,293	2,894,849	737,228	46,469	3,585,608	4,174,685	5,015,444
Total	202,422,246	5,076,564	150,000	207,348,810	80,705,266	8,767,336	46,469	89,426,133	117,922,677	121,716,980
Previous Year	200,121,496	7,789,523	5,488,773	202,422,246	74,128,789	8,601,188	2,024,711	80,705,266	121,716,980	125,992,707
Capital Work In Progress	—	12,923,966	3,546,973	9,376,993	—	—	—	—	9,376,993	—
	202,422,246	18,000,530	3,696,973	216,725,803	80,705,266	8,767,336	46,469	89,426,133	127,299,670	121,716,980

AS AT	AS AT
31.03.2011	31.03.2010
(Rs.)	(Rs.)

SCHEDULE - 6 : INVESTMENTS (AT COST) QUOTED

400 (P.Y. 400) fully paid Equity Shares of Rs. 10/- each of DCL Finance Ltd.	3,413	3,413
600 (P.Y. 600) fully paid Equity Shares of Rs. 10/- each of Ipitata Sponge Iron Ltd.	70,500	70,500
180 (P.Y. 180) fully paid equity shares of Rs. 10/- each of Larsen & Toubro Ltd.	10,530	10,530
500 (P.Y. 500) fully paid Equity Shares of Rs.10/- each of Narmada Cement Co. Ltd.	11,500	11,500
150 (P.Y. 150) fully paid Equity Shares of Rs.10/- each of Raymond Synthetic Ltd.	3,100	3,100
1500 (P.Y. 1500) fully paid Equity Shares of Rs.10/- each of Bihar Sponge Iron Ltd.	18,750	18,750
100 (P.Y. 100) fully paid Equity Shares of Rs.10/- each of Tata Chemicals Ltd.	10,215	10,215
1500 (P.Y. 1500) fully paid Equity Shares of Rs.10/- each of Nath Seeds Ltd.	79,573	79,573
100 (P.Y. 100) fully paid Equity Shares of Rs.5/- each of Huges Software Ltd.	142,005	142,005
1000 (P.Y. 1000) fully paid Equity Shares of Rs.10/- each of Hindustan Lever Ltd.	134,310	134,310
50 (P.Y. 50) fully paid Equity Shares of Rs.10/- each of Moser Bear (I) Ltd.	24,689	24,689
2700 (P.Y. 2700) fully paid Equity Shares of Rs.10/- each of Futura Polysters Ltd.	35,183	35,183
NIL (P.Y. 1027020) fully paid Equity shares of Rs.10/- each of Asahi Songwon Colors Ltd.	—	9,897,920

UNQUOTED

1000 (P.Y. 1000) fully paid Equity shares of Rs.10/- each of Asahi Powertech Pvt. Ltd.	10,000	10,000
Total	553,768	10,451,688

NOTE :

- (1) Aggregate market value of quoted investment cost Rs. 930,829/- (Previous Year Rs. 45,590,866/-)
- (2) Aggregate value of unquoted investment cost Rs. is Rs. 10,000/- (Previous year Rs. 10,000/-)

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	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SCHEDULE - 7 : INVENTORIES		
(As taken, valued and certified by the Management)		
Fuel & Oil	1,223,204	2,279,801
Stores & Spare parts etc.	2,996,854	3,734,821
Stock in Trade:		
Raw Materials	22,862,760	15,033,342
Finished Goods	28,498,823	14,824,439
Goods in Transit	—	—
Work in Process	40,285,282	5,424,558
Packing Materials	655,406	806,750
Total	96,522,329	42,103,711
SCHEDULE - 8 : SUNDRY DEBTORS		
(Unsecured Considered Good unless stated otherwise)		
Debts outstanding for a period exceeding six months	2,418,258	2,193,608
Others Debts	54,446,843	86,213,370
Total	56,865,101	88,406,978
SCHEDULE - 9 : CASH & BANK BALANCES		
Cash on Hand	486,915	267,929
Bank Balances with Schedule Banks		
In Current Accounts	12,661,088	1,313,858
In Unpaid Dividend Account	350,865	351,915
In Fixed Deposit	3,536,074	3,340,000
Total	17,034,942	5,273,702
SCHEDULE - 10 : LOANS & ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	48,559,423	43,133,011
Deposits	7,148,521	4,418,941
Export Incentives Receivables	34,379,420	37,661,780
Balance with Central Excise Department	24,101,301	32,756,784
(Includes Refund on Export Sales Rs.14,951,255/- P.Y. Rs.21,920,431/-)		
Advance Payment of Tax	29,763,132	18,889,665
Total	143,951,797	136,860,182
SCHEDULE - 11 : CURRENT LIABILITIES		
Sundry Creditors		
- Outstanding dues of Micro & Small Industries	4,082,491	4,279,289
- Outstanding dues of creditors other than Micro & Small Industries	165,449,748	144,910,040
Other Liabilities	2,122,468	1,615,525
Unclaimed Dividend	350,865	351,915
Total	172,005,572	151,156,769
SCHEDULE - 12 : PROVISIONS		
Provision for Gratuity	915,915	554,624
Provision for Income Tax (Inclusive of Wealth Tax)	9,733,000	9,825,090
Total	10,648,915	10,379,714

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
SCHEDULE - 13 : SALES AND INCOME FROM OPERATIONS		
Sales		
Export sales	734,569,676	702,017,333
Domestic Sales	44,021,204	48,824,604
Other Goods/By Products	20,529,675	11,574,405
	64,550,879	60,399,009
Less: Excise Duty	4,970,640	3,350,774
	59,580,239	57,048,235
Net Sales	794,149,915	759,065,568
Income from Operations		
Export Incentives	48,451,543	46,195,104
Exchange Rate Difference Gain / (Loss)	2,963,581	10,501,386
	51,415,124	56,696,490
Total	845,565,039	815,762,058
SCHEDULE - 14 : OTHER INCOME		
Dividend Income	2,056,531	1,748,007
Profit on sale of Assets	16,469	4,225,976
Interest/Other Income	476,340	300,133
Long Term Capital Gain on Investment	56,138,280	—
Total	58,687,620	6,274,116
SCHEDULE - 15 : INCREASE/(DECREASE) IN STOCK		
Closing Stock as on 31.03.2011		
Finished Goods (Manufactured/Traded goods)	28,498,823	14,824,439
Work In Process	40,285,282	5,424,558
	68,784,105	20,248,997
Less : Opening Stock as on 01.04.2010		
Finished Goods	14,824,439	6,960,535
Work In Process	5,424,558	7,605,231
	20,248,997	14,565,766
Net Increase/(Decrease) in stock	48,535,108	5,683,231

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	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
SCHEDULE - 16 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Directors Remuneration	1,200,000	400,000
Salaries, Wages, Bonus etc.	11,355,528	8,353,113
Contribution to Provident and other Funds	935,460	479,660
Staff Welfare Expenses	228,421	195,234
Total	13,719,409	9,428,007
SCHEDULE - 17 : MANUFACTURING & OTHER EXPENSES		
Power & Fuel	88,137,770	52,948,394
Consumption of Stores & Spares	7,526,973	5,573,240
Pollution Treatment Expenses	42,534,266	37,847,648
Repairs to		
Plant & Machinery	7,079,565	6,235,881
Buildings	194,700	815,174
Others	126,639	235,471
Rent	159,500	151,998
Rates & Taxes	16,261	23,469
Insurance	529,895	552,223
Manufacturing & Labour Charges	19,002,849	9,954,828
Traveling, Conveyance & Vehicles Expenses	1,352,638	1,311,353
Directors Traveling Expenses	103,931	513,766
Stationery & Printing	279,314	268,059
Communication Expenses	620,077	626,189
Selling & Distribution Expenses	24,389,715	20,780,289
Auditors Remuneration	60,000	60,000
Legal & Professional Charges	2,254,333	1,508,006
General Charges	915,538	1,525,252
Internal Audit Fee	26,100	25,600
Loss on Sales of Assets/Investment	—	859,038
Donations	15,000	—
Directors Sitting Fees	15,500	16,500
Cost Audit Fees	16,000	16,000
Total	195,356,565	141,848,377
SCHEDULE - 18 : FINANCIAL CHARGES		
INTEREST ON		
Term Loan	3,032,763	4,557,452
Working Capital Loans	10,563,933	12,043,086
Vehicles Loan	6,444	17,578
BANK AND OTHER CHARGES	1,761,635	2,346,697
Total	15,364,775	18,964,813

SCHEDULE - 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**I. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation****a. Disclosure of Accounting Policies**

The Financial Statements are prepared under the historical cost convention on the basis of going concern and in accordance with the Generally Accepted Accounting Principles in India and provisions of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and 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.

2. Inventories Valuation

- a. Raw material, are valued at lower of the cost on FIFO basis including incidental expenses to bring the inventories to their present location and condition and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.
- b. Packing Materials and Stores & Spares are valued at cost on FIFO basis.
- c. Finished goods and work in process include cost, cost of conversion and other cost incurred in bringing the inventories to their present location and condition; and market realizable value whichever is lower. Trading goods are valued at cost on FIFO basis or market value whichever is lower. By products are valued at net realizable value.
- d. The Company is mainly engaged in the export business, the closing stock at the year end is generally exported in the next year. Exports are being exempted from excise duty, Hence no provision for excise duty has been made in Profit & Loss Account 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.

3. Cash Flow Statement

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

4. Contingencies and Event occurring after the Balance Sheet Date

- a. Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.
- b. Dividends, which are proposed/declared by the Company after the Balance Sheet date but before the approval of the financial statements, are adjusted.

5. Net Profit or Loss items and Changes in Accounting Policies

Significant items or Extra-ordinary items and Prior Period Incomes and Expenditures are accounted in accordance with Accounting Standard (AS-5).

6. Depreciation

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

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

7. Revenue Recognition

- a. Sales are recognized when goods are supplied and are recorded net of trade discounts, rebates and sales tax/Vat but include wherever applicable, excise duties, export incentives such as Duty Drawbacks and premiums on sale of Import Licenses.
- b. Export benefits / incentives are accounted on accrual basis. Accordingly, estimated export benefits against exports affected during the year are taken into account as estimated incentives accrued till the end of the year. In case of License not revalidated after the date of expiry, the proportionate export benefit / incentive taken credit in earlier year(s) is written off in the year of expiry of License and /or changes made by the Central Government during the year in the rate of tariff of Import Duty.
- c. Incomes from services rendered are booked based on agreements/ arrangements with the concerned parties.
- d. Interest on investments are booked on a time proportion basis taking into account the amounts invested and the rate of interest, and adjusted against the relevant cost of the source of investment.
- e. Dividend incomes on investments are accounted for when the right to receive the payment is established.

8. Fixed Assets

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

9. Accounting for the effects of changes in Foreign Currency Transaction

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

10. Accounting for Government Grants

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

11. Accounting for Investments

Investments are classified into current investments and long term investments, current investments are valued scrip wise, at cost or net realizable value, whichever is lower. Long-term investments are valued at cost.

12. Employee Benefits**a. Defined Contribution Plan**

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

b. Defined Benefit Plan

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

13. Borrowing Cost

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

14. Segment Reporting

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

15. Related Party Disclosure

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 Accounts.

16. Leases

Rentals are expensed with reference to lease terms and other considerations.

17. Earning Per Share

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

18. Tax on Income

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

19. Intangible Assets

Intangible assets are stated at cost less accumulated amortization.

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20. 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 profit and loss account.

21. Provisions, Contingent Liabilities and Contingent Assets

a. The provisions are recognized and measured by using a substantial degree of estimation.

b. Contingent Liabilities

Disputed liabilities and claims against the Company including claims raised by authorities (e.g. Sales 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 to Accounts.

c. Contingent Assets are neither recognized nor disclosed.

22. 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 Profit and Loss Account. 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 Profit and Loss Account.

II. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
a. Income Tax: order U/s 154 Passed by ACIT Circle -1 Ahmedabad for A.Y. 2001-02.	2,680,821	1,129,189
b. Sales Tax : Assessment order passed by Sales tax officer Kadi for the year 1997-1998 for which Appeal filed with Assistant Commissioner of Sales Tax Mehsana GST and CST Respectively	110,145	110,145
c. Sales Tax: Appellate order passed by Dy. Commissioner of Commercial Taxes, Appeals-3 at Gandhinagar for the year 2004-05, and Subsequently applied for Appeal at Commercial tax Commissioner Ahmedabad. (VAT Tribunal).	1,803,341	1,803,341
d. The Commissioner of Income Tax -1 Ahmedabad has filed an appeal in the High Court of Gujarat, Ahmedabad for the assessment Year 2003-04.	4,427,234	4,427,234
e. Estimated amount of contracts remaining to be executed on capital account & not provided for.	12,287,645	1,135,000
f. Bills discounted against Letter of Credit but not realized and credited to the parties accounts.	4,389,172	38,949,691
g. Guarantees Issued by the banks on behalf of the Company.	837,105	837,105
h. Central Excise: - Applied for appeal at Commissioner of Central Excise, Ahmedabad-III on December 2009 dispute against availed the cenvat credit.	462,642	462,642

2. Sundry Debtors, Sundry Creditors and Loans and Advances

- a. 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.
- b. 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, 2011. 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.

3. Managerial Remuneration

In view of the inadequate profit, minimum managerial remuneration as approved and as per the companies Act, 1956 has been paid/provided.

Details of Directors Remuneration

	(Rs in Lacs)			
	Chairperson & Managing Director	Joint Managing Director	Joint Managing Director	Total
Salary including perquisites	NIL	6.00	6.00	12.00
Total	NIL	6.00	6.00	12.00

4. Auditors Remuneration

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
(a) Statutory Auditors		
Audit Fees	60,000	60,000
Tax Audit Fees	15,000	10,000
Certification work	—	14,750
(b) Cost Auditor Fees	16,000	16,000
Total	91,000	1,07,750

5. Additional information required pursuant to Para 3 under Clause (i) (a), (ii) (a), (b), Para 4 and Para 4D of Part II of Schedule VI of the Companies Act, 1956 is detailed as under:

A. DETAILS OF LICENCED, INSTALLED CAPACITIES

Class of Goods	Licensed Cap. Metric Ton	Installed Cap. Metric Ton
Dyes & Intermediates	Not Applicable	6,000 (6,000)

- B. The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O. 301(E) dated 8th February 2011 issued under section 211 (3) of the companies Act, 1956 has exempted

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certain classes of companies from disclosing certain information in their profit & loss account. The company being an "Export Oriented Company" is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i) (a), 3(ii) (a), 3(ii) (b) and 3(ii) (d) of part II of Schedule VI to the Companies Act, 1956 have not been provided.

C. PRODUCTION MEANT FOR SALE

Class of Goods	UNIT	2010-11	2009-10
Dyes & Intermediates	M.T.	5,997.331	6,291.527

D. VALUE OF RAW MATERIAL CONSUMED

		2010-2011		2009-2010	
	% of Consumption	(Rs.)	% of Consumption	(Rs.)	
Imported	—	—	—	—	
Indigenous	100.00	633,573,732	100.00	595,497,057	
Total	100.00	633,573,732	100.00	595,497,057	

6. Foreign Currency Transactions

Particulars	2010-2011	2009-2010
a) Value of Imports Calculated on CIF Basis		
Raw Materials	NIL	NIL
Capital Goods	NIL	NIL
Components, Spare Parts and Chemicals	NIL	NIL
b) Expenditure in Foreign Currency	2,199,502	1,173,223
Traveling	93,575	223,941
Membership Fees	133,463	131,588
Commission	1,972,464	817,694
c) Earnings in Foreign Exchange		
FOB value of Exports	728,277,186	700,477,515
d) Effect of Exchange Fluctuations including Forward Contracts:		
Profit and Loss Account *	2,963,581	10,501,386

* The net foreign exchange rate difference pertaining to export realization amounting to Rs. 29.63 lacs income (Previous Year Rs. 105.01 lacs income) has been given net effect in export sales in profit and loss account.

e) The Company to hedge its export business, books forward contracts. As on 31st March, 2011 outstanding forward contracts amount to equivalents of Rs. 103.45 lacs.

7. Employees Benefits

The disclosures required under accounting standard 15 “Employees Benefits” notified in the Companies (Accounting Standards) Rules, 2006 is given below:

1. Defined Contribution Plan

The Company has recognized the following amount as an expense and included in the Schedule 16 “Payments to and Provisions for Employee”.

	31.03.2011	31.03.2010
i) Contribution to Provident and Other Funds	744,777	361,129
ii) Contribution to ESI	190,683	118,531

2. Defined Benefit Plan

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

I. Assumptions	April 2010 – March 2011
Discount Rate Previous Period	8.00%
Discount Rate Current Period	8.25%
Rate of Return on Plan Assets Previous Period	8.00%
Rate of Return on Plan Assets Current Period	8.25%
Salary Escalation Previous Period	6.00%
Salary Escalation Current Period	6.00%
II. Table Showing Change In Benefit Obligation	April 2010 – March 2011
Liability at the beginning of the Period	554,624
Interest Cost	44,370
Current Service Cost	117,763
Benefit Paid	(12,981)
Actuarial (gain)/loss on obligations	212,139
Liability at the end of the period	915,915

8. Segment Reporting

The Company is mainly engaged in manufacturing of “Dyes & Intermediates” which is considered the Primary reportable business segment as per AS-17 “Segment Reporting” issued by Institute of Chartered Accountants of India.

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9. Related Party Disclosures

1. Related Parties and Nature of Relationship

a) The Parties over which significant influence is exercised

<u>Names</u>	<u>Relationship</u>
Asahi Songwon Colors Ltd.	One or more directors are director
Skyjet Aviation Pvt Ltd	One or more directors are director
Skyways	One or more directors are trustees
Asahi Energy Pvt Ltd	One or more directors are director
Asahi Powertech Pvt Ltd	One or more directors are director
Flyover Communication Pvt Ltd	One or more directors are director
Akshar Silica Pvt. Ltd	One or more directors are director

b) Key Management Personal and their Relatives

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

2. Details of Transactions

(Amount in Rupees)

	<u>31.03.2011</u>	<u>31.03.2010</u>
1. Purchase of Goods	16,948,900	27,909,800
2. Sales of Goods	322,672	97,815
3. Paid for Services	NIL	5,868
4. Rent Paid	159,500	99,498
5. Office Maintenance	NIL	36,000
6. Remuneration Paid	1,200,000	4,00,000
7. Consultancy	60,000	60,000

10. Earning per Share

	31.03.2011	(Rs in Lacs) 31.03.2010
Net Profit / (Loss) after Tax available for Equity Shareholders	637.29	151.31
Weighted average number of equity shares at the end of the year	3,402,850	3,402,850
Number of Equity Shares of Rs. 10/- each outstanding during the year	3,402,850	3,402,850
Basic / Diluted Earning Per Share face value of Rs. 10/- each	18.73	4.45

11. Accounting for Tax on Income

- i) 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.
- ii) The Deferred tax liability comprises of Tax effect of Timing difference on account of :

	31.03.2011	(Rs. in Lacs) 31.03.2010
Deferred Tax Liability	198.83	173.65
Less : Deferred Tax Assets	126.30	84.78
Net Deferred Tax Liability	72.53	88.87

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

13. Amounts represented in lacs have been rounded off to the nearest two decimals points.

As per our Report of even date attached
For, Trushit Chokshi & Associates
Chartered Accountants
Firm No. 111072W
Trushit Chokshi
(Proprietor)
Membership No. 40847
Place : AHMEDABAD
Date : 07/07/2011

For and on behalf of the Board
Mrs. Paru M. Jaykrishna
Chairperson & Managing Director
Gokul M. Jaykrishna
Joint Managing Director
Munjal M. Jaykrishna
Joint Managing Director

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE ADDITIONAL DISCLOSURE UNDER SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956

I REGISTRATION DETAILS

Registration No.	12441	State Code	04
Balance Sheet Date	31.03.2011		

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	259,573	Total Assets	259,573
Sources of Funds		Application of Funds	
Paid up Capital	34,029	Net Fixed Assets	127,300
Reserves and Surplus	110,651	Investments	554
Secured Loans	107,640	Net Current Assets	131,719
Unsecured Loans	—		
Deferred Tax (NET)	7,253		

IV PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover	904,253	Profit / (Loss) After Tax	63,729
Total Expenditure	842,132	Earnings per Share	18.73
Profit / (Loss) before Tax	62,121	Dividend % (Proposed)	NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	:	290410.04
Product Description	:	VINYL SULPHONE

For and on behalf of the Board
Mrs. Paru M. Jaykrishna
Chairperson & Managing Director
Gokul M. Jaykrishna
Joint Managing Director
Munjal M. Jaykrishna
Joint Managing Director

Place : AHMEDABAD
Date : 07/07/2011

AKSHARCHEM (INDIA) LIMITED

REGD. OFFICE : 166/169, INDRAD VILLAGE, KADI-KALOL ROAD, DIST. MEHSANA, GUJARAT-382 727

ATTENDANCE SLIP

DP Id* _____ Name & Address of the Registered Shareholders _____
Client Id* _____
Regd. Folio No. _____
* Applicable where shares are held in electronic form _____

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

I hereby record my present at the 22nd Annual General Meeting of the Company at 166/169, Indrad Village, Kadi-Kalol Road, Dist. Mehsana, Gujarat - 382727, on 30/08/2011 at 11.30 AM.

Member's/Proxy name in Block Letters _____

Signature of Member / Proxy _____

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

AKSHARCHEM (INDIA) LIMITED

REGD. OFFICE : 166/169, INDRAD VILLAGE, KADI-KALOL ROAD, DIST. MEHSANA, GUJARAT-382 727

PROXY FORM

I/We _____ of _____
being a member/members of the above named Company, hereby appoint _____
_____ of _____
or failing him _____ of _____
or failing him _____ of _____
as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on 30/08/2011 at 11.30 AM and at any adjournment thereof.

As witness my/our hand (s) this _____ day of _____ 2011.

Signed by the said _____

DP Id* _____

Name & Address of the Registered Shareholders _____

Client Id* _____

Regd. Folio No. _____

* Applicable where shares are held in electronic form _____

Affix
Revenue
Stamp of
Re. 1.00

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

BOOK-POST

To

If undelivered, please return to :

AKSHACHEM (INDIA) LIMITED

166/169, Indrad Village,

Kadi-Kalol road,

Dist. Mehsana, Gujarat-382 727