

AksharChem

AksharChem (India) Limited
Annual Report 2013-14



Still young. Still adding color to people's lives. Still focused
on value based growth. Still enhancing shareholders' value.
Still exploring.

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

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AT AKSHARCHEM IS NOT ONLY ABOUT THE DESTINATION THAT WE HAVE ARRIVED AT.

IT IS MORE ABOUT THE PATH THAT WE TOOK, THE JOURNEY THAT WE MADE AND THE CHALLENGES THAT WE FACED.

IT IS MORE ABOUT OUR DETERMINATION, PERSISTENCE, RESILIENCE AND WILL.

IT IS MORE ABOUT WHERE WE INTEND TO GO FROM HERE.

Celebrating



SINCE INCEPTION, WE TOOK PATH OF BEING A RESPONSIBLE COMPANY THAT FOCUSES ON THE USE OF BEST TECHNOLOGY TO MANUFACTURE THE BEST QUALITY PRODUCTS TO BE DELIVERED TO THE WORLD'S BEST COMPANIES.

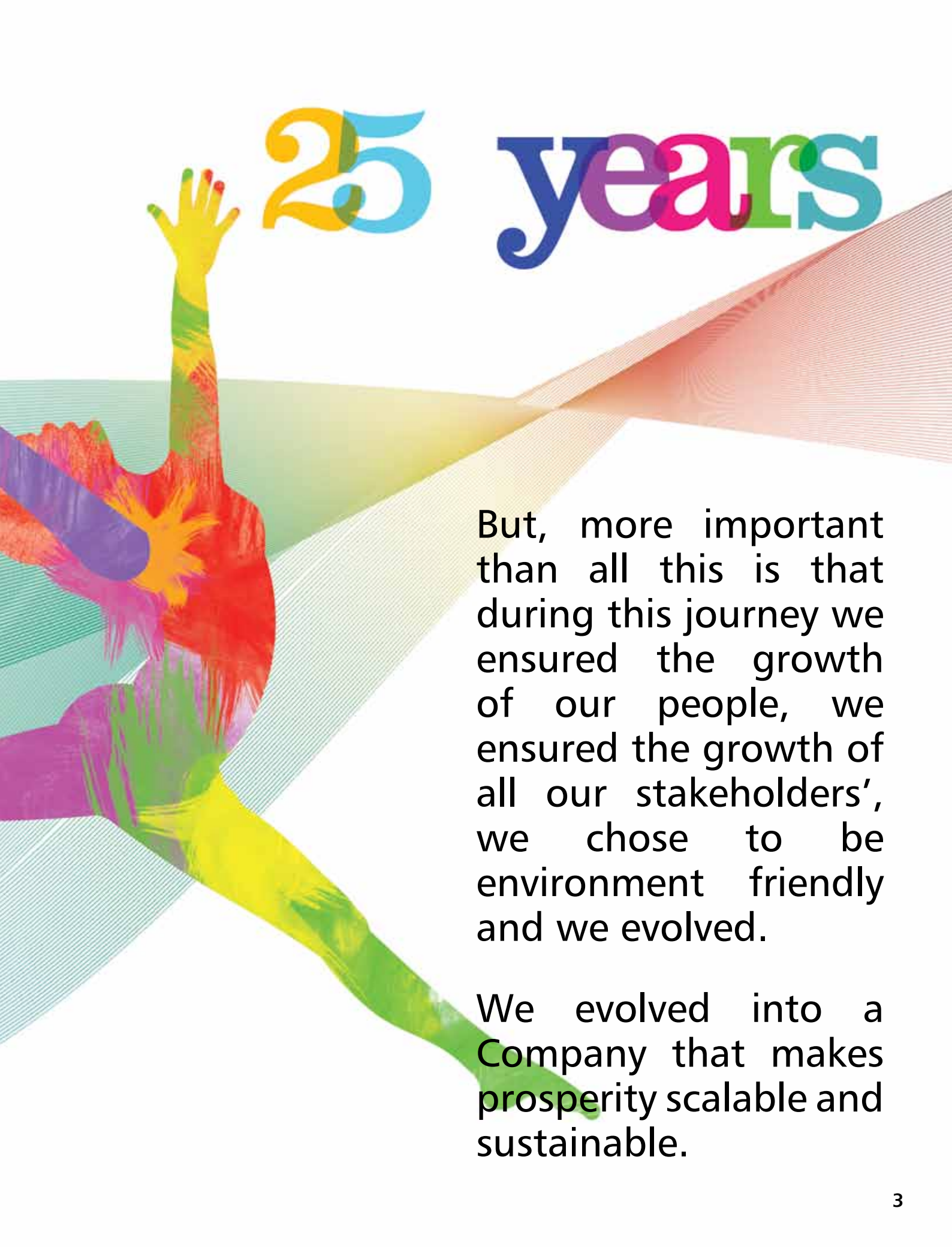
The result:

Today, we are one of the fastest growing vinyl sulphone manufacturers in India.

Today, we are India's leading exporters of vinyl sulphone.

Today, we are one of the most trusted and reputed vinyl sulphone suppliers to the world's leading chemical companies.

Today, we are one of the most environment-friendly chemical companies across the globe.



25 years

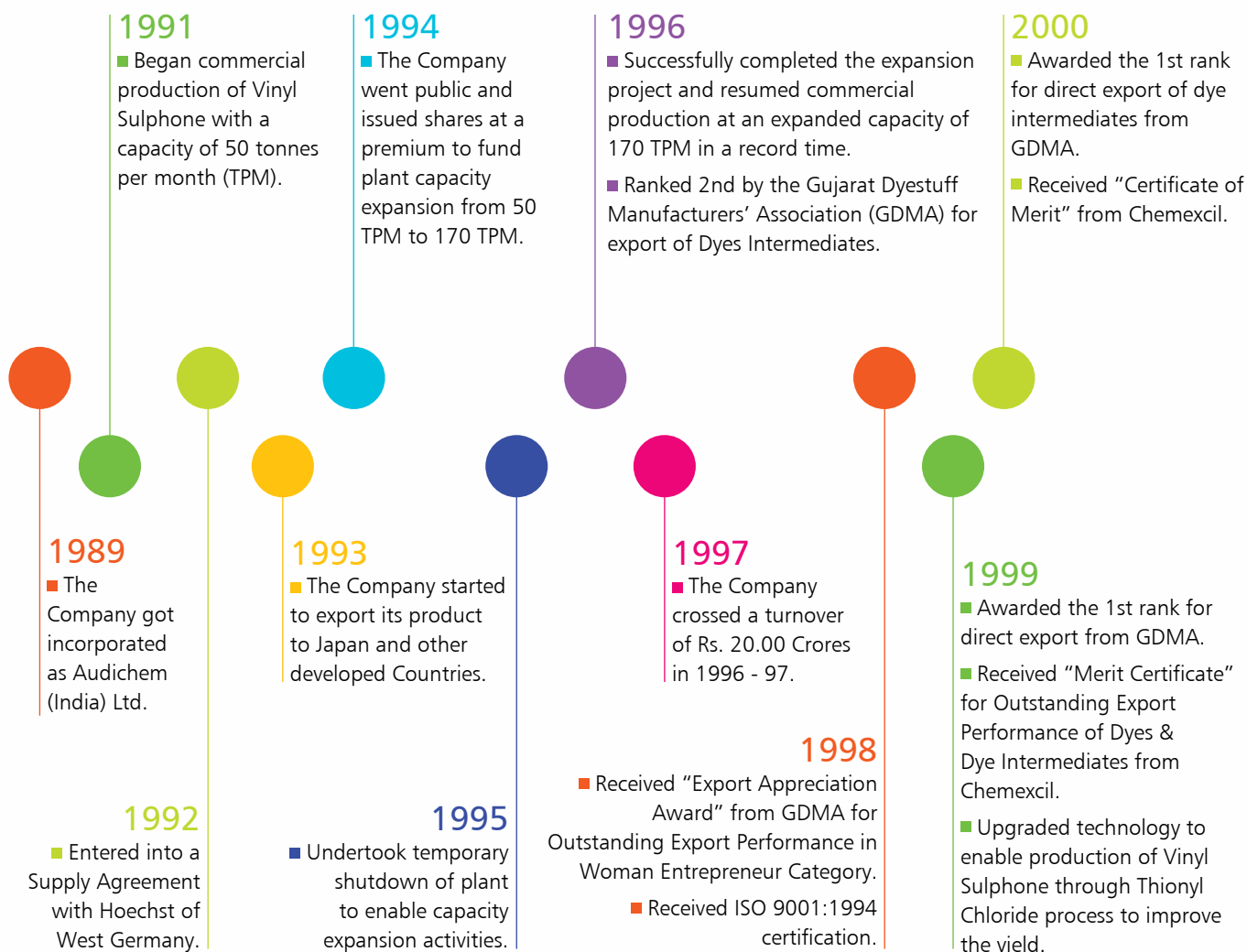
But, more important than all this is that during this journey we ensured the growth of our people, we ensured the growth of all our stakeholders', we chose to be environment friendly and we evolved.

We evolved into a Company that makes prosperity scalable and sustainable.

The journey

In the past 25 years the Company faced severe challenges due to adverse business scenario, macro-economic downturn, high cost of installing & operating environmental management systems and tough global competition.

However, the Company overcame these obstacles with an attitude. During these 25 years, the Company not only sustained its business but it also emerged as India's largest manufacturer and exporter of Vinyl Sulphone. Our turnover grew from a mere Rs. 2.68 cr in 1993-94 to Rs. 144.87 cr in 2013-14.



of 25 years

2001

- Received award for outstanding performance in the export of dyes and dye intermediates from Chemexcil.
- Awarded 1st rank for direct export from GDMA.
- Recertification of ISO as per ISO 9001:2000.

2002

- Recipient of outstanding performance in the export of dyes and dye intermediates.
- Received National Award for "Best Managed / Operating Small Scale Unit" from the Government of India.

2003

- Awarded the 1st rank for direct export of dye intermediates from GDMA.
- Renamed the Company to AksharChem (India) Ltd.

2004

- Capacity enhanced to 250 TPM
- Awarded the 1st rank for direct export of dye intermediates from GDMA.

2005

- Received export award and ranked 1st for Indirect Export from GDMA.

2008

- Undertook the capacity expansion of Vinyl Sulphone manufacturing from 250 TPM to 500 TPM
- Appreciation certificate for obtaining ISO 9001:2000 Certificate.
- "Certificate of Merit" for export from GDMA
- Mrs. Paru M. Jaykrishna, the Chairperson and Managing Director of the Company, became the first woman to get elected as the President of Gujarat Chamber of Commerce and Industry (GCCl).
- The Company received ISO 14001 Certification
- The Company received Environment Clearance (EC) for capacity expansion.

2006

- Received award for self-manufactured direct export and self-manufactured indirect Export.

2009

- The Company received CC&A for expanded capacity.
- The Company's turnover crossed the Rs. 50 crore landmark.
- The unit was recertified for ISO 9001:2004.

2010

- Ranked 3rd for direct export of self-manufactured dye intermediates from GDMA.
- The unit was recertified for ISO 9001:2008.

2014

- The Company's turnover crossed the Rs. 100 crore landmark to reach Rs. 144.87 Crores

2013

- The unit received CC&A for expanded capacity.
- The unit was recertified for ISO 14001:2008
- The unit received Environment Clearance (EC) for capacity expansion from 500 TPM to 650 TPM



At 25 years

the Company is still young, but much more experienced. With 7,800 metric tonnes of production capacity, the company is a leading dye manufacturer that is still adding colours to people's lives. With low-leverage and improving margins, the company is still focused towards growth and business sustainability. With higher returns to shareholders, the company is still enhancing shareholders' values. With investments in upgrading technology and spreading across various nations, the company is still exploring growth avenues.

Parentage

■ AksharChem was promoted in 1989 by the Jaykrishna family. It is headquartered in the chemical belt of Mehsana (Gujarat).

■ The Company manufactures intermediate dye, para base ester of aniline (also known as vinyl sulphone), which is used as a raw material for manufacturing reactive dyes having application in the textiles colour pigments, paints, rubber, plastics and leather industry.

■ It is India's leading manufacturer and exporter of Vinyl Sulphone.

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

Vision

Emerge as a global leader in supply of Vinyl Sulphone with complete commitment and dedication on standards, quality, productivity and customer satisfaction.

Mission

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

Awards and certifications

■ The Company is certified with ISO 9001:2008 (for quality) and ISO 14001:2004 (for environmental management system).

■ Honoured with the esteemed

"International Gold Star" award for 'Excellence in Corporate Image and Quality' by Business Initiatives Directions in Spain.

■ Received various awards for excellence in export by the Government of India, Government of Gujarat, Gujarat Chambers of Commerce and Industry, Gujarat Dye-stuff Manufactures Association, Federation of Indian Export Organisation and Chemexcil.

Clientele

■ Everlight Chemical Corporation, Taiwan

■ Kyung-in Synthetic Corporation, South Korea

■ Oh Young, South Korea

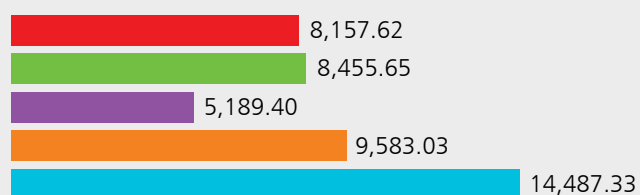
■ Sumitomo Corporation, Japan

■ Eastwell Co. Ltd., South Korea

The story in

Revenue (Rs. Lacs)

■ 2009-10 ■ 2010-11 ■ 2011-12 ■ 2012-13 ■ 2013-14



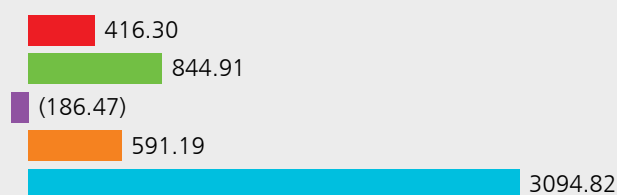
Revenue growth

51.18%

Over 2012-13

EBITDA (Rs. Lacs)

■ 2009-10 ■ 2010-11 ■ 2011-12 ■ 2012-13 ■ 2013-14



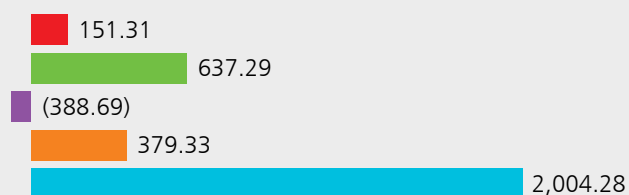
EBITDA growth

423.49%

Over 2012-13

PAT (Rs. Lacs)

■ 2009-10 ■ 2010-11 ■ 2011-12 ■ 2012-13 ■ 2013-14



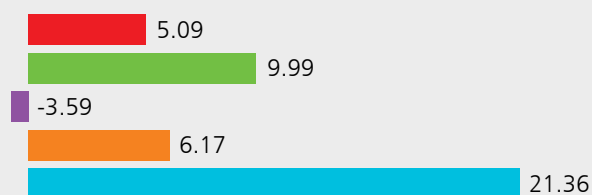
PAT growth

428.38%

Over 2012-13

EBITDA margin (percent)

■ 2009-10 ■ 2010-11 ■ 2011-12 ■ 2012-13 ■ 2013-14



EBITDA margin growth

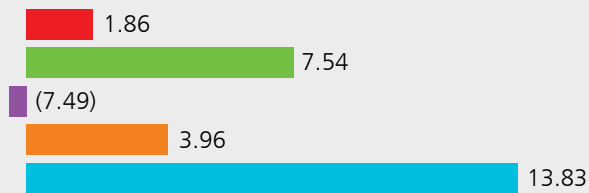
246.19

basis points
Over 2012-13

our numbers

Post-tax profit margin (percent)

■ 2009-10 ■ 2010-11 ■ 2011-12 ■ 2012-13 ■ 2013-14



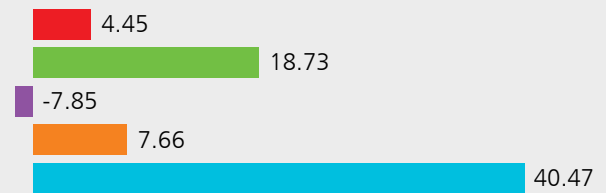
Post-tax profit margin growth

249.24

basis points
Over 2012-13

Earnings per share (in Rs.)

■ 2009-10 ■ 2010-11 ■ 2011-12 ■ 2012-13 ■ 2013-14



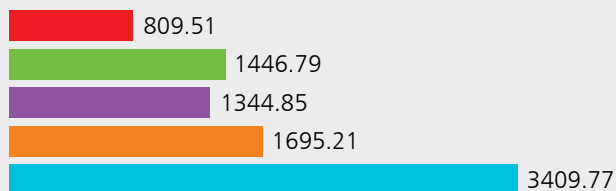
Earnings per share growth

428.33%

Over 2012-13

Net worth (Rs in Lacs)

■ 2009-10 ■ 2010-11 ■ 2011-12 ■ 2012-13 ■ 2013-14



Return on capital employed growth

101.14%

Over 2012-13

Chairpersons review

Dear shareholders,

In 2014, your Company completed 25 years and I take this opportunity to share the silver jubilee report with you.

The Company started off as an infant baby, whom we loved and cared of. As it moved ahead it fell down, got up and learnt. We were delighted at its successes and quietly suffered failures. Our team gave top priority to the nurture of this child through years of dedication, enthusiasm and affection.

Completing 25 years is a major milestone for the Company. It marks the beginning of a young but matured Company that is more energetic, is stronger than ever before and has confidence to take on bigger challenges. It is the time for the Company to move on to higher aspirations and look forward to bigger and more ambitious targets.

As I reflect on the 25-year of the Company, I get reminded of 1989, when the Company established with an initial capital outlay of Rs. 21.50 lakhs. In the next four years, the Company entered into supply agreement with Hoechst of



I want AksharChem to be a place where people from all across the globe (irrespective of gender, races and nationality) work together in a competitive environment with enthusiasm, harmony and dignity to add value to our customers and enhance stakeholders' value. I want AksharChem to take on greater challenges, set ambitious targets and enhance stakeholders' pride.

West Germany and commenced exports across Japan and Europe. One year later, in 1994, the Company's shares got listed on the Ahmedabad Stock Exchange and Bombay Stock Exchange. Since then, the Company has never looked back and focused on sustainable growth. On the one end we steadily added new capacities and on the other end started spreading to new geographies. On the one end we upgraded to better technology and on the other end we focused on being environmentally responsible. During these years, the Company received various prestigious awards and certifications.

The numbers are encouraging and make me happy. But I am happier to state that we have created a sustainable business model that shall ensure the Company's growth momentum in years to come.

Performance 2013-14

During the year the Company witnessed an outstanding performance as revenues grew 51% from Rs. 95.83 cr in 2012-13 to Rs. 144.87 cr in 2013-14. EBITDA grew 423% from Rs. 5.91 cr in 2012-13 to Rs. 30.95 cr in 2013-14. PAT grew 428% from Rs. 3.79 cr in 2012-13 to Rs. 20.04 cr in 2013-14.

Industry optimism

The global textile chemicals market is expected to grow at a compounded

rate of 3.2% during 2014 to 2020 to reach a volume of 11,462.5 kilo tonnes (KT) in 2020 with a value of USD 25.24 billion from 9,230 KT in 2013. Much of this growth is expected to come from BRIC (Brazil, Russia, India and China) countries due to increase in the per capita apparel consumptions in these regions. (Source: Grand View Research) The major growth drivers for Indian textile chemical demand are:

Growing domestic consumption: This rising middle-class population, increasing per capita income and growing consumption intensity has significantly pushed up demand for apparels in India leading to increase in the domestic consumption of textile chemicals.

Technical know-how: Indian chemical manufacturers possess world class engineering and strong R&D capabilities making it a reliable hub for sourcing chemicals.

Cost pressure on China: China is one of the leading chemical exporters globally given its edge as a low-cost destination. However, rising cost of labour and power, appreciating currency and tightening pollution control norms is slowing diluting its cost advantage. With a small shift in opportunity from China, India's chemical exports can rise

by three-fold to USD 140 billion by 2017. (Source: Emkay Research)

Outlook

I take this opportunity to thank all the people across the world, inside and outside AksharChem, to have believed in us and enabled us to reach this stage. If you ask me what do we want to achieve in the next 25 years?

My answer is simple, I want AksharChem to be a place where people from all across the globe (irrespective of gender, races and nationality) work together in a competitive environment with enthusiasm, harmony and dignity to add value to our customers and enhance stakeholders' value. I want AksharChem to take on greater challenges, set ambitious targets and enhance stakeholders' pride. Do stay with us for another 25 years as I am sure they will be more rewarding!

Regards,



Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

Business drivers



Success driver 1

Intellectual capital

HUMAN CAPITAL IS THE MOST IMPORTANT CORPORATE ASSET FOR A COMPANY ENGAGED IN THE MANUFACTURE OF CHEMICAL PRODUCTS THAT REQUIRE HIGH TECHNICAL EXPERTISE.

At AksharChem, we have created a team of qualified, committed and professional individuals having years of experience in the field of Vinyl Sulphone manufacturing. The team is continuously motivated to work towards improving product quality, enhancing production efficiency and adopting new technologies.

Moreover, the top management of the Company possesses rich experience in the field of chemicals and managing business operations.

Major initiatives

- Regular technical and behavioral training provided to employees to enhance skills.
- Employees rewarded with performance-based appraisal.
- Increased the proportion of graduates within the organisation; most of them being skilled technical engineers or science graduates with specialization in chemistry.
- Administrative team's expertise is used for decision making and planning for responding to the changing market trends.



Success driver 2

Quality control

AKSHARCHEM'S MANUFACTURED PRODUCTS REPRESENT INPUTS FOR DOWNSTREAM INDUSTRIES. THUS, IT IS VERY CRITICAL FOR THE COMPANY TO ADHERE TO HIGHEST QUALITY STANDARDS WHICH REQUIRES CONSTANT UPGRADATION IN TERMS OF TECHNOLOGY, QUALITY AND CHEMICAL COMPOSITION.

The Company has invested significantly in developing an ultra-modern production facility spread over an area of 11,000 sq ft and equipped with world-class research laboratory having modern equipment to test and improve product quality for meeting customers' needs.

Major initiatives

- Set-up an analytical laboratory in the Company for checking inward raw material quality and in-process quality assurance.
- The Company being in the business for over two decades, has invested significantly in technology absorption, upgradation and modernisation, which helped improve product quality and process efficiency.
- The Company checks product quality at all stages of production through a statistical process control system.
- The Company's plant certify to ISO 9001:2008 quality standards and ISO 14001:2004 environmental management systems.



Success driver 3

Marketing

AKSHARCHEM ENSURES THAT ITS PRODUCTS MEET THE STRINGENT QUALITY STANDARDS OF ITS CUSTOMERS. IT FOCUSES ON IDENTIFYING THE RIGHT CUSTOMER, SELECTING THE RIGHT MARKETING MEDIUM AND DELIVERING IT AT THE RIGHT TIME.

The Company enjoys strong business relationships with world's leading downstream chemical companies, most of them doing business with us for over 15 years.

Major initiatives

- The Company ensures that its customers' get best quality products on time; due to which it enjoys a strong brand recall among the major chemical companies globally.
- The Company's top management has successfully developed healthy business relations with major downstream industries to ensure continuous business orders.
- Exports constitute 82% of the Company's revenue establishing it as a leading vinyl sulphone supplier globally.
- The Company complies with all international quality standards and environment protection norms thereby increasing its acceptance in the global market.



Success driver 4

Locational advantage

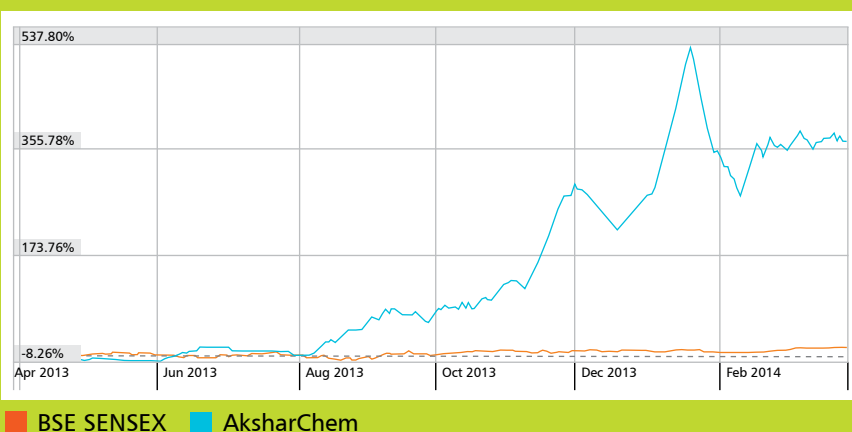
STRATEGIC LOCATION IS OF PRIME IMPORTANCE FOR A CHEMICAL MANUFACTURING COMPANY TO ENSURE TIMELY AVAILABILITY OF RAW MATERIALS AND DEVELOPING AN EFFECTIVE INVENTORY MANAGEMENT SYSTEM.

The Company's plant is strategically located in village Indrad (Mehsana, Gujarat), which being a chemical belt ensures timely availability of raw materials. The plant is also well connected with the railway line, Express National Highway and is in close proximity to Ahmedabad International Airport and major sea-port in the western belt of India. This reduces turnaround time, improves logistics management and strengthens timely product delivery.

Delivering results

YEARS OF
PERSEVERANCE
AND PLANNING
RESULTED IN
OUTSTANDING
PERFORMANCE OF
THE COMPANY IN
2013-14

AksharChem outperformed the broad market index in 2013-14.



Business returns

The Company steadily enhanced its production capacities from 3,000 tonnes per annum (TPA) in 2004 to 6,000 TPA in 2008 and 7,800 TPA currently resulting in better economies of scale without significant leveraging. Moreover, the Company's efforts towards enhancing production efficiency resulted in cost optimisation.

	2013-14		
	2011-12	2012-13	2013-14
Return on Equity	-28.90	22.38	58.78
Return on capital employed	-10.69	16.23	77.84
Return on assets	-14.17	12.23	43.91

Caring for the world

In the past few years alone the Company has spent a sum of Rs. 5.23 cr towards installing effluent treatment plant.

Environment protection

AksharChem made significant investments in setting-up state-of-the-art environment management system to reduce its carbon footprint. This system ensures minimum waste generated per unit of output, treating wastes to permissible limits before disposal, low emission of pollutants during plant operations, waste recycling and waste utilization. In the past few years alone the Company has spent a sum of Rs. 5.23 cr towards installing effluent treatment plant.

Moreover, the Company also practices the policy of providing regular training to employees for encouraging them to reduce wastage of water, fuel and energy.

The Company has also set-up a green belt within the factory premises by planting various species of trees.

Health and safety

AksharChem cares for the health and safety of its employees by ensuring a clean and hygienic plant environment. The Company complies with all international safety standards and ensures that employees working at the plant are equipped with necessary protection gears.



Management team



Mrs. Paru M. Jaykrishna

She is the founder, Chairperson and Managing Director of the Company. She is a Law graduate and holds a master's degree in Philosophy, Sanskrit & English Literature. Her role in the organisation is that of a strategic decision maker and policy maker to ensure growth.

She is one of the most renowned women entrepreneurs of India and is recognised as the first lady appointed as a President and Executive Member of Gujarat Chambers of Commerce and Industry. She has been the founder director and president to many of the Gujarat Government Boards and Organizations.



Mr. Gautam M. Jain

He is Bsc (Chemistry) and LLB. He is a industrialist with experience of more than 40 years in chemical industry.



Mr. Jayprakash M. Patel

He is a Chemical Engineer and industrialist with 35 years experience in Dyes and Intermediate industry.



Mr. Gokul M. Jaykrishna

He is the Joint Managing Director and has been associated with the Company since 1994. He is a Major in Finance and Marketing from Lehigh University, Bethlehem. He undertakes the responsibility of the finance, marketing and overall development of

the Company. He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders.



Dr. Pradeep Jha

He is an academican with over 38 years of experience in teaching. He has published research papers on inventory management and has made remarkable contribution in operation research. He is a professor in L. J. Institute of Engineering and Technology, Ahmedabad.



Mr. Munjal M. Jaykrishna

He is the Joint Managing Director of the Company. He is a Major in Finance and Marketing from Lehigh University, Bethlehem. He undertakes the responsibility of production, marketing, quality control and overall development of the Company. He

has an experience of working with Bank of California (San Francisco) as Financial Analyst and Paragon Knits (Bethlehem) as a Consultant.



Mr. Kiran J. Mehta

He is a M. Com, LLB, FICWA and FIISA. He is associated with the Company since 2003. He is a practicing Cost Accountant. He is an expert in cost and management accountancy.



Mr. Param J. Shah

He is an MBA, MCOM and LLB and is an academican. He is associated with the Company since 2010.

STATUTORY SECTION

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Paru M. Jaykrishna

Chairperson & Managing Director

Mr. Gautam M. Jain

Additional Director

Mr. Jayprakash M. Patel

Additional Director

Dr. Pradeep Jha

Mr. Param J. Shah

Mr. Kiran J. Mehta

Mr. Gokul M. Jaykrishna

Joint Managing Director

Mr. Munjal M. Jaykrishna

Joint Managing Director

AUDITOR:

M/S. Trushit Chokshi & Associates

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt Limited

BANKERS

State Bank of India

REGISTERED OFFICE & WORKS

166/169, Indrad Village,

Kadi Kalol Road, Dist. Mehsana

Gujarat - 382 715 (India)

Tel: +91 2764 300700

Fax: +91 2764 233550

Email: cs@aksharchemindia.com

Website: www.aksharchemindia.com

CIN: L24110GJ1989PLC012441

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of AKSHARCHEM (INDIA) LIMITED will be held on Thursday, 25th day of September, 2014 at the Registered Office of the Company situated at 166-169, Village Indrad, Kadi - Kalol Road, Dist: Mehsana, Gujarat, at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014 including Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend already paid to the equity shareholders as final dividend.
3. To declare a Final Dividend on Equity Shares.
4. To appoint a Director in place of Mrs. Paru M. Jaykrishna (holding DIN 00671721), whose period of office is not liable to determination for retirement of directors by rotation under the erstwhile provisions of the Companies Act, 1956 but who pursuant to provisions of Section 152 of the Companies Act, 2013, is liable to retire by rotation being eligible, offers herself for re-appointment.
5. To reappoint the Auditors and to fix their remuneration and to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 111072W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the Annual General Meeting till the conclusion of Twenty Eighth Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors of the Company be

and are hereby authorised to fix such remuneration plus applicable service tax and out of pocket expenses incurred by them for the purpose of audit in consultation with the auditors."

SPECIAL BUSINESS:

6. **Appointment of Mr. Gautam M. Jain (holding DIN No. 00160167) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 161 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to clause 49 of listing Agreement including any modification or amendment thereof, Mr. Gautam M. Jain (holding DIN No. 00160167), who was appointed as an Additional Director by the Board of Directors of the Company under the erstwhile provisions of the Companies Act, 1956 and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member signifying his intention to propose Mr. Gautam M. Jain as candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the 30th Annual General Meeting of the Company in the calendar year 2019."

7. **Appointment of Mr. Jayprakash M. Patel (holding DIN No. 00256790) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 161 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to clause 49 of listing Agreement including any modification or amendment thereof, Mr. Jayprakash M. Patel (holding DIN No. 00256790), who was appointed as an Additional Director by the Board of Directors of the Company under the erstwhile provisions of the Companies Act, 1956 and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member signifying his intention to propose Mr. Jayprakash M. Patel as candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the 30th Annual General Meeting of the Company in the calendar year 2019."

8. Appointment of Mr. Kiran J. Mehta (holding DIN No. 01105318) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Mr. Kiran J. Mehta (holding DIN 01105318), Director of the Company who was liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956 at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5

(Five) consecutive years from the date of this annual general meeting till the date of the 30th Annual General Meeting of the Company in the calendar year 2019."

9. Appointment of Mr. Param J. Shah (holding DIN No. 03273768) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Mr. Param J. Shah (holding DIN No. 03273768), Director of the Company who was liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956 at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the 30th Annual General Meeting of the Company in the calendar year 2019."

10. Appointment of Dr. Pradeep Jha (holding DIN No. 01539732) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of listing Agreement, Dr. Pradeep Jha (holding DIN No. 01539732), who was appointed as a director liable to retire by rotation under the erstwhile provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for

the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years from the date of this annual general meeting till the date of the 30th Annual General Meeting of the Company in the calendar year 2019.”

11. Revision in the terms of appointment and remuneration of Mrs. Paru M. Jaykrishna (holding DIN 00671721), the Chairperson and Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, 152, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification to the Special Resolution passed at the Twenty Second Annual General Meeting held on 30th August, 2011, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mrs. Paru M. Jaykrishna (holding DIN 00671721), the Chairperson and Managing Director of the Company, who was appointed as a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 by making her office liable to retire by rotation and said retirement by rotation shall not be construed as break in terms of her appointment.

RESOLVED FURTHER THAT in partial modification of the resolution passed in 22nd Annual General Meeting held on 30th August, 2011 and pursuant to the provisions of section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), such other approval, permissions and sanctions from the Central Government, if required, and as recommended by the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to the revision in the terms of remuneration payable to Mrs. Paru M. Jaykrishna (holding DIN No. 00671721), the Chairperson and Managing Director of the Company as set out in the Explanatory Statement.

RESOLVED FURTHER THAT in the event of absence of profits or inadequate profits in any financial year during the tenure of the Chairperson and Managing Director of the Company be paid the above salary and perquisites as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to further alter, vary and/or amend the terms and condition of remuneration so as not to exceed the limit set out in Section 196 and 197 read with Schedule V of the Companies Act, 2013 or any amendments thereto.

RESOLVED FURTHER THAT all other terms and conditions as mentioned in the Special Resolution passed at the twenty second Annual General Meeting held on 30th August, 2011, in relation to the appointment of Mr. Paru M. Jaykrishna, the Chairperson and Managing Director of the Company shall remain unchanged.

RESOLVED FURTHER THAT the 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.”

12. Revision in the terms of appointment and remuneration of Mr. Gokul M. Jaykrishna (holding DIN No. 00671652), the Joint Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, 152, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification to the Ordinary Resolution passed at the Twenty Second Annual General Meeting held on 30th August, 2011, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. Gokul M. Jaykrishna (holding DIN No. 00671652), the Joint Managing Director of the Company, who was appointed as a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 by making his office liable to retire by rotation

and said retirement by rotation shall not be construed as break in terms of his appointment.

RESOLVED FURTHER THAT in partial modification of the resolution passed in 22nd Annual General Meeting held on 30th August, 2011 and pursuant to the provisions of section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), such other approval, permissions and sanctions from the Central Government, if required, the consent of the Company be and is hereby accorded to the revision in the terms of remuneration payable to Mr. Gokul M. Jaykrishna (holding DIN No. 00671652), the Joint Managing Director of the Company as set out in the Explanatory Statement.

RESOLVED FURTHER THAT in the event of absence of profits or inadequate profits in any financial year during the tenure of the Joint Managing Director of the Company be paid the above salary and perquisites as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to further alter, vary and/or amend the terms and condition of remuneration so as not to exceed the limit set out in Section 196 and 197 read with Schedule V of the Companies Act, 2013 or any amendments thereto.

RESOLVED FURTHER THAT all other terms and conditions as mentioned in the Ordinary Resolution passed at the Twenty Second Annual General Meeting held on 30th August, 2011, in relation to the appointment of Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company shall remain unchanged.

RESOLVED FURTHER THAT the 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."

13. Reappointment of Mr. Munjal M. Jaykrishna (holding DIN No. 00671693) as Joint Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special**

Resolution:

"RESOLVED THAT pursuant to the provisions of section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant Clause of Articles of Association of the Company, and receipt of such statutory approvals, if any, as may be necessary, being obtained from the appropriate authorities to the extent applicable or necessary and subject to approval of shareholder holders in the Annual General Meeting consent and approval of the Company be and is hereby accorded to re-appointment of Mr. Munjal M. Jaykrishna (holding DIN No. 00671693) as Joint Managing Director of the Company, for a period of 5 years with effect from March 24, 2014, liable to retire by rotation, on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT where in the any financial year during the currency of the tenure of Mr. Munjal M. Jaykrishna as Joint Managing Director of the Company, the Company has no profits or its profits are inadequate, the Joint Managing Director be paid remuneration by way of salary, allowances and perquisites not the exceeding the maximum limits as stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013 and rules there under.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to further alter, vary and/or amend the terms and condition of remuneration so as not to exceed the limit set out in Section 196 and 197 read with Schedule V of the Companies Act, 2013 or any amendments thereto.

RESOLVED FURTHER THAT the 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."

14. Borrowing powers to the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013 up to Rs. 200 crores

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special**

Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution approved at the Annual General Meeting held on 29th September, 1997 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent and approval of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 200 crores (Rupees Two Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

15. Authority to charge/mortgage assets of the Company both present and future

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution approved at the Annual General Meeting held on 29th September, 1997 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013, consent and approval of the Company be and is hereby accorded to the Board of Directors of the Company to charge/ mortgage/ create security/ encumber in respect of the whole or substantially

the whole of undertaking/s of the Company including all or any of its moveable or immovable property(ies), both present and future, for securing the loan(s)/ financial assistance obtained/ to be obtained from Banks, Public Financial Institutions or Bodies Corporate or any other party together with interest, compound interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable to Banks, Financial Institutions or Bodies Corporate or any other party in terms of their respective loan agreements, hypothecation agreements, letter of sanction, memorandum of terms and conditions from time to time on behalf of the Company to secure borrowings up to Rs. 200 crores (Rupees Two Hundred Crores Only)."

16. Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

17. Approval of remuneration of Cost Auditors for the financial year 2014-15

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 148 of the Companies Act, 2013, and Rule 14 of the Companies (Audit and Auditors) Rules 2014, a remuneration of Rs. 20,000 (Rupees Twenty Thousand Only) plus service tax

as applicable and actual out of pocket expenses, for the financial year commencing on 1st April, 2014 and ending on 31st March, 2015, as fixed by the Audit Committee and approved by the Board of Directors of the company, to be paid to Ms. Stuti R. Shah, Cost Accountants (Membership Number 29115) be and is hereby ratified and confirmed."

18. Maintenance of Register of Member and other statutory registers at a place other than the registered office of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members, Register and Index of Debenture Holders and other statutory registers and copies of all Annual Returns

under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Corporate office of the Company at 8, "GARDEN VIEW", Opp. AUDA Garden, Off. Sindhu Bhavan Road, Bodakdev, Ahmedabad - 380 054, instead of the Registered Office of the Company with effect from October 1, 2014."

By the Order of the Board of Directors

Mrs. Paru M. Jaykrishna
Chairperson and
Managing Director
DIN No. 00671721

Place : Ahmedabad
Date : August 12, 2014

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

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Relevant Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
3. Register of members and share transfer books of the Company will remain closed from 18th September, 2014 to 25th September, 2014 (both days inclusive).
4. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid:
 - a. To all beneficial owners in respect of shares held in dematerialised form as per the data as may be available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 17th September, 2014.
 - b. To all members in respects of shares held in physical form after giving effect to valid transfer in respect of transfer request lodged with the Company on or before the close of business hours on 17th September, 2014.

5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. The Members of the Company are requested to register their email addresses with their DP or with the Registrar and Share Transfer Agent of the Company, to receive documents/notices electronically from the Company in lieu of physical copies. Please note that, in case you have already registered your email address, you are not required to re-register unless there is any change in your email address. Members holding shares in physical form are requested to send email at cs@aksharchemindia.com to update their email addresses.
7. Members are requested to bring their attendance slip along with their copy of Annual Report at the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. All documents referred to in the notice are available for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays, upto the date of Meeting and will also be available at the venue of the Meeting.
10. The Register of Directors and key managerial personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at the venue of the Meeting by the Members attending the meeting.
11. The Register of contracts or arrangements, in which Directors are interested shall be produced at the commencement of Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
12. Re-appointment of Directors (Information pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Mrs. Paru M. Jaykrishna, retire by rotation and being eligible, offer herself for re-appointment. The Board of Directors of the Company recommends her re-appointment.

The information or details to be provided for the aforesaid Director under the corporate governance code are as under:

Mrs. Paru M. Jaykrishna, aged 71 years, is Chairperson and Managing Director of the Company. She is BA & MA in Philosophy, Sanskrit & English Literature and also holds a degree in Law. She is one of the renowned women entrepreneurs of India. She was the first lady appointed as Executive Member and President of Gujarat Chambers of Commerce and Industry. She has been former director, president to many of the Gujarat Government Boards and Organisations. She is the founder of the Company and looks after policy making and growth strategies of the Company. She is on the Board of Asahi Songwon Colors Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Skyjet Aviation Private Limited, Asahi Energy Private Limited. As on 31.03.2014, she is holding 1,652,792 Equity Shares of the Company.

13. Reappointment/Revision in terms of appointment (Information pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, resolution is placed for approval of members of the Company for revision in terms of appointment and remuneration of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director, revision in terms of appointment and remuneration of Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company and reappointment of Mr. Munjal M. Jaykrishna as Joint Managing Director of the Company.

Brief information of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director is given on note no. 12 pursuant to Clause 49 of Listing Agreement.

Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company aged around 46 years is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1994. He is looking after overall finance, marketing and overall development of the Company.

He is on the Board of Asahi Songwon Colors Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Flyover Communication Private Limited, Echke Limited, Asahi Energy Private Limited, Skyjet Aviation Private Limited. As on 31.03.2014, he is holding 836,372 Equity Shares of the Company.

Mr. Munal M. Jaykrishna, Joint Managing Director of the Company aged around 44 years is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1995. He is looking after production, marketing, quality control and overall development of the Company.

He is on the Board of Asahi Songwon Colors Limited, Akshar Silica Private Limited, Asahi Powertech Private Limited, Flyover Communication Private Limited, Skyjet Aviation Private Limited, Asahi Energy Private Limited. As on 31.03.2014, he is holding 836,372 Equity Shares of the Company.

14. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.
15. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.aksharchemindia.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.

16. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "AKSHARCHEM-e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of AksharChem (India) Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs@aksharchemindia.com or with a copy marked to evoting@nsdl.co.in. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided separately, in below format:
EVEN (E Voting Event Number) USER ID
PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 20th September, 2014 (9:00 am) and ends on 21st September, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 29, 2014.
- VII. Mr. Bipin L. Makawana, Practicing Company Secretary (Membership No. A15650) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding two working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the Annual General Meeting (AGM) of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.aksharchemindia.com and on the website of NSDL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited and Ahmedabad Stock Exchange Limited.

By the Order of the Board of Directors

Mrs. Paru M. Jaykrishna
Chairperson and
Managing Director
DIN No. 00671721

Place : Ahmedabad
Date : August 12, 2014

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

ANNEXURE TO NOTICE

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

Item No. 6 to 10

Mr. Gautam M. Jain and Mr. Jayprakash M. Patel were appointed as an additional director on the Board of the Company with effect from January 21, 2014 under the erstwhile provisions of the Companies Act, 1956 to hold office up to the date of the ensuing Annual General Meeting.

Mr. Gautam M. Jain is Bsc (Chemistry) and LLB. He is an industrialist having more than 40 years experience in chemical industry.

Mr. Jayprakash M. Patel is Chemical Engineer. He is an industrialist having more than 35 years experience in Dyes and Intermediates industry.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from the members signifying

their intention to propose the candidature of Mr. Gautam M. Jain and Mr. Jayprakash M. Patel as Directors of the Company.

Mr. Gautam M. Jain and Mr. Jayprakash M. Patel are not disqualified from being appointed as directors of the Company in terms of Section 164 of the Companies Act, 2013 and has given their consent to act as a Director.

Section 149 of the Companies Act, 2013 stipulates the criteria of independence for appointment of an Independent Director on the Company's Board. An Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors liable to retire by rotation. In the opinion of the Board, Mr. Gautam M. Jain and Mr. Jayprakash M. Patel fulfils the conditions for their appointment as an independent director as specified in the Companies Act, 2013 read with rules made there under and the Listing Agreement. The Board recommends their appointment as independent directors of the Company for your approval.

None of the directors, Key Managerial Personnel and their relatives other Mr. Gautam M. Jain and Mr. Jayprakash M. Patel and their relatives are concerned or interested in the said resolutions.

Pursuant to provisions of Section 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement. It is proposed to appoint Mr. Kiran J. Mehta, Mr. Param J. Shah and Dr. Pradeep Jha, as Independent Directors of the Company up to 5 (five) consecutive years up to conclusion of the 30th Annual General Meeting of the Company. The Company has received notices pursuant to Section 160 of the Companies Act, 2013 from shareholders proposing the appointment of aforesaid Independent Directors.

A brief profile along with other details of the Independent Directors are as follows:

Name of the Director	Mr. Gautam M. Jain
Director Identification Number	00160167
Date of Birth	18/06/1952
Date of Joining the Board	21/01/2014
Profile of the Director	He is Bsc (Chemistry) and holds a degree in Law. He is a Industrialist having more than 40 years of experience in Chemical Industry.
Number of shares held in the Company	Nil
Directorship in other companies	1. Metroglobal Limited 2. Metrochem Capital Trust Limited 3. Minerva Dychem Industries Pvt Ltd 4. Maiden Tradefin Pvt Ltd 5. Anil Dye-Chem Industries Pvt Ltd 6. Nitrex Chemicals India Limited 7. Bloom Investment and Trading Pvt Ltd 8. Progressive Invatrade Private Limited 9. Charm Trading and Investment Pvt Ltd 10. Sparkling Tradefin Private Limited 11. Search Invatrade Private Limited 12. DK Metro Procon Private Limited 13. Miraj Impex Private Limited 14. Sanjivni Medisurge & Research Foundation 15. Takshashil Metro Infraspace Private Ltd
Committee memberships in other companies	Nil

Name of the Director	Mr. Jayprakash M. Patel
Director Identification Number	00256790
Date of Birth	09/02/1948
Date of Joining the Board	21/01/2014
Profile of the Director	He is a Chemical Engineer and industrialist with over 35 years of experience in Dyes and intermediates industry.
Number of shares held in the Company	Nil
Directorship in other companies	1. Loxim Industries Limited 2. Riddhi Siddhi Gluco Biols Limited 3. Dye-O- Print (Guj) Private Limited
Committee memberships in other companies	Loxim Industries Limited Audit Committee - Member Remuneration Committee - Member

Name of the Director	Mr. Kiran J. Mehta
Director Identification Number	01105318
Date of Birth	30/09/1953
Date of Joining the Board	27/07/2003
Profile of the Director	He is a MCOM, LLB, FICWA and FIISA. He is senior practicing cost accountant.
Number of shares held in the Company	Nil
Directorship and memberships in other companies	Nil
Committee memberships in other companies	Nil

Name of the Director	Mr. Param J. Shah
Director Identification Number	03273768
Date of Birth	30/12/1980
Date of Joining the Board	13/08/2010
Profile of the Director	He is MBA, MCOM and LLB. He has wide knowledge in Finance and Law.
Number of shares held in the Company	Nil
Directorship and memberships in other companies	Nil
Committee memberships in other companies	Nil

Name of the Director	Dr. Pradeep Jha
Director Identification Number	01539732
Date of Birth	28/11/1945
Date of Joining the Board	28/05/2002
Profile of the Director	Academician with more than over 38 years experience. He is senior Professor of Mathematics.
Number of shares held in the Company	Nil
Directorship and memberships in other companies	Asahi Songwon Colors Limited
Committee memberships in other companies	Asahi Songwon Colors Limited Audit Committee – Member Remuneration committee - Member Shareholder/Investor Grievances Committee - Member

In the opinion of the Board, Independent Directors fulfils the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management.

The Board of Directors recommends the appointment of Mr. Kiran J. Mehta, Mr. Param J. Shah, Dr. Pradeep Jha as Independent Directors as set out in Item Nos. 8 to 10 for the approval of the shareholders at the ensuing Annual General Meeting.

Except the Independent Directors of the Company and their relative, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, in the proposed Ordinary Resolutions set out in Item No. 8 to 10 This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange(s).

Item No. 11

Revision in the terms of appointment of Mrs. Paru M. Jaykrishna (holding DIN 00671721), the Chairperson and Managing Director of the Company

Mrs. Paru M. Jaykrishna, the Chairperson and Managing Director of the Company was re-appointed pursuant to provisions of Sections 198, 269, 309 & 310 read with Schedule XIII to the Companies Act, 1956, by the Members in the 22nd Annual General Meeting held on 30th August, 2011 for a period of 5 Years with effect from 1st April, 2011 and her period of office is not liable to determination by retirement of directors by rotation in terms of the erstwhile

provisions of the Companies Act, 1956.

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term “total number of directors” does not include Independent Directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.

The Board of Directors of your Company at present consists of three (3) Non-Independent Directors. In the light of above referred provisions of the Companies Act, 2013, it is desirable that the period of office of Executive Directors is made liable to determination by retirement of directors by rotation. Accordingly, resolution is placed for approval of the Members to change the terms of Mrs. Paru M. Jaykrishna from ‘Not liable to retirement by rotation’ to ‘Director liable to retirement by rotation’ and said retirement by rotation shall not be construed as break in terms of her appointment.

The Board of Directors at its meeting held on January 21, 2014 revised the remuneration of Mrs. Paru M. Jaykrishna on the recommendation by Remuneration Committee.

Mrs. Paru M. Jaykrishna, 71 years is a MA, LLB from Gujarat University. She is a renowned women industrialist of India. Under leadership the Company has achieved phenomenal growth since inception to the current year. During all these years the business activities of the Company has increased substantially. Therefore, to compensate Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company with the industrial standards and as recommended by the Nomination and Remuneration

Committee, the Board of Directors at their meeting held on 12th August, 2014 approved, subject to approval of the shareholders in the ensuing annual general meeting the enhancement of the remuneration. The other terms and conditions of the remuneration remaining the same as approved at the 22nd Annual General Meeting held on 30th August, 2011. The terms and conditions are:

1.

Remuneration:		
A.	Basic Salary	Rs. 300,000/- per month with effect 1st December, 2013 to 30th September, 2014 and Rs. 600,000/- per month with effect from 1st October, 2014 with such revisions as approved by the Board of Directors 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 196 and 197 read with Schedule V of the Companies Act, 2013.

2.

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 and 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.
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 four 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.	

3.	Overall Remuneration: The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.
4.	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 V read with Section 196 and 197 of the Companies Act, 2013.

The Board of Directors thus recommends the resolution as set out in Item No. 11 of the accompanying Notice concerning her period of office as a Special Resolution.

As per provision of Section 190 of the Companies Act, 2013, the draft Agreement to be entered into by the Company with Mrs. Paru M. Jaykrishna is available for inspection between 11.00 a.m. and 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company.

The above may be treated as a written memorandum under Section 190 of the Companies Act, 2013.

Mr. Paru M. Jaykrishna, the Chairperson and Managing Director of the Company may be considered to be concerned or interested in the said Resolution and also in the draft agreement. Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna may also be considered as concerned or interested in the same, being relatives of Mrs. Paru M. Jaykrishna. Save as aforesaid, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 11.

Item No. 12

Revision in the terms of appointment and remuneration of Mr. Gokul M. Jaykrishna (holding DIN 00671652), the Joint Managing Director of the Company

Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company was re-appointed pursuant to provisions of Sections 198, 269, 309 & 310 read with Schedule XIII to the Companies Act, 1956, by the Members in the 22nd Annual General Meeting held on 30th August, 2011 for a period of 5 Years with effect from 1st April, 2011 and his period of office is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The provisions of Section 152 of the Companies Act, 2013

provide that not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.

The Board of Directors of your Company at present consists of three (3) Non-Independent Directors. In the light of above referred provisions of the Companies Act, 2013, it is desirable that the period of office of Executive Directors is made liable to determination by retirement of directors by rotation. Accordingly, resolution is placed for approval of the Members to change the terms of Mr. Gokul M. Jaykrishna from 'Not liable to retirement by rotation' to 'Director liable to retirement by rotation' and said retirement by rotation shall not be construed as break in terms of his appointment.

The Board of Directors at its meeting held on January 21, 2014 revised the remuneration of Mr. Gokul M. Jaykrishna on the recommendation by Remuneration Committee.

Mr. Gokul M. Jaykrishna aged around 46 years is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1994.

He is looking after overall finance, marketing and overall development of the Company. During all these years the business activities of the Company has increased substantially. Therefore, to compensate Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company, fairly and in consonance with the industrial standards, the Board approved, subject to approval of the shareholders in the general meeting the enhancement of the remuneration. The other terms and conditions of the remuneration remaining the same as approved at the 22nd Annual General Meeting held on 30th August, 2011. The terms and conditions are:

1.	Remuneration:		
A.	Basic Salary	Rs. 150,000/- per month with effect from December 1, 2013 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 196 and 197 read with Schedule V of the Companies Act, 2013.	
2.	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.	
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.	

As per provision of Section 190 of the Companies Act, 2013, the draft Agreement to be entered into by the Company with Mr. Gokul M. Jaykrishna is available for inspection between 11.00 a.m. and 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company.

The above may be treated as a written memorandum under Section 190 of the Companies Act, 2013.

Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company may be considered to be concerned or interested in the said Resolution and also in the draft agreement. Mrs. Paru M. Jaykrishna and Mr. Munjal M. Jaykrishna may also be considered as concerned or interested in the same, being relatives of Mr. Gokul M. Jaykrishna. Save as aforesaid, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 12.

Item No. 13

Reappointment of Mr. Munjal M. Jaykrishna (holding DIN 00671693) as Joint Managing Director of the

Company

At the 20th Annual General Meeting of the Company Mr. Munjal M. Jaykrishna was appointed as Joint Managing Director of the Company for a period of five years. The Board of Directors at their meeting held on January 21, 2014 revised the remuneration payable of Mr. Munjal M. Jaykrishna on the recommendation of Remuneration Committee.

The Board of Directors at its meeting held on March 24, 2014 has reappointed Mr. Munjal M. Jaykrishna as Joint Managing Director of the Company for a further period of 5 years with effect from March 24, 2014, subject to approval of the shareholders at the general meeting by way of special resolution.

Mr. Munjal M. Jaykrishna is a major in Finance and Marketing from Lehigh University, Bethlehem. He is associated with the Company since 1995. He is looking after production, marketing, quality control and overall development of the Company. The brief particulars of his terms and conditions of remunerations are as mentioned herein below:

1.	Tenure of Appointment:		5 years with effect from March 24, 2014						
2.	Remuneration:								
	A.	Basic Salary	Rs. 150,000/- per month with effect from March 24, 2014 to September 30, 2014 and Rs. 400,000/- per month with effect from October 1, 2014 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 196 and 197 read with Schedule V of the Companies Act, 2013.						
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	<table><tr><td>i)</td><td>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.</td></tr><tr><td>ii)</td><td>In case the accommodation is owned by the Company, 10% of the salary of Joint Managing Director shall be deducted by the Company.</td></tr><tr><td>iii)</td><td>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.</td></tr></table>	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.
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.
d.	Insurance	Insurance policy to cover personal effects, personal accident and medical expenses.
e.	Club Fees	Fees of clubs subject to maximum five 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 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 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 V read with Section 196 and 197 of the Companies Act, 2013.	

In terms of the provisions of Companies Act, 2013, consent of the members is required for re-appointment of Mr. Munjal M. Jaykrishna as Joint Managing Director of the Company. The Board hereby recommends the resolution for your approval.

The Joint Managing Director shall be liable to retire by rotation under Section 152 of the Companies Act, 2013.

The Board of Directors thus recommends the resolution as set out in Item No. 13 of the accompanying Notice concerning his period of office as a Special Resolution.

As per provision of Section 190 of the Companies Act, 2013, the draft Agreement to be entered into by the Company with Mr. Munjal M. Jaykrishna is available for inspection between

11.00 a.m. and 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company.

The above may be treated as a written memorandum under Section 190 of the Companies Act, 2013.

Mr. Munjal M. Jaykrishna, the Joint Managing Director of the Company may be considered to be concerned or interested in the said Resolution and also in the draft agreement. Mrs. Paru M. Jaykrishna and Mr. Gokul M. Jaykrishna may also be considered as concerned or interested in the same, being relatives of Mr. Munjal M. Jaykrishna. Save as aforesaid, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 13.

Item No. 14**Borrowing powers of the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013 up to Rs. 200 crores**

The Members of the Company at their 8th Annual General Meeting held on 29th September, 1997 approved, by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 200 crores (Rupees Two Hundred Crores).

Section 180(1) (c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow monies in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

Considering the growth of the Company in last decade and future requirements for long term funds, it is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) of the Companies Act, 2013 and other applicable provisions of the Act, as set out at Item No. 13 of the Notice, to enable the Board of Directors to borrow monies not exceeding Rs. 200 crores.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 14. The Directors recommend the passing of the Special Resolution proposed at Item No. 14 of the Notice.

Item No. 15**Authority to charge/mortgage assets of the Company both present and future**

The Members of the Company at their 8th Annual General Meeting held on 29th September, 1997 approved, by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, authorised the Board of Directors of the Company to create mortgage and/or charge on the immovable and movable properties of the Company in favour of Banks, Public financial institutions etc. to secure the financial assistance not exceeding Rs. 200 crores (Rupees Two Hundred Crores).

However, pursuant to provisions of section 180(1)(a) of the Companies Act, 2013, since notified, the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of Members of the Company by way of Special Resolution.

Accordingly, the Company seek approval of the Members by way of passing Special resolution in accordance with the requirements of section 180(1)(a) of the Companies Act, 2013.

In furtherance to the Resolution No. 14 of this notice, the said borrowings may be required to be secured by way of mortgage/ charge over all or any part of the movable and/ or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and/ or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company. As the documents to be executed between the lenders and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1) (a) of the Companies Act, 2013 for creation of charges/mortgages/hypothecations up to the limits as mentioned in the resolution.

Your Directors recommend the Resolution at Item No. 15 of the Notice for your approval as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested in this resolution.

None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested in this resolution.

Item No. 16**Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013**

The existing Articles of Association of the Company are based on the provisions of the Companies Act, 1956. Consequent to the notification and applicability of large number of Sections of the Companies Act, 2013 and Rules framed there under, it has become necessary to alter the existing Articles of Association of the Company to be in line with the new Act. The Board of Directors had decided to adopt new set

of Articles of Association and replacing the existing Articles of Association.

As per the provisions of Section 14 of the Companies Act, 2013, approval of the Shareholders of the Company by way of a special resolution is required for alteration of Articles of Association of the Company.

A copy of the proposed new set of the Articles of Association of the Company would be available for inspection at the registered office of the Company on all working days except Sundays and Holidays between 11.00 A.M and 1.00 P.M up to the date of Meeting and will also be available at the venue of the Meeting.

None of the Directors / Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested in the Special Resolution set out at Item No. 16 of the Notice. The Board recommends the Special Resolution set out at Item No. 16 of the Notice for approval by the shareholders.

Item No. 17

Approval of remuneration of Cost Auditors for the financial year 2014-15

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Ms. Stuti R. Shah, Cost Accountant, as Cost Auditors to conduct of audit of cost records maintained by the Company in respect of Companies Product for the financial year 2014-15.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors should be ratified by the shareholders of the Company.

According, consent of the members is sought for passing an Ordinary Resolution as set out at the Item No. 17 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

None of the Directors / Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested in the Ordinary Resolution set out at Item No. 17 of the Notice.

Item 18

Maintenance of Register of Members and other Statutory Registers at a place other than the registered office of the Company

In the interest of operational and administrative convenience, it is proposed to maintain the Register of Members, Register of Debenture Holders, Index of Members/ Debenture Holders and copies of annual returns and other statutory registers at the Company's Corporate office situated at 8, "GARDEN VIEW", Opp. AUDA Garden, Off. Sindhu Bhavan Road, Bodakdev, Ahmedabad - 380 054, instead of the Registered Office of the Company with effect from October 1, 2014.

Approval of the Shareholders is required under Section 94 of the Companies Act, 2013 for effecting the change in the place at which the Register and Index of Members etc are to be kept.

The Board recommends the special resolution set out under Item No.18 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the special resolution set out under Item No. 18 of the Notice.

By the Order of the Board of Directors

Mrs. Paru M. Jaykrishna

Chairperson and

Managing Director

DIN No. 00671721

Place : Ahmedabad

Date : August 12, 2014

Registered Office :

166-169, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN : L24110GJ1989PLC012441

DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present their Twenty Fifth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2014.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Current Year 2013-2014	Previous Year 2012-2013
Revenue from operations	14,487.33	9,583.03
Other Income	12.55	6.89
Total Income	14,499.88	9,589.92
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item and Tax Expenses	3,284.05	616.60
Less : Finance Costs	108.80	159.29
Profit for the year before Depreciation, Extra Ordinary Item and Tax Expenses	3,175.25	457.31
Less : Depreciation	119.67	118.59
Profit for the year before Extra Ordinary Item and Tax Expenses	3,055.58	338.72
Less: Extra Ordinary Item	159.79	-
Profit for the year before Tax Expenses	2,895.79	338.72
Less: Current Tax	660.12	0.06
Less: Deferred Tax	231.38	(40.67)
Net Profit for the year	2,004.29	379.33
Add : Balance brought forward from last year	797.16	446.80
Surplus available for Appropriation	2,801.45	826.13
Appropriation		
Transfer to General Reserve	225.00	-
Proposed Dividend at Rs. 2.00 per Equity Shares	99.07	24.76
Interim Dividend at Rs. 3.00 per Equity Shares	148.58	-
Tax on Dividend	42.08	4.21
Balance Carried over to Balance Sheet	2,286.72	797.16
Total	2,801.45	826.13

DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, your Board of Directors of the Company are pleased to recommend a final dividend of Rs. 2.00 per equity share (20% on the face value of Rs. 10/- each) subject to approval of the members at the forthcoming Annual General Meeting. Which along with the Interim Dividend of Rs. 3.00 per equity share (30% on face value of Rs. 10 each) adds up to total dividend of Rs. 5.00 per equity share (50% on face value of Rs. 10 each).

During the previous financial year, the Company has paid a dividend of Rs 0.50 per equity share (5% on face value of Rs. 10 each).

During the year under review, your Directors had declared an first interim dividend of Rs. 2.50 per equity share (25% on face value of Rs. 10 each) at its meeting held on November 12, 2013 and had declared second interim dividend of Rs. 0.50 per equity share (5% on face value of Rs. 10 each) at its meeting held on January 21, 2014 respectively and the same has been paid to the members/beneficial owners as on record date. The members are requested to approve the interim dividend as final dividend for the financial year 2013-14.

The final dividend, if declared as above would involve a total outgo of Rs. 247.64 Lacs towards dividend for the year (including interim dividend already paid) and Rs. 42.08 Lacs towards dividend distribution tax (including dividend distribution tax of interim dividend).

FINANCIAL PERFORMANCE

General

The global economic environment during the year 2013-14 continued to be gloomy with slow growth in all emerging markets. The Indian economy also struggled with Industrial growth, high inflation, depreciation of Indian Currency, high interest cost. Negative business sentiments prevailed throughout the year. Despite all challenging macro environment, your Company registered a record performance over previous year.

Results of Operations

During the year under review, the Company has earned a total income of Rs. 14,500 Lacs as compared to Rs. 9,590 Lacs of the previous year.

Profit after Tax (PAT) increased from Rs. 379 Lacs to Rs. 2,004 Lacs during the year.

The total sales increased from Rs. 9,020 Lacs to Rs. 13,897 Lacs during the year, showing a growth of 54% compared with the previous year.

Exports

During the year under review, total exports sale increased from Rs. 8,125 Lacs to Rs. 11,678 Lacs compare to the previous year, showing a growth of 44%. Your Directors are confident to explore better overseas market in the years to come.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 225 Lacs to General Reserve (Previous Year Rs. Nil). Out of amount available for appropriation and an amount of Rs. 2287 Lacs is proposed to be retained in the Statement of Profit and Loss.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company at its meeting held on 19th December, 2013 has approved a Composite Scheme of Arrangement in the nature of de-merger and transfer of CPC Green Division of Asahi Songwon Colors Limited to AksharChem (India) Limited and consequential restructure of the share capital of Asahi Songwon Colors Limited. The scheme is subject to requisite approvals, including sanction of Hon'ble High Court. The shareholders of the Company present at the Court Convened Meeting held on July 2, 2014 and public shareholders through voting by postal ballot have approved the said scheme of arrangement with requisite majority. It is now awaiting sanction of the Court.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with the Stock

Exchanges a Management Discussion and Analysis Report is appended to this Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. A separate Corporate Governance Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) is furnished as a part of this Report together with certificate from M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad, confirming compliance with the conditions of Corporate Governance.

SECRETARIAL AUDIT REPORT

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

DIRECTORATE

Various provisions in respect of Directors contained in the Companies Act, 2013 ("the Companies Act") were notified with effect from April 1, 2014 repealing the corresponding provisions in the Companies Act, 1956 ("the 1956 Act").

Independent Directors

Mr. Gautam M. Jain and Mr. Jayprakash M. Patel were appointed as additional directors of the Company with effect from January 21, 2014, who hold office until the ensuing Annual General Meeting.

Section 149 of the Companies Act, 2013 stipulates the criteria of independence for appointment of an Independent Director on the Company's Board. An Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors liable to retire by rotation. In the opinion of the Board, Mr. Gautam M. Jain and Mr. Jayprakash M. Patel fulfils the conditions for their appointment as an independent director as specified in the Companies Act, 2013 read with rules made there under and the Listing Agreement. The Board recommends their appointment as independent directors of the Company for your approval.

As per the provisions of Section 149 of the Companies Act, 2013, independent directors shall hold office for a term up to five consecutive years on the board of the Company, but shall be eligible for re-appointment for another term up to five years. Further, Section 152 of the Companies Act, 2013

provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ("AGM") of the Company.

Mr. Kiran J. Mehta and Mr. Param J. Shah retire by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. Under Section 149 of the Companies Act, 2013 and Rules made there under, and as per Clause 49 of the Listing Agreement, an Independent Director now shall hold office for a term of 5 (five) consecutive years on rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under the Board of Directors have appointed Mr. Kiran J. Mehta and Mr. Param J. Shah as Independent Directors of the Company for a term of 5 (five) consecutive years up to conclusion of the 30th Annual General Meeting of the Company. The Board recommends passing of resolution.

Dr. Pradeep Jha is Independent Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under Section 149 of the Companies Act, 2013 and Rules made there under, and as per Clause 49 of the Listing Agreement, an Independent Director now shall hold office for a term of 5 (five) consecutive years on rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under the Board of Directors have appointed Dr. Pradeep Jha as Independent Director of the Company for a term of 5 (five) consecutive years up to conclusion of the 30th Annual General Meeting of the Company. The Board recommends passing of resolution.

Non-Independent Directors

In terms of the provisions of Section 152 of the Companies Act, 2013, two third of the total strength of the Board (excluding Independent Directors) shall be liable to retire by rotation. One-third of such directors who are liable to retire by rotation shall retire at every Annual General Meeting. The Board of Directors of your Company at present consists of three (3) Non-Independent Directors. In the light of above referred provisions of the Companies Act, 2013, it is desirable that the period of office of Executive Directors is made liable to determination by retirement of directors by rotation. Accordingly, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company, Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company and Mr. Munjal M.

Jaykrishna, Joint Managing Director of the Company retire by rotation. Accordingly, the Board of Directors has revised terms of appointment in line with the above, however, other terms of appointment aforesaid executive directors remain the same and there is no break in their employment. The Company seeks your approval for the variation in terms of appointment of the executive directors.

Out of three non – independent directors, two directors shall be liable to retire by rotation and one of them (ie.1/3rd) will retire every year starting from Annual General Meeting 2014. Mrs. Paru M. Jaykrishna, being the longest severing director in this category, shall retire by rotation in the ensuing Annual General Meeting of the Company. Mrs. Paru M. Jaykrishna, being eligible, offers herself for reappointment as director and the Board recommends her reappointment in the ensuing Annual General Meeting.

Executive Directors

The Board of Directors at its meetings held on January 21, 2014 revised the remuneration payable to Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company. Further, in the Board Meeting held on August 12, 2014 has revised the remuneration of Mrs. Paru M. Jaykrishna. The Board recommends passing of resolution.

The Board of Directors at its meetings held on January 21, 2014 revised the remuneration payable to Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company. Further, the Board of Directors of the Company has revised the terms of appointment of Mr. Gokul M. Jaykrishna. The Board recommends passing of resolution.

The Board of Directors at its meeting held on January 21, 2014 revised the remuneration payable to Mr. Munjal M. Jaykrishna, Joint Managing Director of the Company. Further, the Board of Directors at its meeting held on March 24, 2014 has reappointed Mr. Munjal M. Jaykrishna as Joint Managing Director of the Company for a further period of 5 years, subject to approval of shareholders at the ensuing Annual General Meeting. The Company is seeking your approval for his reappointment.

Attention of the Members is invited to the relevant items in the notice of the Annual General Meeting for seeking your approval for aforesaid appointments. The information required under Clause 49 of the Listing Agreement is given in the Notice and the Explanatory Statement annexed thereto of the 25th Annual General Meeting as per Section

102 of the Companies Act, 2013.

Women Director

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

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2014, 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 Statement of profit and loss of the Company for the year under review;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

The observations of the Auditors made in the Auditors Report are self explanatory. The Statutory Auditors of the Company M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.111072W) hold office until the conclusion of the ensuing Annual General Meeting. Your Company has received intimation to the effect, that the proposed reappointment, if made, would be within the prescribed limit under Section 141 of the Companies Act, 2013 and Rules made there under. Further, the appointment will have to be in terms of provisions of Section 141 of the Companies Act, 2013.

The said Auditors have confirmed their willingness to accept office, if, reappointed. The Board on the recommendation of the Audit Committee have proposed the reappointment of M/s. Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.111072W), Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting – three years (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) at such remuneration to be decided by the Board of Directors in consultation with the said Auditors.

The notes on financial statement referred to in their Audit Report are self explanatory and do not call for any further explanation.

FIXED DEPOSITS

The Company has not accepted deposit from public during the year and there was no deposit outstanding on March 31, 2014.

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

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo 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 provided in the Annexure – “A” to this Report.

STATEMENT OF EMPLOYEES' PARTICULARS

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is attached herewith as per Annexure - “B” forming part of this Report.

COST AUDITORS

The Board of Directors of the Company on the recommendation of the Audit Committee have reappointed Ms. Stuti R. Shah, Cost Accountants as the Cost Auditors to audit the cost records maintained by your Company for the financial year 2014-15 on remuneration Rs. 20,000/- (Rupees Twenty Thousand Only) plus service tax and out of pocket expenses at actuals. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the appointment and

remuneration payable to the Cost Auditors is to be ratified by the shareholders and the same is given in the notice and explanatory statement annexed thereto of the 24th Annual General Meeting as per Section 102 of the Companies Act, 2013. The Cost Report for the year 2012-13 was filed in due time.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Overall, industrial relations of the Company during the year were cordial. Your directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

FINANCE AND INSURANCE

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

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

CREDIT RATING

The CARE has revised care rating of the Company from “CARE BBB-” (Triple B Minus) to “CARE BBB+” (Triple B Plus) assigned to the long term bank loans/facilities. The CARE also revised from “CARE A3” (A Three) to “CARE A2” (A Two) rating assigned to the short term bank loans/facilities.

LISTING

The Equity Shares of the Company continue to be listed on BSE Limited and Ahmedabad Stock Exchange Limited and Listing Fees for the year 2014-15 has been paid to them.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

The Company has transferred an amount of Rs. 136,584/- remaining unclaimed was transferred to Investor Education and Protection Fund (IEPF) during the year.

ENVIRONMENT SAFETY AND HEALTH

Your Company continues to exercise persistent and meticulous efforts towards greener earth and environment

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

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

The Company continues to demonstrate its commitment to a clean and safe environment. The State of the art effluent treatment plant continues to run satisfactorily, so that the treated 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.

By the Order of the Board of Directors

Mrs. Paru M. Jaykrishna

Chairperson and

Managing Director

DIN No. 00671721

Place : Ahmedabad

Date : August 12, 2014

Registered Office :

166-169, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN : L24110GJ1989PLC012441

ANNEXURE TO THE DIRECTORS' REPORT

Additional information pursuant to 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 ended March 31, 2014.

I. (A) ENERGY CONSERVATION MEASURES TAKEN DURING THE YEAR 2013-14

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

FORM 'A'

Sr. No.	Particulars	Unit of Measurement	2013-14	2012-13
A)	POWER & FUEL CONSUMPTION			
	1. Electricity			
	a. Purchased			
	Unit	Lacs KWH	65.14	70.11
	Total amount	Rs in Lacs	456.18	416.80
	Rate/Unit	Rupees	7.00	5.94
	b. Own Generation			
	i) Unit generated through diesel generator	Lacs KWH	NA	NA
	Unit per litre of diesel oil	Rs in Lacs	NA	NA
	Cost/Unit	Rupees	NA	NA
	2. Diesel/Furnace Oil			
	Unit	Thousand Ltrs	88.96	54.32
	Total amount	Rs in Lacs	50.70	26.21
	Rate/Unit	Rupees	56.99	48.25
	3. Lignite Coal & other Fuels			
	Unit	Thousand Kgs	11,301.39	5,286.70
	Total amount	Rs in Lacs	513.79	196.12
	Rate/Unit	Rupees	4.54	3.71
B)	CONSUMPTION PER UNIT OF PRODUCTION			
	Electricity	(Units/Ton)	1,115.71	1,242.63
	Diesel/furnace oil	(Ltrs./Ton.)	15.23	9.63
	Lignite Coal and other fuels	(kg/ton)	1,935.70	937.02

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption in Form "B"

RESEARCH & DEVELOPMENT (R & D)

FORM "B"

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

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

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

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

3. Future plan of action

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

4. Expenditure on Research & Development

(Rs. in Lacs)

Particulars	2013-2014	2012-2013
Capital	Nil	0.63
Revenue/Recurring	5.61	3.19
Total	5.61	3.82
Total Expenditure as % of turnover	0.04%	0.04%

5. Technology absorption, adaptation and innovation

- i) Efforts, in brief made towards technology absorption, adaptation and innovation:
The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available.
- ii) Benefits derived as a result of the above efforts:
Benefits derived from these efforts include process rationalization, product quality improvement, reduced wastage and overall cost reduction.
- iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:
 - a. Technology imported Nil
 - b. Year of Import Not Applicable
 - c. Has technology been fully absorbed? Nil

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

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

The Company exports its product to Taiwan, South Korea and other Countries. The Company has continued to maintain focus and avail of export opportunities based on economic situation. During the year the Company exported Vinyl Sulphone valuing to Rs. 11,662 Lacs (Previous Year Rs. 8,109 Lacs) to various countries around the World. Continuous efforts are being taken to increase exports by exploring new markets.

- b. Foreign Exchange used and earned

(Rs. in Lacs)

Particulars	2013-2014	2012-2013
Foreign Exchange Earned	11,661.79	8,109.25
Foreign Exchange Used	20.29	14.78

ANNEXURE – “B” TO THE DIRECTORS’ REPORT

Particulars of Employees as per Section 217(2A) of the Companies Act, 1956 and the rules made therein and forming part of the Director’s Report for the year ended March 31, 2014.

Name	Designation	Remuneration received Rs in Lacs	Qualification	Experience (Years)	Date of commencement of Employment	Age (Years)	Previous Employment held
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	72.37	MA, LLB	44	Since Inception	71	Skyjet Aviation Pvt Ltd
Mr. Gokul M. Jaykrishna	Joint Managing Director	70.15	Major in Finance & Marketing	24	1994	46	Krieger Associates, New Jersey, USA
Mr. Munjal M. Jaykrishna	Joint Managing Director	70.13	Major in Finance & Marketing	23	1995	44	Bank of California, San Francisco, USA

Notes:

1. The employment is contractual.
2. Remuneration received includes Salary, Commission, Company’s contribution to Provident Fund and taxable value of Perquisites.

ANNEXURE – II TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

AksharChem (India) Limited is one of the leading manufacture and exporters of Vinyl Sulphone in India. Vinyl Sulphone are Industrial Chemicals used as a key raw material in the manufacturing of reactive dyes, which is having application in textiles, leather, paints, pigments, plastics and rubber. The Company has fully dedicated facility in Tal: Kadi, Dist: Mehsana in the State of Gujarat.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Chemical and Chemical products influence our lives in a significant manner. It is not only the oldest industry in India but contributes considerably to the economic development of the country. India is the third largest producer in Asia (next to Japan and China) and 12th largest in the world.

Dyestuff industry is one of the core segments of the chemical industry. India is largest producer of Dyestuff after China. Dyestuff industry comprises of dyes such as disperse, direct, reactive, vats and others. Due to greater use of polyester and cotton based fabrics, there has been a shift towards reactive dyes used in cotton based fabrics. The demand for reactive dyes is expected to grow faster due to growth in textile industry. Vinyl Sulphone is a key raw material used in the manufacturing of reactive dyes, volume has shown quantum jump in last few years.

OPPORTUNITIES, THREATS, RISK AND CONCERN

The market of dye and dye intermediate are predominated by reactive and disperse dyes. Nations like China, South Korea and Taiwan are strong players in the field of disperse dyes. India is leading producer Vinyl Sulphone in the world. Further, strict environmental and pollution norms by regulating authorities have resulted in closure of many small units which has created demand for your product. Hence, there lies a significant opportunities for your Company, being leading manufacturer of Vinyl Sulphone in India.

The Company has to comply with the environmental protection norms issued by State and Central Government. The Company has made sizeable investment in pollution mitigation assets to comply with the norms.

Petroleum based products form bulk of raw materials needed

for manufacturing the product. The prices of raw material continued to rise during the year, if the price continues to increase, it would create pressure on the bottom line. The Company continues to work cost reduction and better inventory management to reduce this threat.

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

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

OUTLOOK

Indian economy is still struggling with slow industrial growth, increased pressure of inflation, rupee falling to its lifetime low level against the dollar, high interest rates. On the other hand, global economy shows sign of recovery but with no significant upturn.

The Company has managed a very good performance in a fairly challenging environment and made descent profit and growth. Priority will be on quality of the product, cost reduction, operating efficiency, increase in utilization of installed capacity and diligent cash flow management.

India is emerging to be global hub for Vinyl Sulphone, due to disciplined environmental compliances, technological advancement and better quality, the product has been in good demand in recent years and expected to continue in the financial year 2014-15.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature and size of its business operations. The system ensure that transaction are authorized, recorded and reported diligently to safeguarding the assets against unauthorized use or disposition, true and fair reporting and compliance with all the applicable regulatory laws and company policies.

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

FINANCIAL PERFORMANCE

The financial year 2013-14 has been challenging for global and Indian economy. Despite the adverse conditions, the Company managed to report 51% growth in top line.

(Rs. in Lacs)

Particulars	2013-2014	2012-2013
Revenue from operations	14,487.33	9,583.03
Other Income	12.55	6.89
Total Income	14,499.88	9,589.92
Profit for the year before Finance Costs, Depreciation, Extra Ordinary Item and Tax Expenses	3,284.05	616.60
Finance Costs	108.80	159.29
Depreciation	119.67	118.59
Profit Before Extra Ordinary Item and Tax Expenses	3,055.58	338.72
Extra Ordinary Item	159.79	-
Profit for the year before Tax Expenses	2,895.79	338.72
Tax Expenses	891.50	(40.61)
Profit after Tax	2,004.29	379.33

Results of Operations

During the year under review, the Company has earned a total income of Rs. 14,500 Lacs as compared to Rs. 9,590 Lacs of the previous year.

Profit after Tax (PAT) increased from Rs. 379 Lacs to Rs. 2,004 Lacs during the year.

The total sales increased from Rs. 9,020 Lacs to Rs. 13,897 Lacs during the year, showing a growth of 54% compared with the previous year.

Exports

During the year under review, total exports sale increased from Rs. 8,125 Lacs to Rs. 11,678 Lacs compare to the previous year, showing a growth of 44%.

HUMAN RESOURCES DEVELOPMENT

The Industrial relations remained harmonious with a focus on productivity, quality and safety. During the year under

review, there were, no significant labour issues outstanding or remaining unresolved during the year.

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

CAUTIONARY STATEMENT

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

ANNEXURE – III TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT 2013-2014

As required by Clause 49 of the Listing Agreement with the Stock Exchange(s), a report on Corporate Governance for the year ended March 31, 2014 is furnished below:

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

2.1. Composition of the Board

The Board of Directors as on March 31, 2014 comprises of Eight (8) Directors out of which three were Executive Directors and five were Non-Executive Directors. The three Executive Directors includes one Chairperson and Managing Director and two Joint Managing Directors and who are promoter of the company. All five Non-Executive Directors are independent directors.

Independent Directors

Mr. Gautam M. Jain, Mr. Jayprakash M. Patel, Dr. Pradeep Jha, Mr. Param J. Shah and Mr. Kiran J. Mehta, are the independent directors of the Company.

The independent directors on the Board are senior, competent and highly respected persons from their receptive fields. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 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. Apart from sitting fees no other fees/compensation are paid to them.

2.3 Other provisions as to the Board and Committees

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

The meetings of the Board of Directors are held at periodical intervals and are generally at the Registered Office of the Company. The information as required under Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at the Board Meetings. 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. The Board periodically reviews compliance

reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. During the year under review, the Board of Directors met nine (9) 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.	12.04.2013	Indrad, Kadi	5
2.	29.05.2013	Indrad, Kadi	5
3.	19.06.2013	Indrad, Kadi	5
4.	29.07.2013	Indrad, Kadi	5
5.	12.11.2013	Indrad, Kadi	5
6.	17.12.2013	Indrad, Kadi	5
7.	19.12.2013	Indrad, Kadi	6
8.	21.01.2014	Ahmedabad	7
9.	24.03.2014	Ahmedabad	7

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	4	1	-	9	9	Yes
Mr. Gautam M. Jain @	3	12	-	-	2	2	No
Mr. Jayprakash M. Patel @	2	1	2	-	2	2	No
Dr. Pradeep Jha	1	-	3	-	9	9	No
Mr. Param J. Shah	-	-	-	-	9	1	No
Mr. Kiran J. Mehta	-	-	-	-	9	9	Yes
Mr. Gokul M. Jaykrishna	2	5	-	-	9	9	Yes
Mr. Munjal M. Jaykrishna	1	5	-	-	9	9	Yes

@Appointed as Additional Director with effect from 21.01.2014.

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

The brief resume of the directors proposes to be appointed/re-appointed are given in the explanatory statement annexed to the notice of convening the Annual General Meeting.

2.5 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. All board members and senior level employees have affirmed compliance of the Code. The Chairperson and Managing Director has confirmed the Compliance of the Code and as required under sub-clause 1(D) of Clause 49 of the Listing Agreement a declaration is as per Annexure to this report.

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 per the provisions of Companies Act, comprises of three members, who are well versed with finance, accounts, management and corporate affairs. The Chairman of the Audit Committee is a non-executive and independent director. The present composition of the Audit Committee is as under:

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

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

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

ii) Meeting and Attendance of the Audit Committee:

During the year under review, the Audit Committee met seven (7) 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	7	7
Dr. Pradeep Jha	7	7
Mr. Param J. Shah	7	1

iii) Terms of reference of Audit Committee:

The terms of reference of Audit Committee as approved by Board of Directors broadly are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its

financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- 5A. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc) the statement of funds

utilized for purposes other than stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the Internal Control Systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the whistle blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience & background, etc. of the candidate.

13. Carrying out any other function as in mentioned in terms of reference of the Audit committee.

iv) Review of information by Audit Committee

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

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

3.2. Remuneration Committee

i) Composition:

Remuneration Committee of the Board comprises of three members all are independent directors.

The Committee comprises of:

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

ii) Terms of reference of Remuneration Committee:

The terms and reference of Remuneration Committee are as under:

- a) To determine and recommend to the Board the remuneration packages of the Managing Directors/Whole Time Directors.
- b) To determine and advise the Board for the payment of annual commission/compensation to the Non-Executive Directors.
- c) To appraise the performance of the Managing Director/Whole Time Directors.
- d) Such other matters as the Board may from time to time request the remuneration committee to examine and recommend/approve.

iii) **Attendance of Remuneration Committee:**

During the period under review the Committee met for twice (2). The details of members and their attendance are as below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Kiran J. Mehta	2	2
Dr. Pradeep Jha	2	2
Mr. Param J. Shah	2	1

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

Whole – Time Director	Business relationship with the Company	Remuneration during the year 2013-14 (inclusive of P. F. Contribution, Perquisites and Commission) (Rs. in Lac)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	72.37
Mr. Gokul M. Jaykrishna	Joint Managing Director	70.15
Mr. Munjal M. Jaykrishna	Joint Managing Director	70.13

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, Mr. Gautam M. Jain and Mr. Jayprakash M. Patel who has voluntarily consented not to avail any benefits including sitting fees from the Company.

Shareholding of Directors

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

3.3. Shareholders'/Investors' Grievances Committee

The shareholder's/investor's grievances committee has been constituted to focus on shareholders grievances and strengthening of investor relations.

The Committee comprises of:

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

The committee meets as and when required and following are the details of meeting held of

Shareholders/ Investor Grievance Committee.

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

Terms of Reference

- a) Investor relations and redressal of shareholders

grievances in general and relating to non-receipt of dividends, interest, non-receipt of financial statement etc.

- b) Such other matter as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended by such committee.
- c) To approve request received for transfer, transmission, demat etc. of shares of the Company.

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 : 10

Number of complaints solved : 10

Number of pending complaints : -

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

4. SUBSIDIARY COMPANY

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

5. MANAGEMENT

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

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

6. CEO/CFO CERTIFICATION

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

7. PREVENTION OF INSIDER TRADING

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

8. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2010-11	At the Registered Office at 167-168, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	30.08.2011	11.30 a.m
2011-12	At the Registered Office at 167-168, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	28.09.2012	11.30 a.m
2012-13	At the Registered Office at 167-168, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	27.09.2013	3.30 p.m.

8.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2013-14

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

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

8.4 Special Resolution passed last year through Postal Ballot

No resolution was passed through Postal Ballot in the Financial Year 2013-14.

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

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

8.6 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.
- The Company has entered into an agreement with National Securities Depository Limited (NSDL) for providing e-voting facility to its shareholders. Under this facility, shareholders will be provided an electronic platform to participate and vote on resolutions to be passed through Postal Ballot.

9. DISCLOSURES**1. Related party transactions**

The audit committee reviews periodically the significant related party transactions that may have

potential conflict with the interest of the Company at large.

There are no materially significant party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management or relatives etc. that may have potential conflict with the interest of Company at large. Transactions with related parties as per the requirement of Accounting Standard (AS-18) – "Related Party Disclosure" are disclosed in Notes to Financial Statement.

2. Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Policies and Practices as prescribed in the Accounting Standards and has been consistently applied except for the changes, if any, mentioned in Notes forming part of Accounts.

3. Details of Non Compliances

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

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

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

5. Whistle Blower

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

6. Risk Management

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

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

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

8. Transfer to Investor Education and Protection Fund

During the year under review, the Company transferred Rs. 136,584/- to Investor Education and Protection Fund established by the Central Government.

9. Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement with Stock Exchanges

Information pertaining to particulars of Directors to be appointed/reappointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

10. MEANS OF COMMUNICATION

Results

The Board of Directors of the Company approves and takes on record the Financial Results and announces the

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

Website

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

Presentation to Institutional Investors or to analysts

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

Management Discussion & Analysis Report

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

11. GENERAL SHAREHOLDER'S INFORMATION

i.	Annual General Meeting	
	Day, Date, Time & Venue	Thursday, September 25, 2014 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 (2014-15) Tentative	
	Financial Year	April 1, 2014 to March 31, 2015
	Annual General Meeting	August / September, 2015

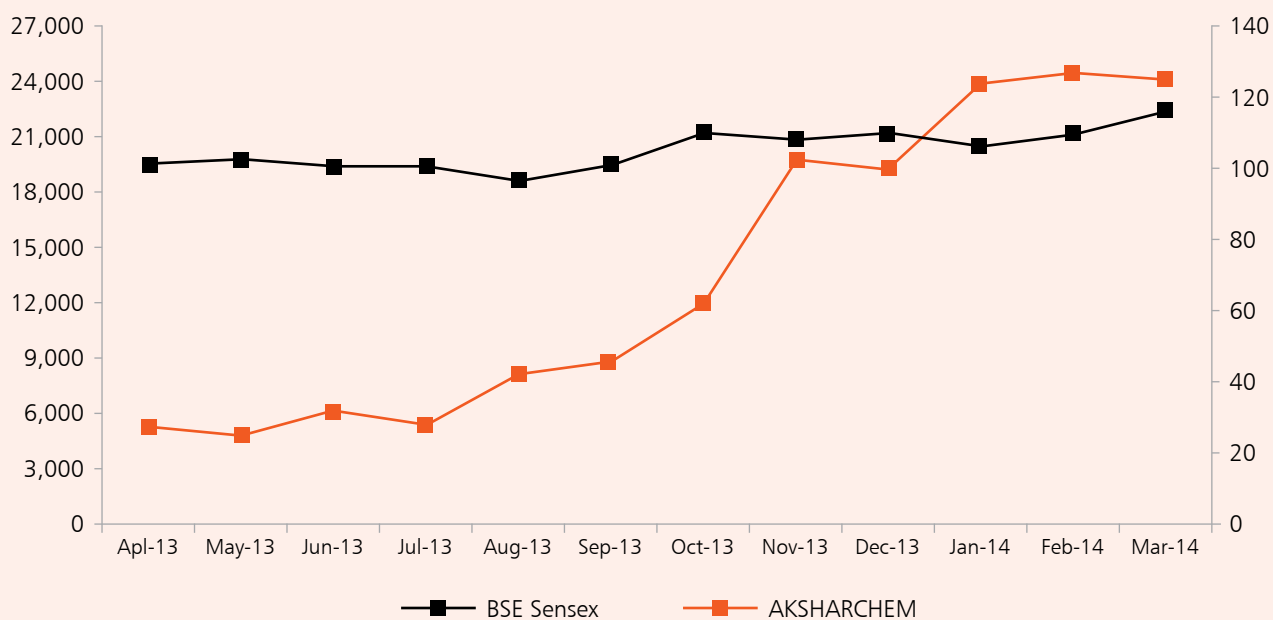
	Results for quarter ended on	
	June 30, 2014	On or before August 14, 2014
	September 30, 2014	On or before November 14, 2014
	December 31, 2014	On or before February 14, 2015
	Annual Results 2014-15	On or before May 29, 2015
iii.	Date of Book Closure	
	Closure of Register of Members and Share Transfer Books	The Book Closure is from September 18, 2014 to September 25, 2014 (both days inclusive).
iv.	Dividend Payment Date	Final Dividend of Rs. 2.00 per share (20%) for the Financial Year 2013-14 is proposed. The payment of final dividend upon declaration by the shareholders at the forthcoming Annual General Meeting will be made on or after September 25, 2014. 1. to all those shareholders holding shares in physical and whose names appear in Company' Register of Members as on September 17, 2014. 2. to all those beneficial owners holding shares in electronic mode, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on September 17, 2014.
v.	Listing of Equity Shares on Stock Exchange at	The Equity Shares of the Company are listed at BSE Limited and Ahmedabad Stock Exchange Ltd and Annual Listing Fees for the Financial Year 2014-15 has been paid to the above stock exchanges. Name and Address of Stock Exchange(s) <i>BSE Limited</i> P. J. Towers Dalal Streets, Mumbai - 400 001 <i>Ahmedabad Stock Exchange Ltd</i> Kamdhenu Complex, Opp. Sahajanand College Panjara Pole, Ambawadi Ahmedabad – 380 015
vi.	Stock Code	524598 (BSE) 06408 (ASEL)

vii. Market Price Data

The monthly High, Low (based on closing prices) during each month in the year 2013-14 on BSE Limited is given below:

Month	High (Rs.)	Low (Rs.)
April, 2013	27.25	27.25
May, 2013	26.55	24.75
June, 2013	31.60	25.00
July, 2013	30.05	28.00
August, 2013	42.10	28.00
September, 2013	51.60	42.05
October, 2013	61.85	45.80
November, 2013	107.45	57.00
December, 2013	107.70	86.05
January, 2014	176.70	101.10
February, 2014	135.00	101.25
March, 2014	136.90	119.05

AksharChem India Limited Share Price and BSE Sensex Movement



viii.	Registrar and Transfer Agent	The Company in compliance with Securities Exchange Board of India (SEBI) guidelines has appointed M/s. Link Intime India Pvt. Ltd. to act as Registrar and Transfer agent to handle all investor services relating to shares held in physical form as well as in electronic mode. Their address is given below: Link Intime India Pvt Ltd Mumbai Office C-133, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West) Mumbai – 400 078. Tel : 022-25960320-28 Fax : 022-25960329 Ahmedabad Branch Office 303, Shoppers Plaza V Opp. Municipal Market Off. C. G. Road, Navrangpura Ahmedabad - 380009 Tel : 079-26465179
ix.	Share Transfer System	The Register and Transfer Agent deals 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 the share certificates are generally returned to the transferee within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects. Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchange(s), the Company obtained a certificate from a practising Company Secretary on half yearly basis, for compliance of share transfer formalities. Pursuant to Securities Exchange Board of India (Depositories and Participants) Regulations, 1996, a certificate have been obtained from a Practising Company Secretary for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copies of these certificates with the stock exchange(s).
x.	Payment of Dividend through National Electronic Clearing Services (NECS)	The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, members who hold shares in demat mode should inform their Depository Participant and members holding shares in physical mode should update the bank details with the Register and Shares Transfer Agent.

xi. Distribution of shareholding

The distribution of shareholding as on March 31, 2014 is as under:

a. Distribution by number of shares

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
001-500	4,292	95.10	583,874	11.79
501-1000	117	2.59	96,340	1.95
1001-2000	42	0.93	66,902	1.35
2001-3000	21	0.47	52,991	1.07
3001-4000	6	0.13	21,617	0.44
4001-5000	5	0.11	21,806	0.44
5001-10000	9	0.20	70,761	1.43
10001 & above	21	0.47	4,038,559	81.53
Total	4,513	100.00	4,952,850	100.00

b. Shareholding Pattern as on March 31, 2014 (category wise)

Category	Number	% of Total
A. Promoters		
1. Indian Promoters		
Individuals	3,325,536	67.14
Bodies Corporate	323,922	6.54
2. Foreign Promoters	-	-
Total Promoters Holding	3,649,458	73.68
B. Non Promoters		
1. Institutional Investors		
a. Mutual Funds	4,500	0.09
b. Banks, Financial Institutions, Insurance Companies	-	-
c. Foreign Institution Investors	-	-
Sub Total	4,500	0.09
2. Others		
a. Bodies Corporate	82,229	1.66
b. Indian Public	1,182,725	23.88
c. NRIs/OCBs	22,216	0.45
d. Clearing Members / Clearing House	11,722	0.24
Sub Total	1,298,892	26.23
Grand Total	4,952,850	100.00

xii.	Dematerialization of Shares and Liquidity	The shares of the Company are compulsorily traded in dematerialized form. The dematerialized facility is available from both the depositories namely National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) under ISIN No. – INE542B01011. The Equity Shares of the Company are regularly traded on the BSE Limited in dematerialized form.
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Details of Demat Shares as at March 31, 2014

	No of shareholders	No of Shares	% of Capital
CDSL	231	173,330	3.50
NSDL	1,306	4,293,800	86.69
Physical Form	2,976	485,720	9.81
Total	4,513	4,952,850	100.00

xiii.	Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity	There are no outstanding GDRs / ADRs / Warrants or any convertible instruments.
xiv.	Plant Locations	166-169, Village: Indrad Kadi-Kalol Rd, Mehsana Gujarat – 382 715
xv.	Address for correspondence	At Company Aksharchem (India) Limited 166/169, Kadi – Kalol Road, Village : Indrad Dist : Mehsana - 382 715, Gujarat. Tel : (02764) 300700 Fax: (02764) 233550 Email: cs@aksharchemindia.com www.aksharchemindia.com CIN : L24110GJ1989PLC012441 At Registrar and Transfer Agent Link Intime India Private Limited 303, Shoppers Plaza V, Opp. Municipal Market Off. C. G. Road, Navrangpura, Ahmedabad – 380009. Tel : (079) 26465179 Fax : (079) 26465179 Email: ahmedabad@linkintime.co.in

For and on behalf of the Board

Mrs. Paru M. Jaykrishna
Chairperson and Managing Director
DIN No. 00671721

Date: 12/08/2014
Place: Ahmedabad

B. NON-MANDATORY REQUIREMENTS

1.	The Board – A non executive Chairman may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expense incurred in performance of his/her duties	The Chairman of the Company is Executive Chairman and hence not applicable.
	Independent Directors may have a tenure not exceeding in the aggregate a period of nine years on the Board of the Company	No maximum tenure for Independent Directors has been specifically determined by the Board.
	The Company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him/her to contribute effectively to the Company in his/her capacity as an independent director.	This is ensured.
2.	Remuneration Committee	The Company has already setup an Remuneration Committee.
3.	Shareholder Rights – A half yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of Shareholders.	As the Company's half yearly results are published in leading English newspapers having circulation all over India and in vernacular newspaper and also in the Company's website, the same are not sent to the shareholders of the Company. The annual results are approved by the Board and published in the newspaper and communicated to the shareholders through the Annual Report.
4.	Audit qualification – Company may move towards a regime of unqualified financial statements	There are no audit qualification in the Companies Financial Statement for the year ended March 31, 2014.
5.	Training of Board Members – A Company may train its Board Members in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as directors and the best ways to discharge them.	The Board of Directors are periodically updated with business, market and Company profile.
6.	Mechanism for evaluating non-executive Board Members – The performance evaluation of non-executive directors could be done by a Peer Group comprising the entire Board of Directors excluding the director being evaluated; and Peer Group evaluation could be the mechanism to determine whether to extend / continue the terms of appointment of non – executive directors.	At present, the Company does not have any such mechanism for evaluating the performance of Non-Executive Board Members.
7.	Whistle Blower Policy	The Audit Committee of Directors reviews the whistle blower policy of the Company.

For and on behalf of the Board

Mrs. Paru M. Jaykrishna
Chairperson and Managing Director
DIN No. 00671721

Date: 12/08/2014
Place: Ahmedabad

DECLARATION ON CODE OF CONDUCT

To the Members of
AksharChem (India) Limited

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

It is further confirmed that all Directors and Senior Level Employees of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2014, 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
DIN No. 00671721

Date: 12/08/2014
Place: Ahmedabad

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
AksharChem (India) Limited

We have examined the compliance of conditions of corporate governance by AksharChem (India) Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

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

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

Trushit Chokshi
Proprietor
Membership No. : 040847

Place : Ahmedabad
Date : 12/08/2014

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, 2014. 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 9 times on 12/04/2013, 29/05/2013, 19/06/2013, 29/07/2013, 12/11/2013, 17/12/2013, 19/12/2013, 21/01/2014 and 24/03/2014 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. the Company has closed its Register of Members and share transfer book from September 19, 2013 to September 27, 2013 and necessary compliance of Section 154 of the Act, has been made.
6. the annual general meeting for the financial year ended on 31/03/2013 was held on 27/09/2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. no Extra Ordinary General meeting was held during the year.
8. as per the information provided and explanation given, the company has not advanced loan to its directors and/or persons firms or companies referred in Section 295 of the Companies Act, 1956 or Section 185 of the Companies Act, 2013.
9. the company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. the company has made necessary entries in the register maintained under Section 301 of the Act.
11. the company has obtained necessary approval from the Board Of Director pursuant to Section 314 of the Act.
12. the Board of Directors or committee of Directors has approved the issue of duplicate share certificates.
13. the Company has:
 - (i) not made allotment of securities during the year. The Company has delivered all the certificates on lodgment thereof for transfer/ transmission within the time prescribed under the provisions of the Act barring few exception of delayed transfer.
 - (ii) deposited the amount of dividend including interim dividend in separate bank account within five days from the date of declaration of such dividend.
 - (iii) paid/posted warrants for dividends to all the members within a period of 30 days from the date of declaration and all unpaid/ unclaimed dividend

has been transferred to Unpaid dividend account of the company with HDFC Bank.

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

Signature:

Name of Company Secy.:

Bipin L. Makwana

C.P. No.: 5265

Date: 12/08/2014

Place: Ahmedabad

Annexure 'A'

Registers as maintained by the Company:

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

Signature:

Date : 12/08/2014
Place: Ahmedabad

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

Annexure 'B'

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

Sl. No.	Nature of Document.	Date of Filing	Filed within prescribed time.	Not filed within prescribed time but filed with additional fees.
01	Form 23C	13/06/2013	Yes	-
02	Two Sets of Form 8 - Hypothecation and Mortgage	22/06/2013	Yes	-
03	Form 1 – XBRL	31/08/2013	Yes	-
04	Form No. 66 for submission of Compliance Certificate u/s 383A of the Act.	14/10/2013	Yes	-
05	Form No.1 NV – Statement of amount credited to IEPF as per IEPF Rules.	25/11/2013	Yes	-
06	Form No.20B (Annual Return made up to 27/09/2013) u/s 159 of the Act.	25/11/2013	Yes	-
07	Form No.23ACXBRL, Form No.23ACA XBRL (Balance Sheet, Statement of Profit and Loss for the year ending 31.03.2013) u/s 220 of the Act.	25/11/2013	No	Yes
08	Form No. 5 INV	12/12/2013	Yes	-
09	Form No.32 appointment of Mr. Gautam M. Jain and Jayprakash M. Patel as additional directors.	05/02/2014	Yes	-
10	Form 23- Revision in Remuneration	20/02/2014	Yes	-
11	Form 23 – Reappointment of Mr. Munjal M. Jaykrishna as Joint Managing Director	30/03/2014	Yes	-
12.	Form 25C – Reappointment of Mr. Munjal M. Jaykrishna as Joint Managing Director	31/03/2014	Yes	-

Signature:

Date : 12/08/2014
Place: Ahmedabad

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

INDEPENDENT AUDITORS' REPORT

To the Members of
AksharChem (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of AksharChem (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Ahmedabad
Date: 12.08.2014

Trushit Chokshi
Proprietor
Membership No. : 040847

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of the Auditors' Report of even date to the members of AksharChem (India) Limited on the financial statements as at and for the year ended 31st March, 2014.

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

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

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty / Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date of they become payable.
- (c) The disputed dues on account of income tax, sales tax, VAT which have remained unpaid as on 31.03.2014 are as follows:

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

10. The Company has neither accumulated losses at the end of the financial year as at 31st March 2014, nor has it incurred cash losses in the current financial year ended on that date and in the immediately preceeding financial year.
11. In our opinion and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks and Financial Institutions and debenture holders.
12. In our opinion and as per the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi, Mutual Benefit Fund and / or a Society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the company are held in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
17. According to the information and explanations given to us, and on verification of Cash flow and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short-term basis used for long-term investments.
18. According to the information and explanations given to us, during the period covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. On the basis of the records and documents examined by us, the Company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by Company was noticed or reported in the course of our audit during the year.

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

Trushit Chokshi
Proprietor
Membership No. : 040847

Place: Ahmedabad
Date: 12.08.2014

BALANCE SHEET as at 31st March, 2014

(Amount in Rupees)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	49,528,500	49,528,500
(b) Reserves and surplus	3	291,448,377	119,992,161
		340,976,877	169,520,661
2 Non-current liabilities			
(a) Long-term borrowings	4	-	-
(b) Deferred tax liabilities (Net)	5	22,927,664	-
(c) Long-term Provisions	6	1,165,092	1,140,112
		24,092,756	1,140,112
3 Current liabilities			
(a) Short-term borrowings	7	91,430,751	139,559,383
(b) Trade payables	8	200,670,335	122,273,680
(c) Other current liabilities	9	31,408,813	2,646,180
(d) Short-term provisions	10	12,372,584	3,193,421
		335,882,483	267,672,664
TOTAL		700,952,116	438,333,437
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		206,302,896	155,246,193
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		3,540,931	-
(b) Non-current investments	12	76,909,454	554,768
(c) Deferred tax assets (Net)	5	-	210,436
(d) Long-term loans and advances	13	7,905,014	7,313,296
		294,658,295	163,324,693
2 Current assets			
(a) Inventories	14	109,371,363	36,679,045
(b) Trade receivables	15	134,168,463	82,118,301
(c) Cash and Cash equivalents	16	6,842,639	4,842,185
(d) Short-term loans and advances	17	155,355,965	150,895,488
(e) Other current assets	18	555,391	473,725
		406,293,821	275,008,744
TOTAL		700,952,116	438,333,437
Significant Accounting Policies	1		
The accompanying notes are an integral part of financial statements	2 - 39		

As per our Report of even date attached.

For and on behalf of the Board

For, Trushit Chokshi & Associates

Firm Registration No. 111072W

Chartered Accountants

Mrs. Paru M. Jaykrishna

Chairperson & Managing Director

Trushit Chokshi

(Proprietor)

Membership No. 040847

Place : Ahmedabad

Date: 12.08.2014

Gokul M. Jaykrishna

Joint Managing Director

Munjal M. Jaykrishna

Joint Managing Director

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(Amount in Rupees)

Particulars	Notes	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from operations	19	1,448,733,093	958,302,518
II. Other income	20	1,254,762	689,681
III. Total Revenue		1,449,987,855	958,992,199
IV. Expenses:			
Cost of Materials consumed	21	855,233,342	700,527,225
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(42,933,730)	5,427,685
Employee benefits expense	23	39,322,181	16,963,418
Finance costs	24	10,880,150	15,928,586
Depreciation and amortization expense	25	11,967,597	11,858,969
Other Expenses	26	269,959,069	174,414,453
Total expenses		1,144,428,609	925,120,336
V. Profit before extraordinary item and tax expenses		305,559,246	33,871,863
Extraordinary Item	35	15,979,288	-
VI. Profit before tax expenses		289,579,958	33,871,863
VII. Tax expense:			
1. Current tax		66,012,707	6,384
2. Deferred tax		23,138,100	(4,067,275)
VIII. Profit after tax		200,429,151	37,932,754
IX. Earnings per equity share: (face value of Rs. 10/- per share)	27		
(1) Basic and Diluted (before extraordinary item) EPS (₹)		43.69	7.66
(2) Basic and Diluted (after extraordinary item) EPS (₹)		40.47	7.66
Significant Accounting Policies	1		
The accompanying notes are an integral part of financial statements	2 - 39		

As per our Report of even date attached.

For, Trushit Chokshi & Associates

Firm Registration No. 111072W

Chartered Accountants

Trushit Chokshi

(Proprietor)

Membership No. 040847

Place : Ahmedabad

Date: 12.08.2014

For and on behalf of the Board

Mrs. Paru M. Jaykrishna

Chairperson & Managing Director

Gokul M. Jaykrishna

Joint Managing Director

Munjal M. Jaykrishna

Joint Managing Director

CASH FLOW STATEMENT for the year ended 31st March, 2014

(Amount in Rupees)

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
A. Cash Flow from Operating Activities				
Net Profit Before Tax		289,579,958		33,871,863
Add: Depreciation and Amortisation Expenses	11,967,597		11,858,969	
Finance Cost	10,880,150		15,928,586	
Less: Interest Received	(772,111)		(653,021)	
Profit from sale of Current Investment / assets	544,416		96,941	
Dividend Income	(345,440)	22,274,612	(3,272)	27,228,203
Operating Profit Before Working Capital Changes		311,854,570		61,100,066
Working Capital Changes				
(Increase)/Decrease Trade & Other receivables	(52,050,162)		(10,721,868)	
(Increase)/Decrease Inventories	(72,692,318)		9,862,301	
Increase/ (Decrease) Trade & other payable	107,671,550	-	7,568,884	
Changes in Loans and Advances	241,439	(16,829,491)	(43,089,911)	(36,380,594)
Cash Generated from Operating Activities		295,025,079		24,719,472
Direct taxes paid	(71,388,007)		(7,110,737)	
		(71,388,007)		(7,110,737)
Net Cash from / (used in) Operating Activities		223,637,072		17,608,735
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(67,631,858)		(2,013,715)	
Proceeds from sale of Fixed Assets / Investments	522,211		130,000	
Purchase of Investments	(76,354,686)		-	
Sale of Current Investments	-		-	
Interest and Other Income	1,117,551	(142,346,782)	656,293	(1,227,422)
Net Cash from / (used in) Investing Activities		(142,346,782)		(1,227,422)

CASH FLOW STATEMENT (Contd...) for the year ended 31st March, 2014

(Amount in Rupees)

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
C. Cash Flow from Financing Activities				
Proceed from Share Capital & Premium	-		-	
Availment/(Repayment) Long term borrowings	-		(5,013,105)	
Availment/(Repayment) Short term borrowings	(48,128,632)		4,468,292	
Payment of Dividend (including Dividend Distribution Tax)	(20,281,054)			
Interest Paid	(10,880,150)	(79,289,836)	(15,928,586)	(16,473,399)
Net Cash from / (used in) Financing Activities		(79,289,836)		(16,473,399)
Net increase / (decrease) in cash and cash equivalents		2,000,454		(92,086)
Cash and cash equivalent at the beginning of the year		2,252,185		2,344,271
Cash and cash equivalent at the end of the year		4,252,639		2,252,185
Notes to Cash Flow Statement:				
1. Reconciliation of cash and cash equivalent with the Balance Sheet				
Cash and cash equivalent as per balance Sheet: (refer Note - 16)		6,842,639		4,842,185
Less: Margin money not considered as cash and cash equivalents as defined in AS 3 "Cash Flow Statement"		2,590,000		2,590,000
		4,252,639		2,252,185
2. Components of cash and cash equivalents:				
Cash on hand		455,390		232,560
In current accounts		1,095,113		400,109
Unpaid Dividend accounts		880,885		136,584
In deposit accounts		1,821,251		1,482,932
		4,252,639		2,252,185

3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.

4. The cash flow statement has been prepared under the ' Indirect Method ' set out in Accounting Standard 3 'Cash Flow Statement' issued by Institute of Chartered Accountants of India.

As per our Report of even date attached.

For, Trushit Chokshi & Associates

Firm Registration No. 111072W

Chartered Accountants

Trushit Chokshi

(Proprietor)

Membership No. 040847

Place : Ahmedabad

Date: 12.08.2014

For and on behalf of the Board

Mrs. Paru M. Jaykrishna

Chairperson & Managing Director

Gokul M. Jaykrishna

Joint Managing Director

Munjul M. Jaykrishna

Joint Managing Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

a. Disclosure of Accounting Policies

The Financial Statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

b. Use of Estimates

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

1.2 Valuation of Inventories

- a. Raw material, are valued at lower of the cost on FIFO basis including incidental expenses to bring the inventories to their present location and condition and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.
- b. Packing Materials and Stores & Spares are valued at cost on FIFO basis.
- c. Finished goods and work in process include cost, cost of conversion and other cost incurred in bringing the inventories to their present location and condition; and market realizable value whichever is lower. Trading goods are valued at cost on FIFO basis or market value whichever is lower. By products are valued at net realizable value.
- d. The Company is mainly engaged in the export business, the closing stock at the year end is generally exported in the next year. Exports are being exempted from excise duty, Hence no provision for excise duty has been made in Statement of Profit & Loss and Finished goods are valued without adding therein excise duty. However the said liability if accounted would have no effect on the profit for the year.

1.3 Cash Flow Statements

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

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

1.4 Contingencies and Event Occurring after the Balance Sheet Date

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

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

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

1.6 Depreciation of Fixed Assets

- a. Depreciation on tangible fixed assets has been provided on Straight Line Method corresponding to the rates prescribed under Schedule XIV to the Companies Act, 1956.
- b. Depreciation on additions / deductions in respect of fixed assets are charged on pro-rata from / up to date on which asset is available for use / disposal.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- c. In respect of Individual assets costing less than Rs. 5000/- are depreciated fully in the year / period of the purchase.
- d. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realizable values.

1.7 Revenue Recognition

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

1.8 Accounting of Fixed Assets

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

1.9 The Effects of Changes in Foreign Exchange Rates

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

1.10 Accounting for Government Grants

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

1.11 Accounting for Investments

Investments those are already realisable and intended to be held for more then a year from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Long-term Investments. Current investments are carried at lower cost or fair value. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is permanent in the opinion of the

NOTES FORMING PART OF FINANCIAL STATEMENTS

management.

1.12 Employee Benefits

a. Defined Contribution Plan

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

b. Defined Benefit Plan

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

1.13 Borrowing Costs

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

1.14 Segment Reporting

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

1.15 Related Party Disclosures

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

1.16 Accounting for Leases

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

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

1.17 Earning Per Share

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

1.18 Accounting for Taxes on Income

a. Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period.

b. Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.

c. MAT credit entitlements are treated as advance payment of tax.

1.19 Discontinuing Operations

The Company has not discontinued any operations during the year.

1.20 Intangible Assets

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

1.21 Impairment of Assets

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

1.22 Provisions, Contingent Liabilities and Contingent Assets

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

b. Contingent Liabilities

Disputed liabilities and claims against the Company including claims raised by the authorities (e.g. Commercial Tax, Value Added Tax, Income Tax, Excise etc.) pending in appeal / Court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in Notes forming part of Financial Statements.

c. Contingent Assets are neither recognized nor disclosed.

1.23 Accounting of Derivative Financial Instruments

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

2. SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Authorised Shares		
5,000,000 (Previous Year 5,000,000) Equity Shares of Rs. 10 each	50,000,000	50,000,000
b. Issued, Subscribed and Paid-up		
4,952,850 (Previous Year 4,952,850) Equity Shares of Rs. 10 each fully paid	49,528,500	49,528,500
Total	49,528,500	49,528,500

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
c. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period				
At the beginning of the period	4,952,850	49,528,500	4,952,850	49,528,500
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Outstanding at the end of the period	4,952,850	49,528,500	4,952,850	49,528,500

d. Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March, 2014	As at 31st March, 2013
e. Shares held by holding / ultimate holding company / or their subsidiaries / associates	-	-

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of Equity Shares	% of holding in the class	No of Equity Shares	% of holding in the class
f. Details of shares in the Company held by each Shareholder holding more than 5 percent shares.				
Mrs. Paru M. Jaykrishna	1,652,792	33.37	1,636,871	33.05
Mr. Gokul M. Jaykrishna	836,372	16.89	823,643	16.63
Mr. Munjal M. Jaykrishna	836,372	16.89	822,927	16.62
M/s Intercon Finance Private Ltd.	323,722	6.54	323,722	6.54
	3,649,258	73.69	3,607,163	72.84

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

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

3. RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Securities Premium Account		
Balance at the beginning of the year	23,976,600	23,976,600
Add : Securities premium credited on Share issue	-	-
Balance at the end of the year	23,976,600	23,976,600
b. General Reserve		
Balance at the beginning of the year	16,300,297	16,300,297
Add : Profit Transfer to General Reserve	22,500,000	-
Balance at the end of the year	38,800,297	16,300,297

NOTES FORMING PART OF FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS (Contd...)

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
c. Surplus in statement of Profit and Loss		
Balance at the beginning of the year	79,715,264	44,679,803
Add: Net Profit for the year	200,429,151	37,932,754
Less : Appropriation		
Profit Transfer to General Reserve	22,500,000	-
First Interim Dividend for the year Rs.2.50 (Previous year Rs.Nil) per Equity Share	12,382,125	-
Second Interim Dividend for the year Rs.0.50 (Previous year Rs.NIL) per Equity Share	2,476,425	-
Proposed Final Dividend for the year Rs. 2.00 (Previous year Rs.0.50) per Equity Share	9,905,700	2,476,425
Tax on Dividend	4,208,685	420,868
Balance at the end of the year	228,671,480	79,715,264
Total	291,448,377	119,992,161

4. LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured Loans				
a. Term Loans				
Indian Rupees Loan				
From State Bank of India	-	-	-	-
Amount disclosed under the other current liabilities	-	-	-	-
	-	-	-	-

5. DEFERRED TAX LIABILITIES (NET)

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Deferred Tax Liabilities	34,144,249	26,312,373
b. Deferred Tax Assets	11,216,585	26,522,809
Total	22,927,664	(210,436)

6. LONG-TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Provisions for employees benefits	1,165,092	1,140,112
Total	1,165,092	1,140,112

NOTES FORMING PART OF FINANCIAL STATEMENTS

7. SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured Loans *		
a. Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	82,455,813	122,641,824
Cash Credit Account	8,105,760	8,548,381
Total	90,561,573	131,190,205
Unsecured		
b. Deposits from others	869,178	869,178
Unsecured Loan From Directors	-	7,500,000
Total	91,430,751	139,559,383

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

8. TRADE PAYABLES

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Trade payable - Micro, Small and Medium Enterprises	4,651,430	8,771,345
b. Others	196,018,905	113,502,335
Total	200,670,335	122,273,680

(1) The following disclosure have been made on the information available with the Company, for suppliers who are registered as micro, small and medium enterprises under 'MSMED Act, 2006' as at March 31, 2014.

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	4,651,430	8,771,345
Interest	-	-
b. The amount of interest paid by the buyer in terms of Section - 16 of the MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
Total	4,651,430	8,771,345

(2) 'There are no Micro, Small & Medium Enterprises to whom the company over dues, which are outstanding for more than 45 days as at 31st March, 2014. This information is disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of the information available with the company.

NOTES FORMING PART OF FINANCIAL STATEMENTS

9. OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Unclaimed Dividends	880,885	136,584
b. Current maturities of longterm borrowings (See note: 4)	-	-
c. Others		
Statutory liabilities	6,776,296	1,004,196
Payables for fixed assets	10,685,051	1,073,350
Other Current liabilities and payables	13,066,581	432,050
Total	31,408,813	2,646,180

10. SHORT TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Proposed Dividend	9,905,700	2,476,425
b. Tax on Proposed Dividend	1,683,474	420,868
c. Provision for employee benefits		
Gratuity	783,410	296,128
Total	12,372,584	3,193,421

11. FIXED ASSETS

(Amount in Rupees)

Particulars		Gross Block			Depreciation and amortization expenses				Net Block		
Sl No	Nature of Assets	As at 01-04-2013	Additions	Disposal	As at 31-03-2014	As at 01-04-2013	Depreciation charge for the year ended	On disposals	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
A	Tangible Assets										
	Own Assets										
	Freehold Land	661,013	13,496,000	-	14,157,013	-	-	-	-	14,157,013	661,013
	Buildings	26,776,950	80,125	-	26,857,075	7,041,419	894,357	-	7,935,776	18,921,299	19,735,531
	Plant & Machinery	224,041,655	43,828,026	-	267,869,681	92,965,992	10,201,528	-	103,167,520	164,702,161	131,075,663
	Furniture and Fixtures	2,171,617	3,208,091	-	5,379,708	1,445,160	141,647	-	1,586,807	3,792,901	726,457
	Office equipment	4,486,452	1,208,807	-	5,695,259	3,847,765	150,025	-	3,997,790	1,697,469	638,687
	Vehicles	6,612,225	2,269,878	3,468,616	5,413,487	4,203,383	580,040	2,401,989	2,381,434	3,032,053	2,408,842
	Total	264,749,912	64,090,927	3,468,616	325,372,223	109,503,719	11,967,597	2,401,989	119,069,327	206,302,896	155,246,193
	Previous Year	263,638,720	2,013,715	902,523	264,749,912	98,320,332	11,858,969	675,582	109,503,719	155,246,193	165,318,388
B	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
C	Capital Work In Progress	-	3,540,931	-	3,540,931	-	-	-	-	3,540,931	-
	Total	-	3,540,931	-	3,540,931	-	-	-	-	3,540,931	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
	Total	264,749,912	67,631,858	3,468,616	328,913,154	109,503,719	11,967,597	2,401,989	119,069,327	209,843,827	155,246,193

NOTES FORMING PART OF FINANCIAL STATEMENTS

12. NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Investment in Equity Instruments (Other companies)		
Quoted - At Cost - Fully paid up		
400 (Previous Year 400) fully paid Equity Shares of Rs. 10/- each of DCL Finance Ltd.	3,413	3,413
600 (Previous Year 600) fully paid Equity Shares of Rs. 10/- each of Ipitata Sponge Iron Ltd.	70,500	70,500
500 (Previous Year 500) fully paid Equity Shares of Rs.10/- each of Ultratech Cement Co. Ltd.	11,500	11,500
150 (Previous Year 150) fully paid Equity Shares of Rs.10/- each of Raymond Synthetic Ltd.	3,100	3,100
1,500 (Previous Year 1500) fully paid Equity Shares of Rs.10/- each of Bihar Sponge Iron Ltd.	18,750	18,750
100 (Previous Year 100) fully paid Equity Shares of Rs.10/- each of Tata Chemicals Ltd.	10,215	10,215
1,500 (Previous Year 1500) fully paid Equity Shares of Rs.10/- each of Nath Seeds Ltd.	79,573	79,573
100 (Previous Year 100) fully paid Equity Shares of Rs.5/- each of Huges Software Ltd.	142,005	142,005
1,000 (Previous Year 1000) fully paid Equity Shares of Rs.10/- each of Hindustan Unilever Ltd.	134,310	134,310
50 (Previous Year 50) fully paid Equity Shares of Rs.10/- each of Moser Bear (I) Ltd.	24,689	24,689
2,700 (Previous Year 2700) fully paid Equity Shares of Rs.10/- each of Futura Polysters Ltd.	35,183	35,183
10,000 (Previous Year NIL) fully paid Equity Shares of Rs.10/- each of Bajaj Finance Ltd.	11,414,879	-
3,000 (Previous Year NIL) fully paid Equity Shares of Rs.10/- each of Eclerx Services Ltd.	2,196,057	-
7,270 (Previous Year 180) fully paid Equity Shares of Rs.2/- each of Larsen and Toubro Ltd.	5,436,727	10,530
50,000 (Previous Year NIL) fully paid Equity Shares of Rs. 10/- each of Escorts Ltd.	4,237,541	-
1,00,000 (Previous Year NIL) fully paid Equity Shares of Rs. 10/- each of IDFC Ltd.	9,844,956	-
3,00,000 (Previous Year NIL) fully paid Equity Shares of Rs.1/- each of GVK Power & Infrastructure Ltd.	2,093,437	-
12,000 (Previous Year NIL) fully paid Equity Shares of Rs. 10/- each of Shriram Transport Finance Company Ltd.	6,615,874	-
30,000 (Previous Year NIL) fully paid Equity Shares of Rs. 10/- each of IRB Infrastructure developers Ltd	2,465,052	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

12. NON CURRENT INVESTMENTS (Contd...)

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
10,000 (Previous Year NIL) fully paid Equity Shares of Rs. 5/- each of Cadila Healthcare Ltd	7,398,194	-
20,000 (Previous Year NIL) fully paid Equity Shares of Rs. 5/- each of Ashoka Buildcon Ltd	1,086,402	-
40,000 (Previous Year NIL) fully paid Equity Shares of Rs. 10/- each of Arvind Ltd	3,861,451	-
10,000 (Previous Year NIL) fully paid Equity Shares of Rs. 2/- each of AIA Engineers Ltd	3,214,646	-
	60,398,454	543,768
b. UnQuoted - At Cost - Fully paid up		
1,000 (Previous Year 1000) fully paid Equity shares of Rs.10/- each of Asahi Powertech Pvt Ltd	10,000	10,000
100 (Previous Year 100) fully paid Equity shares of Rs.10/- each of Akshar Silica Pvt. Ltd	1,000	1,000
165,000 (Previous year Nil) Non Cumulative Redeemable Preference Shares of Akshar Silica Pvt. Ltd of Rs. 100/- each	16,500,000	-
	16,511,000	11,000
Total	76,909,454	554,768
Aggregate amount of quoted investments	60,398,454	543,768
Market Value of quoted investments	90,490,264	1,016,415
Aggregate amount of unquoted investments	16,511,000	11,000

13. LONG TERM LOANS AND ADVANCES (unsecured, considered good unless otherwise stated)

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Capital advances	-	164,775
b. Security Deposit	7,905,014	7,148,521
c. Advance to Suppliers	-	-
Total	7,905,014	7,313,296

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Raw materials	37,179,738	9,796,432
b. Work in progress	11,339,912	8,647,434
c. Finished goods	54,772,871	14,531,619
d. Stores and spares	4,570,491	1,908,511
e. Packing Material	483,450	505,985
f. Fuel & Oil	1,024,901	1,289,064
Total	109,371,363	36,679,045

15. TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Trade receivable outstanding for a period less than six months unsecured, considered good.	123,664,169	80,277,419
b. Trade receivable outstanding for a period more than six months unsecured, considered good.	10,504,294	1,840,882
Total	134,168,463	82,118,301

16. CASH AND CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Cash and Cash Equivalents:		
Balance with Banks in Current accounts	1,095,113	400,109
Deposits	1,821,251	1,482,932
Cash on hand	455,390	232,560
b. Other Bank Balances		
Unpaid Dividend accounts	880,885	136,584
Margin money deposits	2,590,000	2,590,000
Total	6,842,639	4,842,185

NOTES FORMING PART OF FINANCIAL STATEMENTS

17. SHORT TERM LOANS AND ADVANCES(unsecured,considered good unless otherwise stated)

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Loans and advances to Employees	736,947	412,552
b. Advances to Capital Goods Suppliers	6,212	-
c. Prepaid expenses	749,352	894,550
d. Balance with government authorities		
i) CENVAT credit receivables	47,812,809	52,978,210
ii) VAT - credit receivables	51,996,110	31,291,472
iii) Export Incentive Receivable	11,467,925	26,125,198
iv) Advance payment of tax (Net of Provisions)	33,830,776	28,455,477
v) Insurance Claim Receivable	-	468,922
vi) Sales Tax	916,649	287,874
e. Others - Advance to suppliers	7,839,185	9,981,233
Total	155,355,965	150,895,488

18. OTHER CURRENT ASSETS

(Amount in Rupees)

	As at 31st March, 2014	As at 31st March, 2013
Interest receivables on deposits	555,391	473,725
Total	555,391	473,725

19. REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Products		
a. Export Sales	1,167,797,739	812,492,892
b. Domestic Sales	248,182,998	99,457,155
Less : Excise Duty	26,244,638	9,961,038
Net Domestic Sales	221,938,360	89,496,117
Total Sale of Products	1,389,736,099	901,989,009
c. Other operating revenues (Refer 1 below)	58,996,994	56,313,509
Total	1,448,733,093	958,302,518
1 Other Operating revenues		
Sale of Scrap	1,712,374	1,641,210
Export incentives	40,369,407	39,480,458
Exchange Rate differences	16,915,213	15,191,841
Total - Other Operating revenues	58,996,994	56,313,509

NOTES FORMING PART OF FINANCIAL STATEMENTS

20. OTHER INCOME

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Interest from Fixed Deposits with Bank	772,111	653,021
b. Dividend Income	345,440	3,272
c. Gain/ (Loss) on Investment on Shares	137,211	-
d. Cash Discount Income	-	33,388
Total	1,254,762	689,681

21. COST OF RAW MATERIAL CONSUMED

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Raw Material		
Opening Stock	9,796,432	13,389,719
Add : Purchases	877,512,263	691,662,103
	887,308,695	705,051,822
Less : Closing Stock	37,179,736	9,796,432
Cost of Raw Material Consumed	850,128,959	695,255,390
b. Packing Material		
Opening Stock	505,985	663,782
Add : Purchases	5,081,848	5,114,038
	5,587,833	5,777,820
Less : Closing Stock	483,450	505,985
Cost of Packing Material Consumed	5,104,383	5,271,835
Cost of total material consumed	855,233,342	700,527,225

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

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Inventories at the end of the year		
Finished goods	54,772,871	14,531,619
Work-in-progress	11,339,912	8,647,434
Total	66,112,783	23,179,053
b. Inventories at the beginning of the year		
Finished goods	14,531,619	15,087,768
Work-in-progress	8,647,434	13,518,970
Total	23,179,053	28,606,738
Net (Increase) / decrease	(42,933,730)	5,427,685

NOTES FORMING PART OF FINANCIAL STATEMENTS

23. EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Salaries, Wages and Bonus	16,905,896	14,739,598
b. Contribution to Provident and other funds	709,587	771,870
c. Staff welfare expenses	441,371	251,950
d. Directors Remuneration including perquisites and commission	21,265,327	1,200,000
Total	39,322,181	16,963,418

24. FINANCE COSTS

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Interest		
On long term borrowings	-	188,285
On short term borrowings	7,933,174	11,763,260
Other Interest	2,105	1,436,826
b. Bank and other charges		
Bank Charges	2,944,871	2,540,215
Total	10,880,150	15,928,586

25. DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Depreciation and amortisation for the year on tangible assets	11,967,597	11,858,969
Depreciation and amortisation for the year on intangible assets	-	-
Depreciation and amortisation relating to continuing operations	11,967,597	11,858,969

26. OTHER EXPENSES

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Manufacturing Expenses		
Power and Fuel	102,067,227	63,913,115
Consumption of Stores and Spares parts	8,981,315	5,819,302
Pollution Treatment Expenses	58,847,237	48,173,006
Repairs to Machinery	12,394,306	7,074,111
Repairs to Building	10,149,640	245,063
Manufacturing & Labour Charges	25,371,738	19,989,407
	217,811,463	145,214,004

NOTES FORMING PART OF FINANCIAL STATEMENTS

26. OTHER EXPENSES (Contd...)

(Amount in Rupees)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
b. Selling and Distribution Expenses	22,886,845	21,882,019
c. Establishment Expenses		
Rent	2,747,604	174,000
Rates & Taxes (excluding taxes on income)	173,320	24,305
Insurance	529,997	492,616
Travelling, Conveyance & Vehicle Expenses	3,223,403	1,552,625
Directors Travelling	4,666,364	-
Stationery and Printing Expenses	553,726	185,134
Communication Expenses	681,696	543,800
Auditors Remuneration (Refer Note No. 30)	189,000	234,000
Cost Audit fees	20,000	16,000
Internal Audit Fees	30,000	29,000
Director's Sitting Fees	37,000	18,000
Legal & Professional Expenses	5,014,630	2,515,370
General Charges	3,514,713	592,720
Other Repairs	5,481,657	8,934
Donation	100,000	-
Freight, Handling ,Transportation & other Expenses	1,616,024	834,985
Loss on sale of assets	681,627	96,941
Total	269,959,069	174,414,453

27. EARNING PER EQUITY SHARES

(Amount in Rupees)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Profit after tax and before extraordinary item	216,408,439	37,932,754
Profit after tax and extraordinary item	200,429,151	37,932,754
Weighted average number of Equity Shares used as Denominator for Calculating EPS	4,952,850	4,952,850
Basic and Diluted (before extraordinary item) Earning per Share Rs.	43.69	7.66
Basic and Diluted (after extraordinary item) Earning per Share Rs.	40.47	7.66

NOTES FORMING PART OF FINANCIAL STATEMENTS

28. CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

(Amount in Rupees)

	31/03/2014	31/03/2013
1 Income Tax: order U/s 154 Passed by ACIT Circle -1 Ahmedabad for Asst Year. 2001-02.	669,293	669,293
2 Sales Tax: Appellate order passed by Dy. Commissioner of Commercial Taxes, Appeals-3 at Gandhinagar for the year 2004-05, and Subsequently applied for Appeal at Commercial tax Commissioner Ahmedabad. (VAT Tribunal).	1,803,341	1,803,341
3 The Commissioner of Income Tax -1 Ahmedabad has filed an appeal in the High Court of Gujarat, Ahmedabad for the Asst. Year 2003-04	4,427,236	4,427,236
4 The Commissioner of Income Tax -1 Ahmedabad has filed an appeal for the Asst. Year 2004-05	293,669	293,669
5 Estimated value of contracts remaining to be executed on capital account & not provided for	-	-
6 Bills discounted against Letter of Credit but not realized and credited to the parties accounts	-	5,636,505

29. SUNDRY DEBTORS, SUNDRY CREDITORS AND LOANS AND ADVANCES

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

30. AUDITORS REMUNERATION

(Amount in Rupees)

	31/03/2014	31/03/2013
Audit fees	125,000	110,000
Tax Audit fees	15,000	15,000
For others (Certification work)	49,000	109,000
Total	189,000	234,000

31. VALUE OF RAW MATERIAL AND PACKING MATERIAL CONSUMED

Particulars	2013-14		2012-13	
	Amount Rs.	%	Amount Rs.	%
A. Raw Materials				
Imported	-	-	-	-
Indigenous	850,128,959	100	695,255,390	100
Total	850,128,959	100	695,255,390	100
B. Packing Materials				
Imported	-	-	-	-
Indigenous	5,104,383	100	5,271,835	100
Total	5,104,383	100	5,271,835	100

NOTES FORMING PART OF FINANCIAL STATEMENTS

32. FOREIGN CURRENCY TRANSACTIONS

(Amount in Rupees)

	31/03/2014	31/03/2013
a) Value of Imports Calculated on CIF Basis		
Raw Materials	-	-
Capital Goods	-	-
b) Expenditure in Foreign Currency		
Purchase of Raw Materials	-	-
Capital Goods	-	-
Commission	2,028,891	1,477,662
c) Dividends remitted in Foreign Currency	-	-
d) Earnings in Foreign Exchange		
Export of Goods (FOB)	1,166,179,044	810,925,625
e) Effect of Exchange Fluctuations including Forward Contracts:		
Statement of Profit and Loss	16,915,213	15,191,841

33 EMPLOYEES BENEFITS

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

1 Defined Contribution Plan:

The Company has recognized the following amount as an expense:

(Amount in Rupees)

	2013-14	2012-13
i) Contribution to Provident and Other Funds	631,757	579,488
ii) Contribution to ESI	77,830	192,382

2 Defined Benefit Plan:

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

	April 2013 – March 2014
I Assumption	
Discount Rate Previous Period	8.25%
Discount Rate Current Period	9.32%
Rate of Return on Plan Assets Previous Period	8.25%
Rate of Return on Plan Assets Current Period	9.32%
Salary Escalation Previous Period	6.00%
Salary Escalation Current Period	6.00%

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Defined Benefit Plan (Contd...):

	April 2013 – March 2014
II Total showing change In benefits obligations	
Liability at the beginning of the Period	1,436,240
Interest Cost	118,490
Current Service Cost	166,367
Benefit Paid	(131,538)
Actuarial (gain)/loss on obligations	358,943
Liability at the end of the period	1,948,502

34 SEGMENT REPORTING

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

- 35 The extraordinary item shown in the Statement of Profit and Loss represents unrealised export incentives written off for Rs. 15,979,288/- (Previous year - Nil)

36 RELATED PARTY DISCLOSURES

Pursuant to the Accounting Standard on “Related Party Disclosure” (AS 18) notified by Companies (Accounting Standards) Rules, 2006, the following persons will be considered as related persons for the year ended on March 31, 2014.

1 Related Parties and Nature of Relationship

a) The Parties over which significant influence is exercised :

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

b) Key Management Personnel and their Relatives:

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Details of Transactions

(Amount in Rupees)

	2013-14	2012-13
a. Sale of Goods		
Asahi Songwon Colors Ltd	401,244	1,255,932
b. Rent Paid		
Skyways	174,000	174,000
c. Remuneration Paid	3,200,000	1,200,000
d. Commission	18,000,000	-
e. Consultancy	120,000	120,000
f. Perquisites	65,327	-
g. Investment		
Akshar Silica Pvt Ltd.(Non cumulative redeemable preference shares)	16,500,000	-

37 ACCOUNTING FOR TAX ON INCOME

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

38 IMPAIRMENT OF ASSETS

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

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

As per our Report of even date attached.

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

Trushit Chokshi
(Proprietor)
Membership No. 040847
Place : Ahmedabad
Date: 12.08.2014

For and on behalf of the Board

Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

Gokul M. Jaykrishna
Joint Managing Director

Munjal M. Jaykrishna
Joint Managing Director

Aksharchem (India) Limited

CIN : L24110GJ1989PLC012441

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

Tel : 02764-300700 Fax : 02764-233550

Website : www.aksharchemindia.com Email ID: cs@aksharchemindia.com

ATTENDANCE SLIP

25th Annual General Meeting, 25th September, 2014 at 11.30 a. m.

Folio No/DP/ ID No: _____

No of Shares held: _____

Name of the Shareholder: _____

I certify that I am a registered shareholder/proxy of registered shareholder of the Company. I hereby record my/our presence at the 25th Annual General Meeting of the Company at 166/169, Village Indrad, Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 715 (India) held on Thursday, 25th September, 2014 at 11.30 a. m.

Proxy's Name in Block Letters

Signature of the Member/Proxy

Note :

1. Shareholder/Proxy holders are requested to bring this Attendance Slip to the Meeting and handover the same at the entrance duly signed.
2. If signed by Proxy, name of Shareholder/Proxy, should be written here in BLOCK Letters.

Aksharchem (India) Limited

CIN : L24110GJ1989PLC012441

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

Tel : 02764-300700 Fax : 02764-233550

Website : www.aksharchemindia.com Email ID: cs@aksharchemindia.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name of the shareholder(s): _____

Registered address: _____

Email id: _____

Folio No/DP ID/Client Id: _____

I/We being a shareholder(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____

Address: _____

Email id: _____ Signature : _____

Or failing him/her:

1. Name: _____

Address: _____

Email id: _____ Signature : _____

Or failing him/her:

1. Name: _____

Address: _____

Email id: _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th ANNUAL GENERAL MEETING of the Company to be held on the Thursday, 25th September, 2014 at 11.30 a.m. at the Registered office of the Company at 166-169, Village Indrad, Kadi – Kalol Road, Dist : Mehsana, Gujarat – 382 715 (India) and at any adjournment thereof in respect of the such resolutions as are indicated below:

No.	Resolution	Optional	
		For	Against
	Ordinary Business		
1.	Adoption of Balance Sheet as at 31st March, 2014, Statement of Profit and Loss for the year ended 31st March, 2014 and the report of the Board of Directors and Auditors thereon.		
2.	To confirm the Interim Dividend already paid to the equity shareholders as final dividend.		
3.	To declare a Final Dividend on Equity Shares.		
4.	Reappointment of Mrs. Paru M. Jaykrishna who retires by rotation.		
5.	To reappoint the Auditors and to fix their remuneration.		
	Speical Business		
6.	Appointment of Mr. Gautam M. Jain as Independent Director of the Company.		
7.	Appointment of Mr. Jayprakash M. Patel as Independent Director of the Company.		
8.	Appointment of Mr. Kiran J. Mehta as Independent Director of the Company.		
9.	Appointment of Mr. Param J. Shah as Independent Director of the Company.		
10.	Appointment of Dr. Pradeep Jha as Independent Director of the Company.		
11.	Revision in terms of appointment and remuneration of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company.		
12.	Revision in terms of appointment and remuneration of Mr. Gokul M. Jaykrishna, the Joint Managing Director of the Company.		
13.	Reappointment of Mr. Munjal M. Jaykrishna as Joint Managing Director of the Company.		
14.	Borrowing powers to the Board of Directors of the Company under section 180(1)(c) of the Companies Act, 2013.		
15.	Authority to charge/mortgage assets of the Company both present and future.		
16.	Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.		
17.	Approval of remuneration of Cost Auditors for the financial year 2014-15.		
18.	Maintenance of Register of Members and other statutory registers at a place other than the registered office of the Company.		

Signed this _____ day of _____ 2014

Signature of shareholder(s) _____

Signature of proxy holder (s) _____

Please Affix
Revenue
Stamp

Note :

1. The Proxy form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the aforesaid meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
4. This is only optional. Please indicate your option by putting an "X" in the appropriate column against the resolutions indicated. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

A Redpro product

redprocommunication@gmail.com



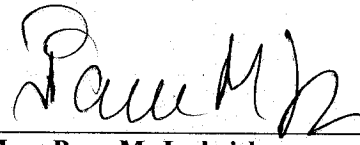
AksharChem (India) Limited
166/169, Indrad Village, Kadi-Kalol Road,
Dist. Mehsana, Gujarat - 382 715
Tel: +91 2764 300700
Fax: +91 2764 233 550
Email: cs@aksharchemindia.com
Website: www.aksharchemindia.com

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

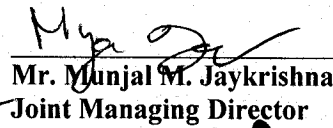
1. Name of the Company : **AksharChem (India) Limited**
2. Annual Financial Statement for the year ended : **31st March, 2014**
3. Type of Audit Observation : **Un-qualified**
4. Frequency of observation : **Not applicable**
5. To be signed by:

- a. CEO/Managing Director



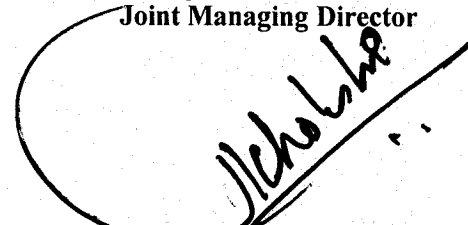
Mrs. Paru M. Jaykrishna
Chairperson and Managing Director

- b. CFO



Mr. Munjal M. Jaykrishna
Joint Managing Director

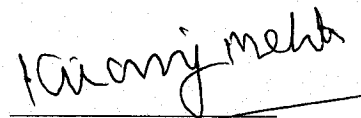
- c. Auditor of the Company



Mr. Trushit Chokshi
Proprietor
Membership No. 040847
Trushit Chokshi & Associates
Chartered Accountants
Firm Registration No. 111072W



- d. Audit Committee Chairman



Mr. Kiran J. Mehta
Director

AksharChem India Ltd.

"Asahi House" Chhatral - Kadi Road, Indrad - 382 721. Mehsana, India.
Tele: 91-2764 233 007 - 10 • Fax: 91-2764 233 550 • E-mail: admin@asahisongwon.com

