



**AksharChem**

**AksharChem (India) Ltd.**

**[Formerly Known as Audichem (India) Ltd.]**

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



**BOARD OF DIRECTORS**

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

**AUDITORS****M/s. TRUSHIT CHOKSHI & ASSOCIATES****REGISTRAR & SHARE TRANSFER AGENTS****LINK INTIME INDIA PRIVATE LIMITED****BANKERS****STATE BANK OF INDIA****REGISTERED OFFICE & WORKS****166/169, INDRAD VILLAGE  
KADI KALOL ROAD,  
DIST. MEHSANA  
GUJARAT — 382 727 (INDIA)**

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**NOTICE**

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

**ORDINARY BUSINESS**

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

**SPECIAL BUSINESS**

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

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

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

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

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

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

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

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

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

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

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

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

**By order of the Board of Directors**

**Place : Indrad, Mehsana**

**Date : 07/07/2011**

**Registered Office :**

**166-169, Village Indrad**

**Kadi – Kalol Road, Dist : Mehsana**

**Gujarat – 382 727 (India)**

**Ms. Paru M. Jaykrishna**  
CHAIRPERSON AND MANAGING DIRECTOR

**NOTES**

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

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

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

**ANNEXURE TO THE NOTICE**

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

**Item No. 5**

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

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

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

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

**Item No. 6**

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

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

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

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

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

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

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

Category "A"

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

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**Explanation :**

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

**b. Medical Reimbursement :**

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

**c. Leave Travel Concession :**

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

**d. Insurance :**

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

**e. Club Fees :**

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

**f. Entertainment Expenses :**

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

**Explanation:**

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

**Category "B" :**

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

**Category "C" :**

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

**4. Overall Remuneration:**

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

**5. Minimum Remuneration:**

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

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

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

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



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

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

**Item No. 7**

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

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

1. Tenure of Appointment : 5 years with effect from 1st April, 2011.
2. Remuneration :
  - a. Basic Salary :  
Rs. 50,000/- per month with effect from 1st April, 2011 with such revisions as approved by the Board from time to time.
  - b. Commission :  
In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.
3. Perquisites:  
In addition to the salary and commission as outlined above, the Joint Managing Director shall be entitled to perquisites/allowances as under:  
Category "A"
  - a. Housing :
    - i) The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director; subject to a ceiling of 60% of the salary, over and above 10% payable by the Joint Managing Director.
    - ii) In case the accommodation is owned by the Company, 10% of the salary of Joint Managing Director shall be deducted by the Company.
    - iii) In case no accommodation is provided by the Company, Joint Managing Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.
  - Explanation :  
The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.
  - b. Medical Reimbursement :  
The Company shall reimburse expenses incurred for the Joint Managing Director for himself and his family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.
  - c. Leave Travel Concession :  
For the Joint Managing Director and his family once in a year incurred in accordance with the rules of the Company.

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**d. Insurance :**

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

**e. Club Fees :**

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

**f. Entertainment Expenses :**

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

**Explanation :**

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

**Category "B" :**

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

**Category "C" :**

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

**4. Overall Remuneration:**

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

**5. Minimum Remuneration:**

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

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

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

The Joint Managing Director shall not be liable to retire by rotation under Section 256 of the Companies Act, 1956. Copy of draft supplementary agreement to be entered between the Company and Mr. Gokul M. Jaykrishna, Joint Managing Director of the Company are available for inspection at the Registered Office of the Company on any working days during usual business hours up to the Annual General Meeting.

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

**By order of the Board of Directors**

**Place : Indrad, Mehsana**

**Date : 07/07/2011**

**Registered Office :**

**166-169, Village Indrad**

**Kadi - Kalol Road, Dist : Mehsana**

**Gujarat - 382 727 (India)**

**Mrs. Paru M. Jaykrishna**  
CHAIRPERSON AND MANAGING DIRECTOR

**DIRECTORS REPORT**

Dear Shareholders,

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

**FINANCIAL RESULTS**

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

**FINANCIAL PERFORMANCE****Results of Operations**

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

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

**Exports**

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

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### **DIVIDEND**

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

### **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

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

### **DIRECTORATE**

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

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

### **AUDITORS AND AUDITORS' REPORT**

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

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

### **FIXED DEPOSITS**

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

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

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

**STATEMENT OF EMPLOYEES' PARTICULARS**

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

**CORPORATE GOVERNANCE**

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

**COST AUDITORS**

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

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

**SECRETARIAL AUDIT REPORT**

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

**FINANCE AND INSURANCE**

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

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

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

**SAFETY, HEALTH AND ENVIRONMENT**

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

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

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

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

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

### **APPRECIATION AND ACKNOWLEDGEMENTS**

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

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

**For and on behalf of the Board**

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

**Ms. Paru M Jaykrishna**  
CHAIRPERSON AND MANAGING DIRECTOR

### **ANNEXURE TO THE DIRECTORS' REPORT**

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

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

**a. Energy conservation measures taken :**

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

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

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

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

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

**FORM 'A'**

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

**B. TECHNOLOGY ABSORPTION**

Efforts made in Technology Absorption in Form "B"

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

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

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

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

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

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

### 3. Future plan of action

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

### 4. Expenditure on Research & Development

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

### 5. Technology absorption, adaptation and innovation

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

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

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

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

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

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

### C. FOREIGN EXCHANGE EARNINGS AND OUT GO

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

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

#### b. Foreign Exchange used and earned:

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



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

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

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

**OPPORTUNITIES AND THREATS**

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

**OUTLOOK**

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

**RISK & CONCERNS**

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

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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### **FINANCIAL PERFORMANCE**

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

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

### **RESULTS OF OPERATIONS**

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

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

### **EXPORTS**

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

### **HUMAN RESOURCES DEVELOPMENT**

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

### **CAUTIONARY STATEMENT**

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

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

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

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

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

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

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

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

**Independent Directors**

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

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

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

**2.2. Non-Executive Directors' Compensation and Disclosures**

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

**2.3. Other provisions as to the Board and Committees**

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

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

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

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

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

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

\* Appointed as Director with effect from 13.08.2010.

@ Resigned from directorship with effect from 13.08.2010.

### 2.4 Information placed before the Board of Directors

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

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

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

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

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

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

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

#### **2.6 Code of Conduct**

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

### **3. COMMITTEE OF THE BOARD**

The Company has three Board level Committees, namely:

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

#### **3.1 Audit Committee**

##### **i) Composition of Audit Committee**

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

1. **Mr. Kiran J. Mehta** - Chairman
2. **Prof Pradeep Jha** - Member
3. **Mr. Param J. Sahn** - Member

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

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

**ii) Meeting and Attendance of the Audit Committee:**

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

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

\* Resigned from directorship with effect from 13.08.2010.

**iii) Terms of reference of Audit Committee:**

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

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

8. Discussion with internal auditors any significant findings and follow up there on.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  12. To review the functioning of the whistle blower mechanism, in case the same is existing.
  - 12A. Approval of appointment of CFO after assessing the qualification, experience & background, etc. of the candidate.
  13. Carrying out any other function as in mentioned in terms of reference of the Audit committee.
- iv) Review of information by Audit Committee :**  
The Audit Committee shall mandatory review the following information in their meetings:
1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
- v) Subsidiary Company :**  
During the year under review, your Company does not have any Subsidiary Company.

### **3.2. Remuneration Committee**

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

#### **The Committee comprises of:**

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

#### **Constitution of Remuneration Committee:**

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

#### **Attendance of Remuneration Committee:**

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

The details of members and their attendance are as below:

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

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

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

1. Service Contract, Notice Period and Severance Fees:

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

2. Stock Option details, if any : NIL

**Non Executive Director**

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

**Shareholding of Directors**

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

**3.3. Shareholders'/Investors' Grievances Committee :**

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

**The Committee comprises of:**

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

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

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

The committee is responsible for:

A. To monitor work related to:

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

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



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

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

**Complaint Status :**

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

Number of complaints received : NIL

Number of complaints solved : NIL

Number of pending complaints : NIL

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

**4. Management**

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

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

**5. CEO/CFO Certification**

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

**6. General Body Meetings**

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

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

**6.2 Extra Ordinary General Meeting**

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

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

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

**6.4 Special Resolution passed last year through Postal Ballot**

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

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

**6.6 Procedure for Postal Ballot**

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

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

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

## **ANNUAL REPORT 2010-2011**

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### **7. A. Disclosures**

#### **1. Related party transactions**

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

#### **2. Disclosure of Accounting Treatment**

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

#### **3. Board Disclosures – Risk Management**

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

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

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

#### **5. Compliance by the Company**

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

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

#### **6. Whistle Blower**

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

#### **7. Non-Mandatory Requirements**

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

##### **a. Office of the Chairman of the Board and re-imbusement of expenses by the Company**

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

##### **b. Remuneration Committee**

The Company has a Remuneration Committee in place.

##### **c. Shareholders' Rights – Furnishing of Half Yearly Results**

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

##### **d. Audit Qualifications**

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

##### **e. Mechanism for evaluating Non-Executive Board Members**

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

##### **f. Whistle Blower Policy**

The Company has adopted Whistle Blower Policy.

**B. Secretarial Audit for Capital Reconciliation**

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

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

**8. Means of Communication****Results**

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

**Presentation to Institutional Investors or to analysts**

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

**Management Discussion & Analysis Report**

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

**Green Initiative in Corporate Governance**

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

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

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

Day, Date, Time & Venue

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

**ii. Financial Year Calendar(2011-12) Tentative**

Financial Year

1st April, 2011 to 31st March, 2012

Annual General Meeting

August / September, 2012

Results for quarter ended on

30th June, 2011

On or before 14th August, 2011

30th September, 2011

On or before 14th November, 2011

31st December, 2011

On or before 14th February, 2012

31st March, 2012

On or before 14th May, 2012

**iii. Date of Book Closure**

Closure of Register of Members and Share Transfer Books

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

**iv. Dividend Payment Date**

No Dividend has been declared.

**v. Listing of Equity Shares on Stock Exchange at**

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

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### Name and Address of Stock Exchange(s)

**Bombay Stock Exchange Limited**  
25th Floor, P. J. Towers, Dalal Streets, Fort,  
Mumbai - 400 001

**Ahmedabad Stock Exchange Ltd**  
Kamdhenu Complex, Opp. Sahajanand College,  
Panjara Pole, Ambawadi, Ahmedabad – 380 015

#### vi. Stock Code

524598 (BSEL)

6408 (ASEL)

#### vii. Market Price Data

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

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

#### viii. Registrar and Transfer Agent

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

##### Link Intime India Pvt Ltd

##### Mumbai Office

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

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

##### Ahmedabad Branch Office

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

#### ix. Share Transfer System

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

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

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

**b. Shareholding Pattern as on 31st March, 2011**

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

**xi. Dematerialization of Shares and Liquidity**

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

**Details of Demat Shares as at 31st March, 2011**

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

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- xii. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity** There are no outstanding GDRs/ ADRs / Warrants or any convertible instruments.
- xiii. Plant Locations** 166-169, Village: Indrad, Kadi-Kalol Rd, Mehsana, Gujarat – 382 727
- xiv. Address for correspondence** At Company  
Aksharchem (India) Limited  
“Asahi House”, Kadi – Kalol Road, Village : Indrad  
Dist : Mehsana - 382 727, Gujarat  
Tel : (02764) 233007-10 Fax: (02764) 233020  
Email: cs@asahisongwon.com

At Registrar and Transfer Agent  
Link Intime India Private Limited  
211, Sudarshan Complex, Near Mithakhali Under Bridge,  
Navrangpura, Ahmedabad – 380 009  
Tel : (079) 26465179 Fax : (079) 26465179  
Email: ahmedabad@linkintime.co.in

For and on behalf of the Board

**Mrs. Paru M Jaykrishna**

CHAIRPERSON AND MANAGING DIRECTOR

Date : 07/07/2011  
Place : Indrad, Mehsana

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### DECLARATION ON CODE OF CONDUCT

To the Members of AksharChem (India) Limited

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

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

For and on behalf of the Board

**Mrs. Paru M Jaykrishna**

CHAIRPERSON AND MANAGING DIRECTOR

Date : 07/07/2011  
Place : Indrad, Mehsana

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### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Aksharchem (India) Limited

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

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

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

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

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

For, **Trushit Chokshi & Associates**

CHARTERED ACCOUNTANTS

Firm No. : 111072W

**(Trushit Chokshi)**

PROPRIETOR

Membership No. 40847

Date : 07/07/2011  
Place : Ahmedabad

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

Company No.:04:12441

Nominal Capital :Rs.500 Lacs.

To,  
The Members  
AksharChem (India) Limited

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

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





















































**AKSHARCHEM (INDIA) LIMITED**

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

**ATTENDANCE SLIP**

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

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

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

Member's/Proxy name in Block Letters \_\_\_\_\_

Signature of Member / Proxy \_\_\_\_\_

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

**AKSHARCHEM (INDIA) LIMITED**

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

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_

being a member/members of the above named Company, hereby appoint \_\_\_\_\_

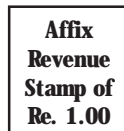
\_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on 30/08/2011 at 11.30 AM and at any adjournment thereof.

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



Signed by the said \_\_\_\_\_

DP Id\* \_\_\_\_\_ Name & Address of the Registered Shareholders \_\_\_\_\_

Client Id\* \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

\* Applicable where shares are held in electronic form \_\_\_\_\_

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

**BOOK-POST**

**To**

IF UNDELIVERED, PLEASE RETURN TO :

**AKSHARCHEM (INDIA) LIMITED**  
**166/169, Indrad Village,**  
**Kadi-Kalol road,**  
**Dist. Mehsana, Gujarat-382 727**

**GANAPATI, A'bad. Ph-(079) 26566111**