

Ref: AKSHAR/SE/2020-21/2009/29

September 09, 2020

To,
Deputy General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P. J. Tower
Dalal Street, Fort
Mumbai – 400 001
BSE Scrip Code: 524598

To,
The General Manager (Listing)
National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza,
Plot No. C/1, G Block
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051
NSE Trading Symbol: AKSHARCHEM

To
Secretary
Ahmedabad Stock Exchange Limited
Kamdhenu Complex
Opp. Sahajanand College,
Panjara Pole, Ambawadi
Ahmedabad - 380 015
Company Code: 6408

Sub: ANNUAL REPORT

Ref: REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

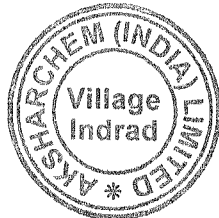
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith a Copy of Annual Report of the Company for the financial year 2019-20.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For, **AKSHARCHEM (INDIA) LIMITED**


Meet Joshi
Company Secretary

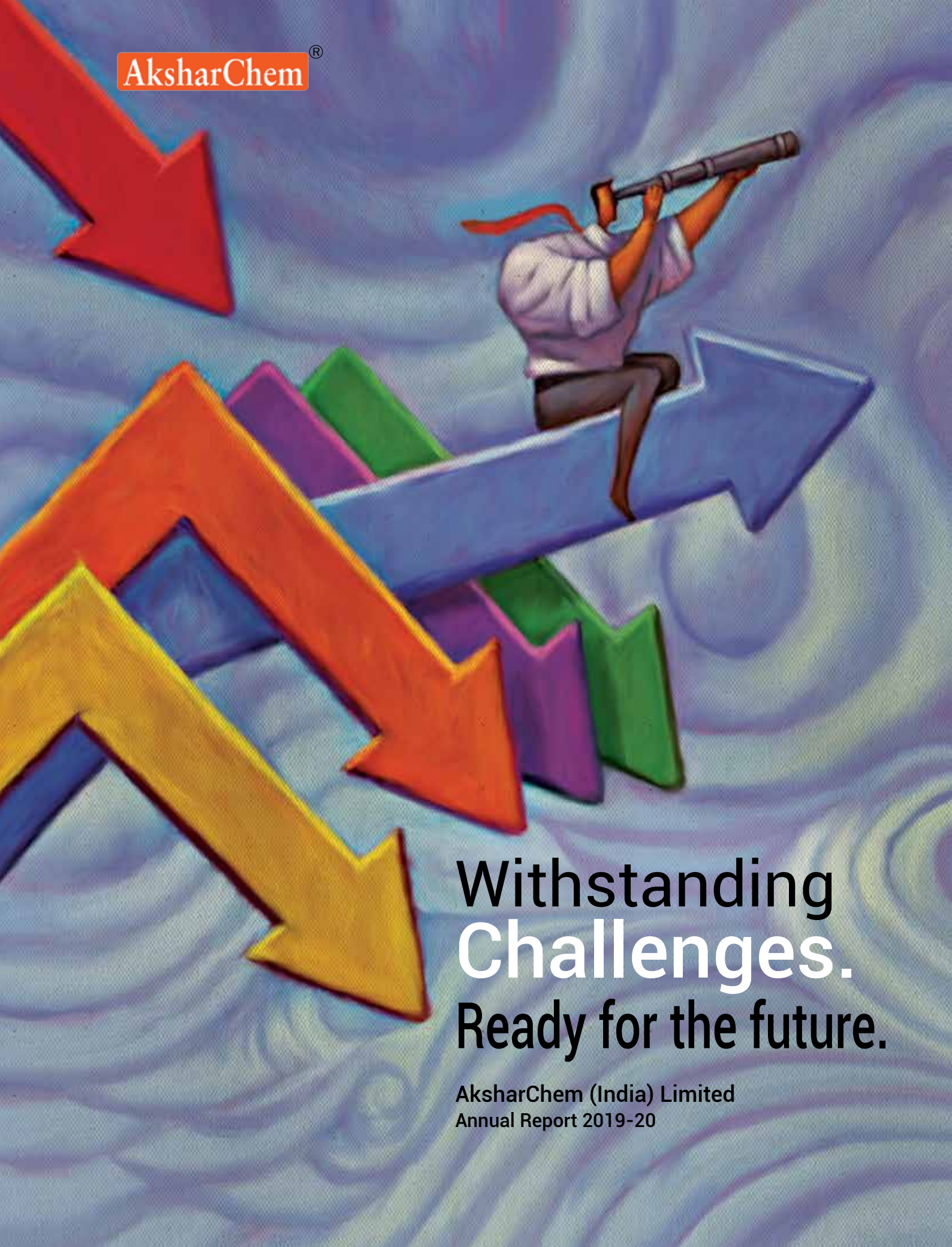


Encl: Annual Report

AksharChem India Ltd.

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Tele: 91-2764 233 007-10 • Fax: 91-2764 233 550 • Email: admin@aksharchemindia.com





Withstanding
Challenges.
Ready for the future.

AksharChem (India) Limited
Annual Report 2019-20

Forward looking statements

In this Annual Report, we have disclosed forward -looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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At AksharChem, we have demonstrated that courage and determination can lead to victory even in the most difficult times.

FY 2019-20 was just the kind of year when one would have thought to hang down the gloves and stop fighting. The year had it all starting global and domestic economic turmoil to high oil prices and finally the unleashing of one of the greatest pandemics in multiple decades.

Instead we chose to fight and maintained our ground.

Just when the new orders were becoming scarce due to declining consumption, we went ahead to launch new product grades for newer applications that brought in new clients enabling us build sufficient order on books.

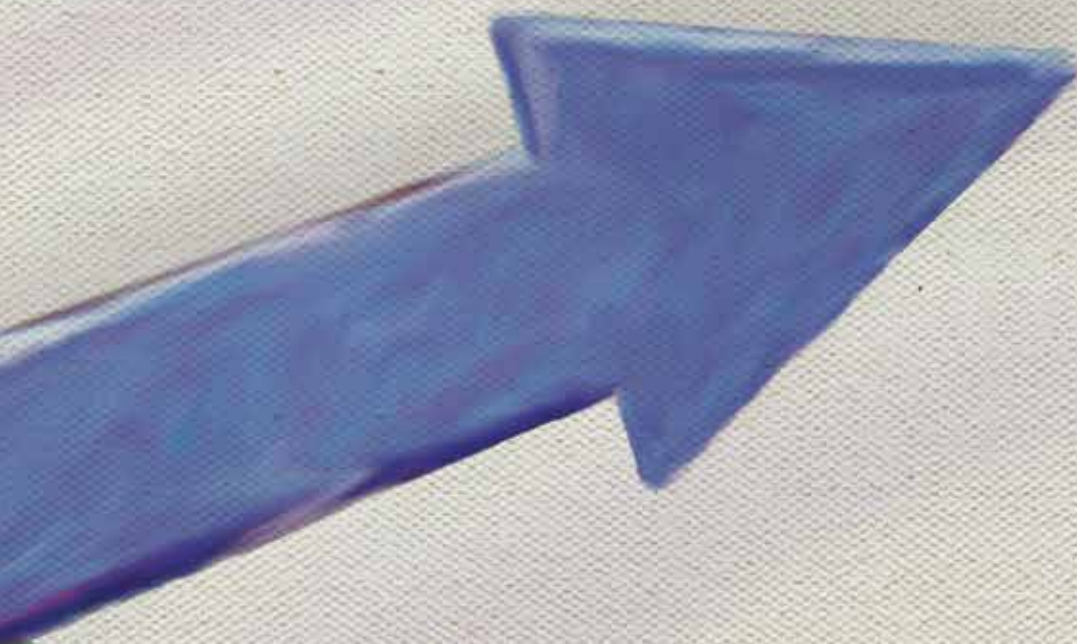
Just when our liquidity was coming under pressure due to declining realisations, we instead delivered steady volumes, contained cost and liquidated inventory thereby enhancing net worth and improving balance sheet position.

Just when the industry experts advised caution, we single-mindedly focused on bringing on stream of Precipitated Silica plant with speed to benefit from the industry opportunity with customers increasingly looking to shift to low cost destinations like India.

The result is that we not only withstood challenge and survived, but also managed to strengthen our competitive positioning. As soon as the pandemic subsides and the markets return to normalcy, we would be ready to grow.

We are withstanding challenges with resilience to be

Ready for the future.



About AksharChem

AksharChem (India) Limited is one of India's leading dyes and pigments manufacturing company with a capacity of 11,400 metric tonnes per annum (MTPA). We are a globally recognised brand and most trusted suppliers of best-in-class, high performing products. We offer peace of mind to our customers with supply and quality reliability. We are today, one of the leading exporters of Vinyl Sulphone, accounting for ~45% share of the country's exports and also one of the world's largest CPC Green pigment manufacturer with a global market share of ~10%. Our reputation is evident in the multiple awards and accolades we have won over the years.



Our vision

To emerge as global leader in supply of specialty Chemicals by creating value for our esteemed customers by supplying quality products.



Our mission

We are committed to use 'Green' technologies in all our manufacturing operations. We also endeavor that we will protect environment by using cleaner technologies and we are responsible for safety and health protection of our work force.



Our diverse portfolio for diverse applications

Product	End user industry
Vinyl Sulphone & H Acid	Textile
CPC Green	Printing ink • Paint • Rubber • Plastics • Leather



Outperforming benchmarks with a robust business model

Superior product quality: Our products meet various global quality and environmental compliances and have a track record of zero return.

Long-term Relationships: We enjoy long-term relations with leading global customers and raw material suppliers enabling us to have sustained operations and business continuity.

Technology leadership: We have the most modern plant equipped with laboratory and advanced automation technologies enabling world-class quality and operational excellence standards.

Environment compliance: We have equipped our plants with advanced environment management technologies enabling us to meet regulatory norms and customer requirements.

Business scalability: We have large scale of operations facilitating effective overhead distribution, thus making us one of the lowest cost producers. These capacities are still underutilized and provide significant headroom for growth. Our large manufacturing is supported by our geographically diversified presence across 20+ countries. We continue to strengthen our extensive global distribution network to target new business opportunities.

Experienced senior leadership: Our senior management have extensive business knowledge, strong networking and expertise in the leadership and business strategy and drive business model sustainability.

Strategically located: Our plants are in vicinity to majority raw material suppliers facilitating just in time availability at minimal costs. Our plants also support multimodal connectivity.

Financially strong: We have a strong and growing net worth which stood at ₹ 26,531.24 lakhs as on March 31, 2020. We continue to maintain low leverage at 0.05 enabling us to retain the highest credit rating from CARE.

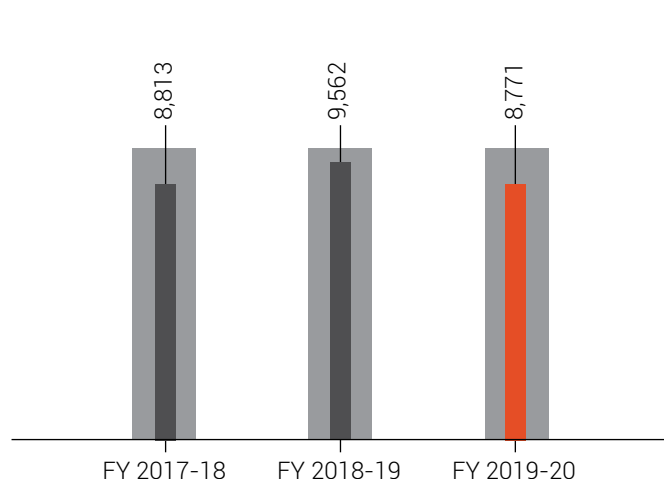


Key business facts

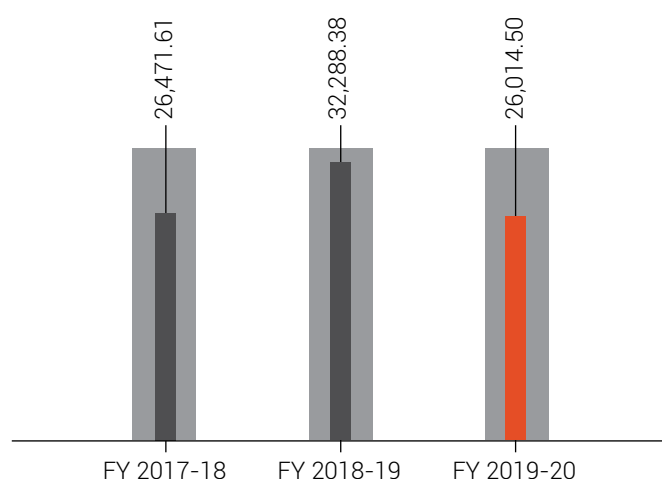
<p>11,400 MT of dyes and pigments manufacturing capacity</p>	<p>20+ Countries of exports</p>	<p>~10% Global market share of CPC Green pigment</p>
<p>~45% Share of India's Vinyl Sulphone export</p>	<p>₹ 124.88 Crore Market capitalization</p>	<p>155 Employees</p>
<p>ISO 9001:2015 quality certification</p>	<p>ISO 14001:2015 environment certification</p>	<p>CARE A+/ CARE A1+ Credit rating for long-term and short-term facilities</p>

Withstanding Challenges, Performing Sustainably

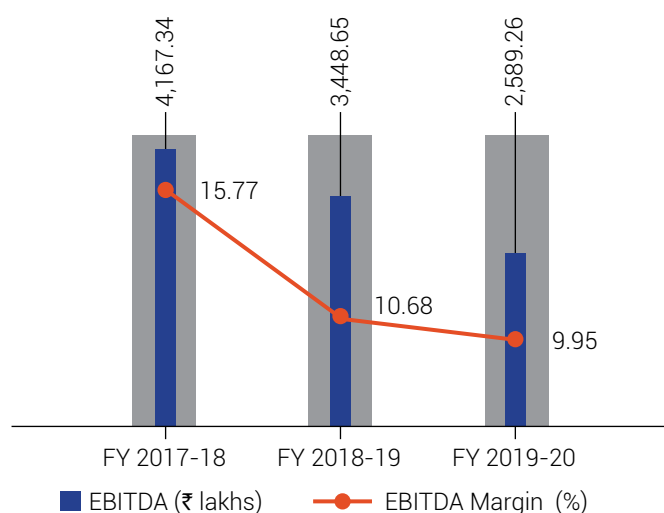
Dyes and pigments volume
(metric tonnes)



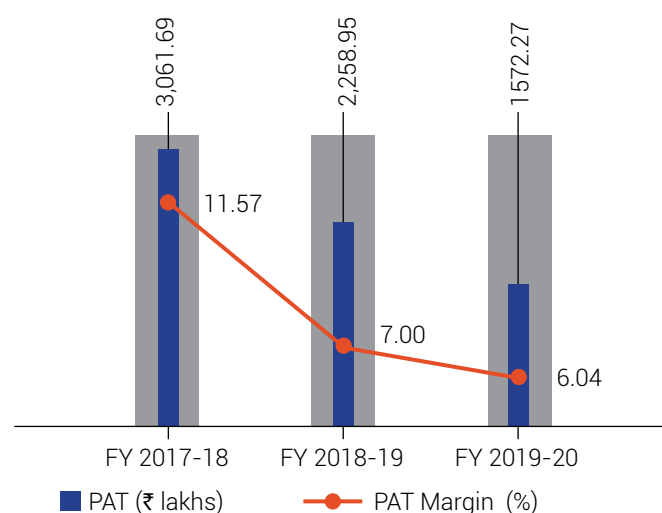
Revenue from operations
(₹ in lakhs)



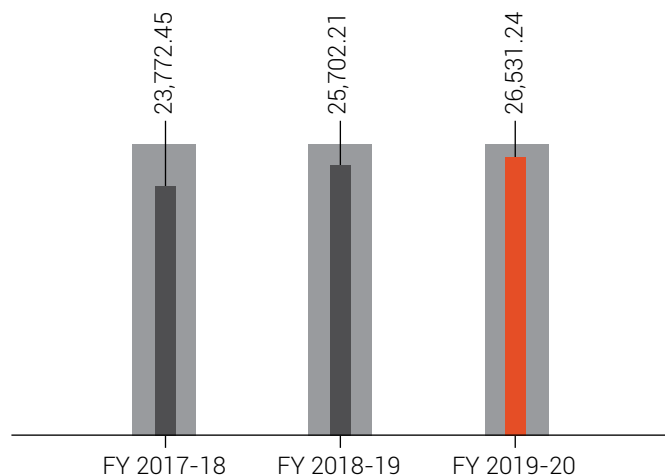
EBITDA and EBITDA margin



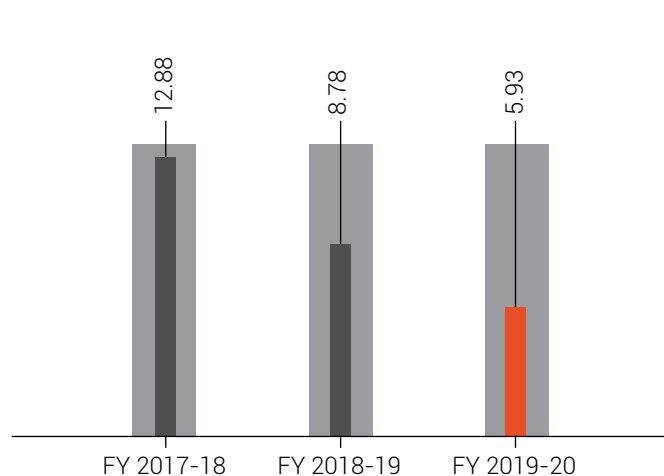
PAT and PAT margin



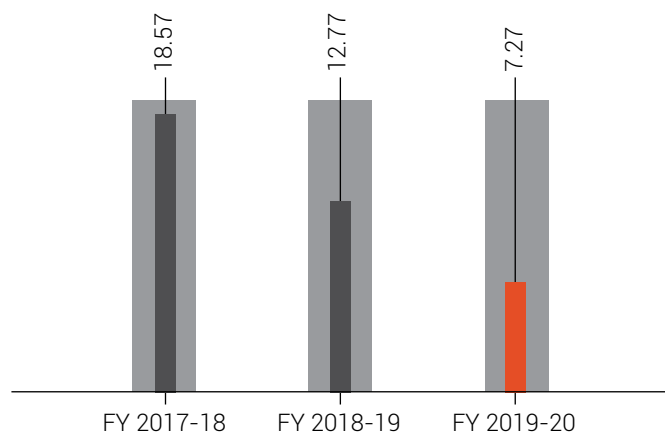
Net Worth (₹ in Lakhs)



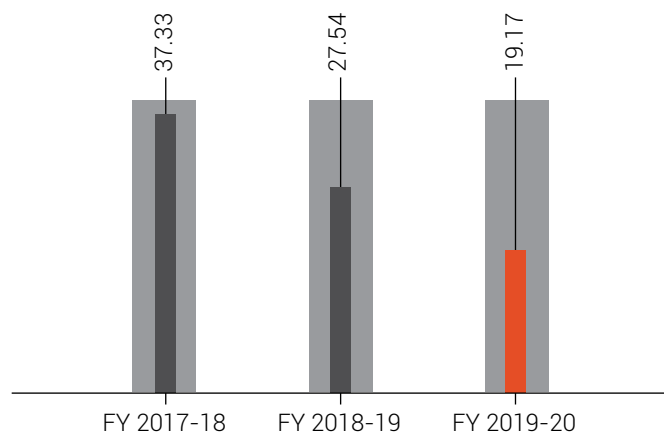
Return on Equity (%)



Return on Capital Employed (%)



Earnings Per Share (in ₹)



10.25%
Revenue CAGR
FY 2014-20

40.77%
Net worth CAGR
FY 2014-20

79%
Share of exports
in FY 2019-20

Chairperson's Message



Dear shareholders,

The world that we know of is undergoing a rapid transformation, suddenly disrupted by the COVID-19 pandemic. It is really in these times that the true resilience of an organisation can be understood by responding with flexibility and agility. The way AksharChem responded to the situation with relative ease is an example of this. We immediately deployed business continuity plan, implemented safety protocols and facilitated work from home for employees during the lockdown. This has helped us ensure minimal productivity loss and at the same time ensured the long-term of our company.

The way our senior leadership and employees reacted to the pandemic and other challenges during the year is noteworthy and boosts our confidence of the long-term.



AksharChem will be at the forefront of the upcoming opportunity with its investments in technology, innovation, and global network development.

That said, the pandemic has unleashed a social and economic crisis like no other. Its impact is going to be felt for some. We will likely see a period of weak domestic demand and decrease in purchasing power which shall impact economic activity. Though on the positive side, the country's fundamentals remain strong and it will revive again, as done across many such crises in the past. The fiscal measures by government of FDI liberalization, rolling out of a massive 1.7 lakh crore economic stimulus package and the announcement of 'Aatmanirbhar Bharat' to support domestic companies will help stimulate economic activity. RBI's measures to enhance liquidity in the system by reducing repo rates will also help revival.

My heartfelt sympathies are with all those who have been impacted by it. At the same time, it gives us hope to see how the humanity has left aside the differences to fight it together. I am sure that together we will come out of it faster and stronger. I express my gratitude to all the frontline warriors who have selflessly come forward to do their duty and also to our employees who have ensured the Company quickly resumes operations.

Speaking of the chemical industry, it has witnessed a period of lull due to weak macro-economic scenario. There was lower demand from most end user industries. However, it was weakness in the textile industry which is our primary customer base hurt the most. This along with an increase in supply from China led to a steady decline in realizations of dyes and intermediates.

Outlook

We expect the coming year to be more challenging due to heightened uncertainty with rising number of COVID-19 cases. While the chemical industry will witness some stress due to weak macroeconomic scenario which has impacted the demand in our product industries, its medium- to long-term outlook remains positive. The industry's landscape is shifting in favour of India due to its low cost and quality advantage.

I am sure your Company will be at the forefront of the upcoming opportunity with its investments in technology, innovation, and global network development. Our strategy will be to continue widening our product portfolio, become cost competitive by integrating backwards and controlling overheads, and have sustained focus on quality. We will also focus on bringing our capacities on stream.

R&D will continue to be our major focus area. We look forward to making a breakthrough by introducing products for the coating and plastic industries where we see stronger growth potential. We have already launched few grades of pigment Green 7 which have received good response and we see it growing in the coming years. These efforts are contributing to widening our customer base and makes our company resistant to demand shocks.

One key differentiator that will truly make us stand out in the industry is the value proposition that we offer to the clients in terms of quality, cost competitiveness and services. We are a customer first company and maintain close engagements with them to ensure all their needs are met, while providing them superior experience. Our dedicated and motivated employees have been a key link towards achieving this. We will continue to nurture and invest in their capabilities to strengthen our competitive edge in the industry.



Looking back at how the Company has transformed in the past decade, I feel satisfied. But there is more to achieve, and we are ready to become bigger, better and stronger.

I can rest assure all stakeholders that the measures undertaken by your Company will make us more resilient. We have been able to build sufficient order and we have enough liquidity to ensure sustained, uninterrupted operations. We see great potential to expand our domestic market by focusing on the coatings and plastic industries which are growing strongly and offers significant opportunities for colorant producers. We intend to explore possibility for this new market by intensifying application profile research and development.

Ensuring sustainable growth

Environment sustainability continues to be an important focus area for us as we undertake initiatives to minimise waste, emissions and resource consumption. We have been making significant investments towards this since our inception, and committed ₹ 13.67 Crores in FY 2019-20. Our ultimate aim is to be the most environment-friendly chemical companies in the world. This will also enable us to the meet the stringent regulatory requirements, thereby ensuring the long-term of our company.

Message to the shareholders

Looking back at how the Company has transformed in the past decade, I feel satisfied. But there is more to achieve, and we are ready to become bigger, better and stronger. I thank all our stakeholders – our shareholders, customers, suppliers, employees and the bankers for being with in this journey. We shall continue to grow together.

Warm regards,

Paru M. Jaykrishna

Chairperson

Joint Managing Director & CEO's Message



During the first nine months, we witnessed input cost pressure as oil prices rose and a muted demand due to weak economic activity and slowdown in consumption of our product consuming industries. The final months saw the global outbreak of COVID-19 pandemic and subsequent global lockdown. Though the pandemic had little impact on our FY 2019-20 performance, the acute social and economic crisis unleashed by it will have a bearing on our next year's performance.

Considering that the situation is exceptional and dynamic, it is early to assess its future impact with certainty. Though the medium- to long-term prospects of our industry remain strong. We are confident of a better future by adapting to the changing business environment and suitably fulfilling orders in hand. We have adequate capital and liquidity to meet the current business requirements and commitments.

Performance review FY 2019-20

Despite all the challenges, I am happy to state that we maintained our ground and posted strong volumes of 8,771 MTPA. However, a sustained decline in the realisation of key products like Vinyl

It gives me great pleasure to share that we closed FY2019-20 on a positive note despite all odds. Surviving this incredibly challenging year has strengthened our resolve to create a stable and secure organisation that is ready for future.

Sulphone and other dye intermediates led to a 19% de-growth in revenues to ₹ 260.15 Crores. Two factors have contributed to fall in realisations – one, lower demand in the textile industry and two a rebound in Chinese supply as its government revived the chemical units by environment issues due to trade war. The pigment division was largely unaffected, and we registered a healthy volume and strong capacity utilization.

Our net profit fall was sharper at 30% to ₹ 15.72 Crores due to increased overheads and higher base affect as in the previous year we got an additional treasury income of ₹ 4.5 Crores.

Preparing for the future

It is said that survival is the best mode to fight in certain situations. With this belief, our top priority for the year gone by was to remain unscathed and ensure that we are well-prepared for the demand revival. We continued our focus on geographic expansion and adding new clients. We launched new grades of pigment Green 7 to tap a completely new set of clients in plastics industry, thus widening our addressable client base.

Our Precipitated Silica capex project is an important part of our growth strategy. These are value-added products commanding better margins and will also open up a new targetable client base for us. Focused on this, we accelerated the pace of construction at the project to ensure its completion by H2 FY2020-21 and commercial

production by FY 2021-22. We had initially planned for a 10,000 MTPA plant, however, considering the demand prospects and focused on reducing operating cost we have increased the plant capacity to 12,000 MTPA.

We also kept close checks on our fixed costs items and other operative costs and quality. Our R&D team is exploring ways to improve process cycles of all products to further enhance operational efficiency.

In line with our international expansion strategy, we are undertaking multiple branding efforts to strengthen our brand visibility. We see great potential in the fast-growing South East Asian market and are strongly focused on increasing our presence.

Message to the shareholders

Your Company remains in a strong position to handle any shocks. We are continuously growing markets and capturing new ones backed by our team of professionals. And more importantly, we expect our new capacities to start delivering good numbers.

I thank all our stakeholders for their trust and confidence in these challenging times. We seek your continued support to ensure we come out of it more stronger to maximise value creation for all.

Warm regards,

Munjal M. Jaykrishna

Jt. Managing Director & CEO

Ready for the Future with Sound Order Book and Balance Sheet Position

FY 2019-20 has been an eventful year for AksharChem. Despite a challenging business environment further aggravated by the outbreak of COVID-19 pandemic, we have received healthy orders to keep our capacities running and have managed to strengthen our balance sheet position.

In FY 2019-20, the economic condition remained mute led by multiple events resulting in GDP growth for the year declining to 4.2% compared to 6.1%. Factors like the liquidity crisis, global economic weakness, high oil prices and weak consumer sentiments impacted growth. The outbreak and rapid spread of COVID-19 along with the lockdown have further adversely impacted the economy and is expected drive down GDP and economic activity in FY 2020-21. There is marked slowdown in the consumption across all major industries, especially the textile sector who are our primary customers.

As a result, the outlook of dyes and intermediates industry looks sluggish.

Despite the challenge, we have managed to deliver steady performance. However, the most inspiring development has been the way we managed to strengthen our balance sheet and bag new orders by leveraging our relationships to ensure business is not impacted in the coming year.

Building order book in a challenging year

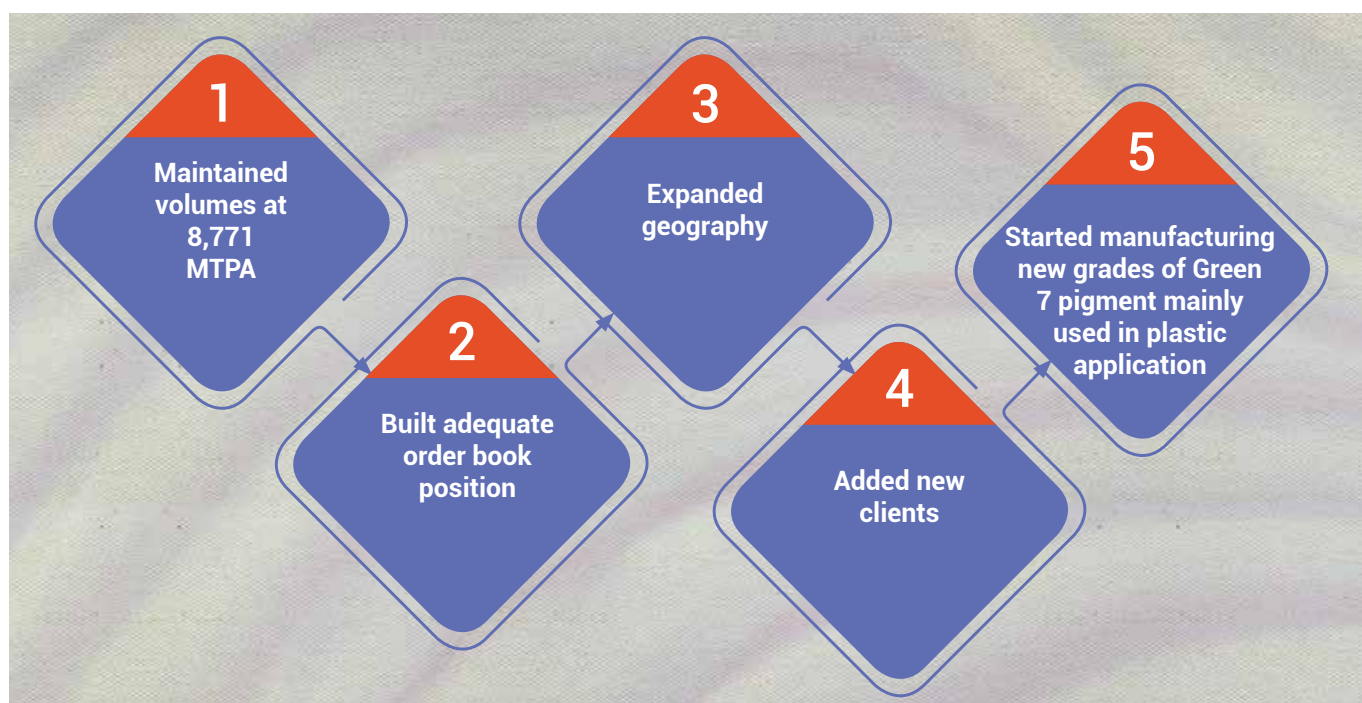
We have sufficient export and domestic orders in hand to scale up the

production capacity utilization. Further, we have also entered into arrangements with raw material suppliers to ensure its steady supply for production requirements.

Strengthening balance sheet position

During the year, we have managed to grow our net worth by 3.15% to ₹ 26,531.24 lakhs as on March 31, 2020 and maintained a low leverage of 0.05. We have adequate capital to meet the current business requirements and are placed comfortably in terms of liquidity to meet all commitments.

How AksharChem withstood the challenging year



Our balance sheet resilience

₹ 26,531.24 lakhs*

Net worth
(₹ 25,720.21 lakhs)

₹ 2,632.49 lakhs*

Cash flow from operations
(₹ 877.76 lakhs)

0.05*

Debt equity
(0.04)



*pertains to March 31, 2020; figures in bracket represents previous year number as on March 31, 2019

Ready for the Future with Capacity and Strategy to Capitalise Industry Opportunity

The chemical industry landscape is rapidly turning in favour of India and presents huge addressable opportunity in the medium- to long-term. We have invested in capacities and formulated the right strategy to make the most of this opportunity and grow sustainably while maximising value creation.

Chemical industry in India presents an attractive growth opportunity...

The global landscape of the chemical industry is rapidly moving in favour of emerging economies like India and China given their advantage of low labour costs and quality. The industry in these nations are now transcending to the next stage by developing in the areas of technology, innovation, and trade. China, however, is losing its competitiveness as strict environmental crackdowns led to several companies shutting down operations. Further, it also facing a possible scenario of customers moving out due to pandemic related repercussion. This presents an excellent platform for Indian companies to step up and capitalize on the opportunity.

...AksharChem is geared to capitalize

We have extensive manufacturing capacity

At AksharChem, we have proactively invested in building capacities keeping in mind the future growth opportunities. While our capacity addition project for CPC Green and H-Acid have been completed and production stabilized, the Precipitated Silica Project is also nearing completion. This project was initially planned of 10,000 MTPA capacity, however, considering the future demand and opportunity to reduce the operating cost, we have increased its capacity to 12,000 MTPA. We expect to complete and start production by H2 FY 2020-21 and its full benefits would start accruing from FY 2021-22 onwards.

We have extensive portfolio

We have one of the widest product portfolios in the industry comprising diverse grades of Vinyl Sulphone and CPC Green as well as H Acid. We continue to undertake R&D to further strengthen our portfolio and widen our targetable customer base across various applications. During the FY 2019-20, we launched several new grades of Pigment Green 7 which have been technically approved by our existing customers, providing opportunity to increase sales volume in the coming years. We are presently focusing on intensifying production and undertaking application profile R&D to explore possibility for new market in Coatings and Plastic industry.

Our robust manufacturing capacity and capacity utilization

Product	Operational Capacity (MTPA)	Utilised Capacity (in %)
Vinyl Sulphone	7,800	79.00
H Acid	1,200	96.00
CPC Green	2,400	78.00



We have framed a robust growth strategy

- | | | |
|--|---|--|
| <p>1. Widen and diversify product offerings to tap more customers and grow revenues</p> | <p>2. Strengthen quality control to strengthen our brand reputation</p> | <p>2. Enhance cost-effectiveness of products to attract new customers and retain existing</p> |
| <p>4. Integrate backwards to have better control over costs and improve margins</p> | <p>5. Diversification of location in the chemical hub of Gujarat to target new opportunities</p> | |

Ready for the Future with Operational Excellence and Quality Focus

Ever since inception, we, at AksharChem, have been strongly focused on quality and cost competitiveness to strengthen our competitive positioning in the industry. This makes us one of the most preferred suppliers to the world's leading company. We are continuously building on our operational excellence to further this edge.

Operational excellence

Our state-of-the-art manufacturing facility supported by advanced equipment, automation technologies, talented manpower and world-class manufacturing facility enable us to achieve high standards of operational excellence. It ensures high plant uptime, better capacity utilization and thus stable production. We continue to undertake improvement initiatives along with stringent monitoring. Our operational scale also facilitates better spread of overheads making us one of the lowest cost bearing producers. During the year, we undertook initiatives to control fixed expenses and other operative costs and kept it at the minimum level. We also continue to analyse and evaluate process cycles of all products to further improve efficiencies.

Delivering the best quality

We have a reputation of delivering best quality products to our customers with a track record of zero rejection. We achieve this by keeping close checks on raw materials quality and focusing on quality assurance and control.

Skilled manpower

We have best-in-the-industry skilled manpower who are contributing to the success of the organisation. We provide internal and external skill development trainings to make them more efficient. During the year, we have added manpower for sustaining the expansion projects.

Research and development capability

We have a strong team of professional and highly skilled technicians. Their specialization and multiple years of experience in our area of business enables us to consistently launch new products, improve performance of existing ones and optimise production process. This helps us to meet the growing expectation and evolving needs of customers.



Ready for the Future with Long-term Relations and Customer Focus

At AksharChem, we deal with wide-cross section of global clients who are amongst the leading in their field. We have designed our strategic initiatives to address their varied needs and expectations while delivering superior experiences. This also augments our brands' reputation thereby helping generate repeat business.

Being a preferred supplier

Our ability to deliver industry best quality, competitive prices and timely deliver ensures unmatched value proposition to our customers. We have adopted a zero-tolerance culture within our organisation for product quality, delivery schedule and customer service standards. This has helped us to build long-term relationships and become one of the most preferred chemical suppliers.

Active engagement with customers

We keep our ears to the ground and maintain close and continuous engagements with customers on a variety of issues. We mutually share our knowledge and insights which assists in better understanding trends and customer specific needs. During the COVID-19 pandemic, we proactively engaged with our customers to understand their future business requirements and planned accordingly.

Trust and transparency

We have a strong policy for ethical practices and business integrity. We ensure that every business dealing with customers is done transparently. This enables us to gain the trust of our customers and develop strong business relationships.

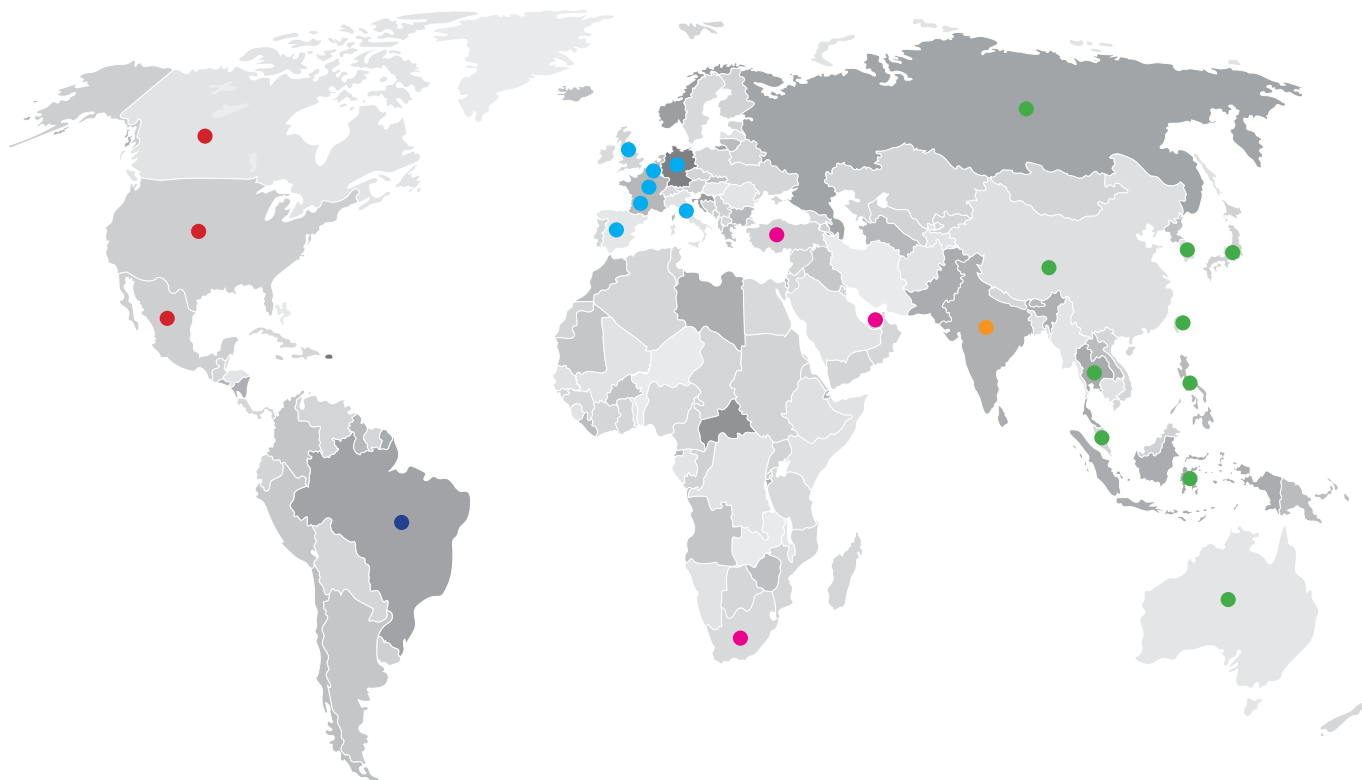
We live by a customer-first approach and have zero tolerance culture for deviation in product quality, delivery schedule and customer service standards.

We have established strong relations with customers, some of who have been with us for over two decades.



Ready for the Future with Diversified Global Presence

At AksharChem, we have established export presence across 20+ countries. Our diversified global operations opens potential to target new customers as well as safeguards us from downturn in any of the geographies.



Our global regions of presence

<ul style="list-style-type: none"> ● North America <ul style="list-style-type: none"> ● Canada ● USA ● Mexico ● South America <ul style="list-style-type: none"> ● Brazil 	<ul style="list-style-type: none"> ● Europe <ul style="list-style-type: none"> ● Germany ● Netherlands ● United Kingdom ● Belgium ● France ● Italy ● Spain 	<ul style="list-style-type: none"> ● Middle East and Africa <ul style="list-style-type: none"> ● Turkey ● UAE ● South Africa ● India ● Asia pacific <ul style="list-style-type: none"> ● China ● South Korea 	<ul style="list-style-type: none"> ● Japan ● Taiwan ● Thailand ● Malaysia ● Indonesia ● Philippines ● Australia ● Russia
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Ready for the Future with Sustainable practices

At AksharChem, environment sustainability is not just about meeting the regulatory norms or customer selection criteria, it goes beyond to our deep care for the society and the environment. This philosophy has led us to make sustained investment in improving our environment performance, thereby making us one of the most environment-friendly chemical companies globally.



All our new capacity expansion projects are equipped with state-of-the-art technology to ensure energy efficient operations.

Waste management

We have in place a robust waste management system for minimizing wastes and ensuring all wastes are treated before disposal. Our state-of-the-art effluent treatment system ensures waste treatment in accordance with permissible limits. Our production processes, designed as per international standards, ensure optimal use of resources. We use automated packaging machines which have significantly reduced wastage of packaging materials.

Emission and energy management

We are strongly focused on reducing our energy consumption through using optimal manufacturing processes, automation technologies. We also strive to reduce carbon emission toward which a green belt has been developed at our plant. All our new capacity expansion projects are equipped with state-of-the-art technology to ensure energy efficient operations. We have also started replacing conventional lighting system with LEDs to optimise energy consumption.

Water management

We have installed water treatment plant across at our manufacturing units. The treated water is used for gardening, toilets as well as reused in some processes.

₹ 13.67
Crores
 Spent on environment sustainability related expenses in FY 2019-20

Board of Directors



Mrs. Paru M. Jaykrishna

Founder, Chairperson & Mg. Director

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



Mr. Gautam M. Jain

Independent Director

He is a Science (Chemistry) and law graduate. A renowned industrialist with over 43 years of experience in the Chemical Industry, he is the founder of Metrochem Industries Limited, Chairman of the Gujarat Research and Medical Institute (Rajasthan Hospital) and a member of the Executive Committee of GCCI. He has also been elected as the President of Gujarat Dyestuff Manufacturers Association and Rajasthan Seva Samiti.



Dr. Pradeep Jha

Independent Director

He is a well-accomplished mathematician and a research guide at several universities having over 42 years of teaching experience. Authoring over 20 research articles, he has expertise in developing softskills program for corporate executive. He has authored many books on Mathematics and Operations Research. He has been associated with the Company Since 2002.



Mr. Jigar M. Patel

Independent Director

He is graduated with LL.M. Honors in International Taxation from the prestigious NYU School of Law. He has acquired valuable experience working as an International Tax Attorney with PricewaterhouseCoopers at New York. He is currently the Executive Director of International Tax & Investment Consultants at Ahmedabad. He is Vice-President of the Income Tax Bar Association, Ahmedabad. He has addressed several public forums and participated in TV discussions. He was awarded 'Upcoming speaker 2016' by the All India Federation of Tax Practitioners. He has been associated with the Company since 2017.



Ms. Maitri K. Mehta

Independent Director

She is Fellow Member of The Institute of Cost Accountants of India (FCMA), MBA (Finance) from KS School of Business Management and Fellow Member of Insurance Institute of India (FIII-Life). She is a Practicing Cost Accountant. She is proficient in the field of Cost and Management Accountancy. She has been associated with the Company since 2019.



Mr. Gokul M. Jaykrishna

Director

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



Mr. Munjal M. Jaykrishna

Joint Managing Director & CEO

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



Mr. Ashok Barot

Director

He is Master of Science (M. Sc.) from North Gujarat University. He is Senior Manager-Technical Services of the Company. He has more than 25 years of experience in Chemical field. He is associated with the Company since July 2004. He is currently looking after plant administration as well as technical issues of the Company.

STATUTORY SECTION



NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Members of AKSHARCHEM (INDIA) LIMITED will be held on Wednesday, 30th day of September, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend already paid to the equity shareholders as final dividend for the financial year 2019-20.
3. To appoint a director in place of Mrs. Paru M. Jaykrishna (DIN: 00671721), liable to retire by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. **PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES AND/OR OTHER DEBT SECURITIES**

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

"RESOLVED THAT pursuant to the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 framed there under and all other applicable rules, if any, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other approvals as may be required from regulatory authorities from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to make offer(s), invitation(s), to subscribe and issue Non-Convertible Debentures ("NCDs"), Bonds, Commercial Papers ("CP") or any other Debt Securities in one or more series/tranches aggregating upto Rs. 300 crores (Rupees Three Hundred Crores Only), whether rupee denominated or denominated in foreign currency, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting be held in calendar year 2021, whichever is earlier, on such terms and conditions and at such times and at par or at such premium, as the Board may, from time to time determine and consider proper and most beneficial to the Company including as to when the said Non Convertible Debentures and /or Bonds and/or Commercial Papers or other debt securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents,

instruments and writings, and take all such steps as it may in its sole and absolute discretion deem necessary including for the purpose of determining terms of issue of Non-Convertible Debentures and/or Bonds and/or Commercial Papers and/or other debt securities and to settle all questions, difficulties and doubts that may arise in relation thereto."

For and on behalf of Board of Directors

Place : Indrad, Mehsana
Date : August 14, 2020

PARU M. JAYKRISHNA
Chairperson & Mg. Director
DIN: 00671721

Registered Office:

166/169, Village Indrad,
Kadi – Kalol Road, Dist : Mehsana
Gujarat – 382 715 (India)
CIN : L24110GJ1989PLC012441
Phone: +91 2764 233007
Fax: +91 2764 233550
Website: www.aksharchemindia.com
Email id: cs@aksharchemindia.com

NOTES:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting vide its Circular No. 14/2020 dated 8 April 2020, Circular No. 17/2020 dated 13 April 2020 and Circular No. 20/2020 dated 5 May 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 31st Annual General Meeting (AGM) of the members will be held through VC/ OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 9 and this available at the Company's website www.aksharchemindia.com
As the Annual General Meeting (AGM) is held through VC/OAVM, Attendance Slip, Proxy Form and Route Map for AGM is not attached in this notice.
- Explanatory Statement**
The relevant explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") as set out under Item No. 4 of the Notice, is annexed hereto.
- Book Closure**
Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive).
- Director proposed to be re-appointed**
At the ensuing Annual General Meeting, Mrs. Paru M. Jaykrishna (DIN:00671721), retire by rotation and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends her re-appointment. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in annexure to notice of Annual General Meeting.
- The Company's Statutory Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the

Company to hold office for a term of 5 (five) consecutive years from the conclusion of Twenty Eighth Annual General Meeting till the conclusion of Thirty Third Annual General Meeting of the Company (subject to ratification of such appointment at every Annual General Meeting, if so required under the Companies Act, 2013).

Pursuant to the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from Section 139 of the Companies Act, 2013.

In view of the above, no resolution is proposed for ratification of appointment of the Statutory Auditors. As authorised by the members, at the 28th Annual General Meeting, the Board of Directors (the Board), as recommended by the Audit Committee, has ratified the appointment of the Statutory Auditors for their respective remaining terms, at such remuneration as may be mutually agreed between the Board and the Statutory Auditors, from time to time. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

6. Payment of Dividend

Interim dividend declared in the Board meeting held on March 11, 2020 is proposed as final dividend and no additional dividend is recommended.

The members are hereby informed that the Company is required to transfer the dividends, which remain unclaimed for a period of seven years, to the Investor Education and Protection Fund ("IEPF") constituted by the Central Government.

The Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on March 31, 2019 on the website of the Ministry of Corporate Affairs. The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

The members are advised to send their requests for payment of unpaid dividend pertaining to the financial years 2012-13 to 2019-20 to our Registrar and Share Transfer Agent for payment before the same becoming due for transfer to IEPF.

Dividend Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2012-13 – Final	27/09/2013	25/10/2020
2013-14 – Interim	12/11/2013	10/12/2020
2013-14 – Second Interim	21/01/2014	18/02/2021
2013-14 - Final	25/09/2014	23/10/2021
2014-15 – Final	29/09/2015	27/10/2022
2015-16 – Interim	14/03/2016	11/04/2023
2016-17 – Interim	16/03/2017	13/04/2024
2017-18 – Final	28/09/2018	26/10/2025
2018-19 – Final	30/09/2019	28/10/2026
2019-20 – Interim	11/03/2020	08/04/2027

7. Transfer of Shares to demat account of IEPF Authority

The members may kindly note that pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has remained unclaimed/unpaid for seven consecutive years or more shall be transferred by the Company to the demat account of Investor Education and Protection Fund Authority ("IEPF Authority").

8. Dispatch of documents through electronic mode / Registration of E-mail addresses

In pursuance of the provisions of the Companies Act, 2013 and the Rules made there under, the Company proposes to send documents like notice of general meeting, Annual Report, etc. to the shareholders through electronic mode. The members who have not registered their e-mail address so far, are requested to register their email address (or change therein, if any) with their Depository Participant (where the shares are held in dematerialized form) or our Registrar and Share Transfer Agent (where the shares are held in physical form) by submitting the E-communication Registration Form.

9. Voting through electronic means

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

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

Voting Options

- 9.1 The Company has engaged National Securities Depository Limited ("NSDL") to provide the facility of casting the votes by the members using an electronic voting system ("Remote E-voting") as well as e-voting system on the date of the Annual General Meeting.
- 9.2 The members attending the Annual General Meeting who have not cast their vote by Remote E-voting shall be able to exercise their right through e-voting system at

the Annual General Meeting.

9.3 The members who have cast their vote by Remote E-voting prior to Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again at Annual General Meeting.

9.4 The instructions for e-voting are as under:
How do I vote electronically using NSDL e-voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

9.4.1 Details on Step 1 is mentioned below:

9.4.1.1 Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile

9.4.1.2 Once the home page of E-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

9.4.1.3 A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically

9.4.1.5 Password details are given below:

(i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

(a) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the

9.4.1.4 The User ID details are given below:

Manner of holding shares	User ID
(i) For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
(ii) For members who hold shares in demat account with Central Depository Services (India) Limited ("CDSL")	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
(iii) For members holding shares in Physical Form	EVEN (E-Voting Event Number) of the Company followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. AKHARCHEM.pdf file. Open the AKHARCHEM.pdf file. The password to open the AKHARCHEM.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The AKHARCHEM.pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- 9.4.1.6 If you are unable to retrieve or have not received the "Initial password" or have forgotten your password: Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- 9.4.1.7 After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 9.4.1.8 Now, you will have to click on "Login" button.
- 9.4.1.9 After you click on the "Login" button, Home page of e-Voting will open.
- 9.4.2 Details on Step 2 is given below:
How to cast your vote electronically on NSDL e-Voting system?
- 9.4.2.1 After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 9.4.2.2 After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 9.4.2.3 Select "EVEN" of AksharChem (India) Limited
- 9.4.2.4 Now you are ready for e-Voting as the Voting page opens.
- 9.4.2.5 Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 9.4.2.6 Upon confirmation, the message "Vote cast successfully" will be displayed.
- 9.4.2.7 You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 9.4.2.8 Once you confirm your vote on the resolution, you will not be allowed to modify your vote
- 9.5 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to makwanabipin577@gmail.com with a copy marked to evoting@nsdl.co.in.
- 9.6 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 9.7 The Remote E-voting period shall commence at 9.00 a.m. on Sunday, September 27, 2020 and ends at 5.00 p.m. on Tuesday, September 29, 2020. At the end of the Remote E-voting period, the Remote E-voting facility shall be blocked by NSDL forthwith. The Remote E-voting shall not be allowed after 5.00 p.m. on September 28, 2020.
- 9.8 A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories (in case of shares held in dematerialised form) as on the cut-off date i.e. Wednesday, September 23, 2020 only shall be entitled to avail the facility of Remote E-voting as well as e-voting in the Annual General meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- 9.9 The voting rights of the shareholders shall be reckoned in proportion to their shares in the total paid-up equity share capital of the Company as on cut-off date i.e. Wednesday, September 23, 2020.
- 9.10 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 download section of www.evoting.nsdl.com or call on toll free no. 1800-222-990. In case of any queries/grievances connected with Remote e-voting, the members may contact Ms. Pallavi Mhatre, Assistant Manager, NSDL at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in (Telephone No. 022-24994545) or Mr. Meet J. Joshi, Company Secretary & Compliance Officer at the Registered Office of the Company at 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat Phone: 02764-233007. E-mail: cs@aksharchemindia.com
- 9.11 A person who becomes a member of the Company after dispatch of notice of Annual General Meeting and holding shares as on the cut-off date i.e. September 23, 2020, may obtain the User ID and password by sending a request at evoting@nsdl.co.in or cs@aksharchemindia.com or call on toll free no. 1800-222-990.
- 9.12 The Board of Directors of the Company has appointed Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) to scrutinise the e-voting at Annual General Meeting and Remote e-voting process in a fair and transparent manner.
- 9.13 The scrutiniser shall, immediately after the conclusion of e-voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through Remote e-voting in the presence of atleast two witnesses not in the

employment of the Company.

- 9.14 The Scrutiniser shall make, not later than 48 Hours of conclusion of the Annual General Meeting, a consolidated scrutiniser's report and submit the same to the Chairperson of Annual General Meeting or any other person authorized by Chairperson in writing who shall countersign the same and declare the results of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office (as per details mentioned above). The results declared alongwith scrutiniser's report shall be placed on Company's website www.aksharchemindia.com and on the website of NSDL immediately after the results are declared. The results shall also be immediately forwarded to the BSE Limited (BSE), Mumbai, National Stock Exchange of India Limited (NSE), Mumbai and Ahmedabad Stock Exchange Limited (ASE), Ahmedabad.
- 9.15 The Instructions for members for e-voting on the day of the 31st Annual General Meeting are as under.
- 9.15.1 The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
- 9.15.2 Only those Members/ Shareholders, who will be present at the 31st Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the 31st Annual General Meeting.
- 9.15.3 Members who have voted through remote e-Voting will be eligible to attend the 31st Annual General Meeting. However, they will not be eligible to vote at the Annual General Meeting.
- 9.15.4 The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the 31st Annual General Meeting shall be the same person mentioned for remote e-voting.
- 9.16 Instructions for Members for attending the Annual General Meeting Through VC/OAVM are as under.
- 9.16.1 The Members can join the Annual General Meeting through VC/OAVM, 30 minutes prior to the scheduled time of the commencement of the Annual General Meeting by following the procedure mentioned in the Notice. The Company has made arrangements to provide facility of participation at the Annual General Meeting through VC/OAVM on 'first come first serve' basis. The large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting can participate at the Annual General Meeting without restrictions of 'first come first serve' basis.
- 9.16.2 Members will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of the Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.
- 9.16.3 Members are encouraged to join the Meeting through Laptops for better experience.
- 9.16.4 Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Annual General Meeting.
- 9.16.5 Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 9.16.6 Members who need assistance before or during the Annual General Meeting, can contact NSDL on: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Pratik Bhatt at designated email ID: pratikb@nsdl.co.in /+91-22-24994738, or Ms. Sarita Mote, at saritam@nsdl.co.in /+91-22-24994890.
10. Corporate members, intending to depute their authorised representatives to attend the meeting pursuant to Section 113 of the Act, are requested to send to the Company a duly certified true copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the meeting.
11. 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.
12. In terms of the amendments to the Listing Regulations, with effect from April 1, 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with the depository, i.e., NSDL and CDSL. Members are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.
13. Members can send their queries, if any, to reach the Company's Registered Office atleast 10 days before the date of Annual General Meeting so that information can be made available at Annual General Meeting.
14. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the Annual General Meeting and other statutory registers shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 11.00

- a.m. to 1.00 p.m., on all working days of the Company from the date hereof up to the date of ensuing Annual General Meeting.
15. Members may also note that the Notice of the thirty first Annual General Meeting and the Annual Report for 2019-20 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. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Private Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required under section 102 (1) of the Companies Act, 2013, the following Statement set out all the material facts relating to the Special Business mentioned in Item No. 4 of the accompanying Notice.

Item No. 4

In order to augment resources inter alia, for financing capital expenditure and/or for general corporate purposes, the Company may offer or invite subscription for secured and/or unsecured, bonds, Commercial Paper ("CP") or any other Debt securities in one or more series / tranches on private placement basis.

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

Accordingly, consent of the members is sought for passing a Special Resolution as set out under this item no. 4 of the Notice. This resolution enables the Board of Directors of the Company/its duly authorised Committee to offer or invite subscription for debt securities, including but not limited to non-convertible debentures, commercial paper, bonds, etc., whether in rupee denominated or

denominated in foreign currency, in one or more series or tranches aggregating up to Rs. 300 crores (Rupees Three Hundred Crores Only), as deemed fit, from time to time, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting to be held in calendar year 2021, whichever is earlier within a period of one year within the overall Borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors recommends the passing of the Special Resolution set out at item no. 4 for approval of the members.

For and on behalf of Board of Directors

Place : Indrad, Mehsana

Date : August 14, 2020

PARU M. JAYKRISHNA

Chairperson & Mg. Director

DIN: 00671721

Registered Office:

166/169, Village Indrad,

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 715 (India)

CIN : L24110GJ1989PLC012441

Phone: +91 2764 233007

Fax: +91 2764 233550

Website: www.aksharchemindia.com

Email id: cs@aksharchemindia.com

**DISCLOSURE RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND
SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2)**

	Re-Appointment
Name of the Director	Mrs. Paru M. Jaykrishna
DIN	00671721
Date of Birth /Age	05.08.1943 (77 Years)
Date of first appointment to the Board	04.07.1989
Qualification	Law Graduate, M.A. in English Literature and Bachelor's degree in Philosophy and Sanskrit
Number of shares held in the Company	0
Number of Board meetings attended during the Financial year 2019-2020	5
List of outside Directorship held in Listed Companies	Asahi Songwon Colors Limited
Membership in the Committees of Board of other listed companies	Asahi Songwon Colors Limited
Membership and Chairman in the Committees of the Board of the Company*	Membership - Stakeholders Relationship Committee (Asahi Songwon Colors Limited)
Terms and conditions of reappointment /appointment alongwith details of remuneration sought to be paid	She is Chairperson and Managing Director of the Company. As per terms of appointment, she is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offer herself of reappointment. She is entitled for remuneration.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mother of Mr. Munjal M. Jaykrishna and Mr. Gokul M. Jaykrishna

*Chairmanship and membership of the Audit Committee and the Stakeholders Relationship Committee are considered.

DIRECTORS' REPORT



Dear Shareholders,

Your Directors are pleased to present their Thirty First Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Current Year 2019-20	Previous Year 2018-19
Revenue from operations	26,014.50	32,288.38
Other Income	105.24	534.89
Total Income	26,119.74	32,823.27
Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses	2,694.50	3,983.54
Less: Finance Costs	110.76	91.61
Profit for the year before Depreciation, Exceptional Items and Tax Expenses	2,583.74	3,891.93
Less: Depreciation	672.78	551.24
Profit for the year before Exceptional Items and Tax Expenses	1,910.96	3,340.69
Add/(Less): Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	1,910.96	3,340.69
Less: Current Tax	499.73	738.62
Less: Deferred Tax	(168.36)	343.12
Less: Adjustment of tax for earlier years (Net)	7.32	Nil
Net Profit for the year	1,572.27	2,258.95
Add: Balance brought forward from last year	15,308.22	13,385.29
Depreciation Adjustment	Nil	Nil
Deferred tax on Depreciation Adjustment	Nil	Nil
Surplus available for Appropriation	16,880.49	15,644.24
Appropriation		
Other Comprehensive Income	(0.84)	10.13
Transfer to General Reserve	Nil	Nil
Interim Dividend of Rs. 3.50 per Equity Share (P. Y. Rs. Nil per Equity Share)	287.09	Nil
Final Dividend of Rs. 3.50 per Equity Share (P. Y. Rs. 3.50 per Equity Share)	287.09	287.09
Tax on dividend	118.03	59.06
Balance carried over to Balance Sheet	16,187.44	15,308.22

IMPACT OF THE COVID-19 ON BUSINESS OF THE COMPANY

The operations of the Company were affected due to announcement of lockdown by Government of India. The manufacturing facility of the Company were suspended and have been partially functional with effect from 22nd April, 2020 with the permissions and as per operating guidelines issued by Ministry of Home Affairs (MHA). The Company has adhered to the guidelines issued by Government and complying with all safety measures to safeguard the employees from COVID-19 disease. The Company has also formulated policy for work from home for majority of the employees except for employees associated with manufacturing activity.

Further due to COVID -19 and lockdown announced by the Government, being the non-essential product, the textile market has affected and also shops and malls are shut due to this pandemic. The demand for textile has subdued which ultimately affect the business of the Company.

DIVIDEND

After considering the profitability, cash flow and overall financial performance of the Company, your Board of Directors of the Company have declared interim dividend of Rs. 3.50 per equity share (35% on the face value of Rs. 10/- each) for the year ended March 31, 2020 and the total outgo was Rs. 287.09 Lakhs towards dividend and Rs. 59.01 Lakhs towards dividend distribution tax.

During the previous financial year, the Company has paid final dividend of Rs 3.50 per equity share (35% on face value of Rs. 10 each), and the total outgo was Rs. 287.09 Lakhs towards dividend and Rs. 59.01 Lakhs towards dividend distribution tax.

TRANSFER OF UNCLAIMED SHARES & DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend that remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). During the year under review, your Company is not required to transfer any unclaimed amount and Shares to IEPF Authority.

TRANSFER TO RESERVES

Your Company has not transferred any amount to General Reserve (Also in Previous Year the Company has not transferred any amount to General Reserve). Your company has retained amount of Rs. 1572.27 Lakhs in the Statement of Profit and Loss.

STATE OF COMPANY'S AFFAIRS

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

General

During the year under review the Company has reported 19% and 30% YoY decline in revenue from operations and profit to Rs. 260.15 Crores and Rs. 15.72 Crores respectively. The sales were mainly affected by lower realisation in key products like Vinyl Sulphone and other dye intermediates as there is a lower demand in the textile industry.

The pricing pressure is mainly coming from China which is a key supplier of dye-intermediate. The Chinese supply has risen as global slowdown led by trade war forced government to revive the chemical units and settle the environment issues. The pigment though was largely unaffected and the company continues to register healthy volume numbers supported by strong capacity utilization. During the year 2018-19, the company got treasury income of Rs. 4.5 Cr. higher than 2019-20. This is mainly because of investment of surplus fund, which is utilized in expansion for H Acid and Silica project.

Results of Operations

During the year under review, the revenue from operations of the Company has decreased from Rs. 32,288.38 Lakhs to Rs. 26,014.50 Lakhs and the Profit after Tax (PAT) has decreased from Rs. 2,258.95 Lakhs to Rs. 1572.27 Lakhs. Decrease in revenue was largely on back of softening in realization. In addition to the prices, the sales reduced due to reduction in demand from end user industry.

Exports

The export turnover has decreased from Rs. 26,839.81 Lakhs to Rs. 20,645.70 Lakhs compared to previous year. The export has decreased as the pricing pressure is mainly coming from China which is a key supplier of dye-intermediate. The Chinese supply has risen as global slowdown led by trade war forced government to revive the chemical units and settle the environment issues.

INTELLECTUAL PROPERTY RIGHTS

The Company is having the certificate for registration of trademark from the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. AksharChem and its product Pigment Green 7, i.e. Asaflow.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended March 31, 2020.

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

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

AUTHORISED SHARE CAPITAL

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

SHARE CAPITAL

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

Issue of Shares with differential rights

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

Issue of Sweat Equity Shares

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

Issue of Employee Stock Options

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

FINANCE AND INSURANCE

The Company has been financed by State Bank of India.

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

PUBLIC DEPOSITS

The Company has not accepted deposit from public during the year and there was no deposit outstanding on March 31, 2020.

SUBSIDIARY COMPANIES

During the year under review the Company does not have any subsidiary.

CERTIFICATIONS

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

EXPORT HOUSE STATUS

The Company has the status of "One Star Export House" by Office of Additional Director General of Foreign Trade, Ahmedabad, in accordance with provisions of Foreign Trade Policy 2015-2020. This status is valid till December 21, 2022.

CREDIT RATING

The CARE Ratings Limited has reviewed the ratings on the bank facilities of the Company and reaffirmed the rating of the Company as "CARE A+" (Single A Plus) assigned to the long term/short term bank facilities for fund based limit and "CARE A1+" (A One Plus) assigned to the short term bank facilities for non fund based limit.

LISTING

The Equity Shares of the Company continue to be listed on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE) and required Listing Fees for the year 2020-21 has been paid.

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

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

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules framed there under the Company has a Corporate Social Responsibility Committee of Directors.

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

Mrs. Paru M. Jaykrishna - Chairperson
Mr. Gautam Jain - Member
Ms. Maitri K. Mehta - Member

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

Mrs. Paru M. Jaykrishna - Chairperson, Mr. Gautam Jain and Ms. Maitri K. Mehta has inter alia also formulated a CSR Policy.

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

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

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

DIVERSITY OF THE BOARD

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in

the Business in which it operates. This Policy is put up on the website of the Company at: www.aksharchemindia.com

DISCLOSURES ON MANAGERIAL REMUNERATION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Chief Financial Officer

The Board of Directors at its meeting held on March 11, 2020 has appointed Mr. Amit D. Soni as Chief Financial Officer (CFO) of the Company w.e.f. March 22, 2020.

Further Mr. Sunil Rane has resigned as Chief Financial Officer of the Company as on March 22, 2020 and his designation is changed from General Manager (Accounts) & Chief Financial Officer (CFO) to General Manager (Accounts).

Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Paru M. Jaykrishna (DIN: 00671721) Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered herself for re-appointment. The Board recommends her reappointment.

Key Managerial Personnel

The following persons are the Key Managerial Personnel:

Mrs. Paru M. Jaykrishna, Chairperson & Managing Director
Mr. Munjal M. Jaykrishna, Joint Managing Director & CEO
Mr. Amit D. Soni, Chief Financial Officer (CFO)
Mr. Meet J. Joshi, Company Secretary

Women Director

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

Independent Directors

Mr. Gautam M. Jain and Dr. Pradeep Jha Independent directors have been reappointed for the period of five years w.e.f. August 12, 2019, Mr. Jigar M. Patel was appointed as independent director of the Company for the period of five years w.e.f. December 11, 2017 and Ms. Maitri K. Mehta was appointed as independent director of the Company for the period of five years w.e.f. March 28, 2019. No Independent Directors of the Company are liable to retire during the year under review.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. Details of the evaluation mechanism are provided in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

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

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2019-2020, the Board of Directors of the Company, met 5 (Five) times on May 14, 2019, August 12, 2019, November 13, 2019, February 12, 2020, and March 11, 2020.

INDEPENDENT DIRECTORS' MEETING

A separate Meeting of the Independent Directors of the Company was also held on March 11, 2020, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

AUDIT COMMITTEE

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

Dr. Pradeep Jha - Chairman
Mr. Jigar M. Patel - Member
Ms. Maitri K. Mehta - Member

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have adopted the vigil mechanism/whistle blower policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The Audit Committee oversees the vigil mechanism.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, including but not limited to the prevention and detection of frauds and errors, the safeguarding of its assets, the accuracy and completeness of the accounting records,

adherence to the company's policies, periodical review of financial performance of Company and review of the accounts every quarter by Statutory Auditors. The Company has appointed Independent Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls and suggest improvements.

Internal Control Systems are reviewed by Audit Committee headed by a Non- Executive Independent Director on a regular basis for its effectiveness and the necessary changes suggested are interpreted into the system. Every quarter the Audit Committee reviews the adequacy and effectiveness of internal control systems and monitors the implementation of improvement actions.

STATUTORY AUDITORS

The Statutory Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the Company for a term of five years up to the conclusion of the 33rd Annual General Meeting of the Company, if so required under the Law.

M/s. Mahendra N. Shah & Co., Chartered Accountants has expressed their willingness to be appointed as Statutory Auditors of the Company. They further confirmed that if said appointment, if made, would be within prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for appointment.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their appointment would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

M/s. Mahendra N. Shah & Co., Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2019-20, which forms part of the Annual Report 2019-20. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

SECRETARIAL AUDITORS

Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650), was appointed to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules there under. Secretarial Audit Report for F.Y. 2019-20 forms part of the Annual Report as "Annexure E" to the Board's report.

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

Sr. No.	Details of Observation	Remarks
1	Non-Compliance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	There was delay of one day in submission of annual report to the stock exchanges for which penalty were levied and paid to the stock exchanges. Subsequently penalty was waived by Stock Exchanges and the matter is closed now.

COST AUDITOR

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

CASH FLOW STATEMENT

As required under Regulation 34(2)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Cash Flow Statement prepared in accordance with the Indian Accounting Standard 7 (IND AS-7) is attached to the Financial Statement.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

Particulars of loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report. The same has been utilised by recipient for business purpose.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

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

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

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

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. A separate Corporate Governance Report as stipulated under Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as "Annexure H" to this Report together with certificate from Mr. Bipin L. Makawana, Practicing Company Secretary (Membership No. A15650) confirming compliance with the conditions of Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

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

Your Company has zero tolerance for sexual harassment at workplace. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the rules framed thereunder. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment, including sexual harassment. During the year under review, the Committee had not received any complaint.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

GREEN INITIATIVE

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

ENVIRONMENT SAFETY AND HEALTH

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

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

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

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

APPRECIATION AND ACKNOWLEDGEMENTS

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

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

CAUTIONARY STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statement. Some important factors that could influence the Company's operations comprise of economic developments, pricing,

and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of Board of Directors

Place : Indrad, Mehsana
Date : August 14, 2020

PARU M. JAYKRISHNA
Chairperson & Mg. Director
DIN: 00671721

Registered Office:

166/169, Village Indrad,
Kadi – Kalol Road, Dist : Mehsana
Gujarat – 382 715 (India)
CIN : L24110GJ1989PLC012441
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Website: www.aksharchemindia.com
Email id: cs@aksharchemindia.com

ANNEXURE A TO DIRECTORS' REPORT

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

A. Conservation of Energy

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

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

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

During the year under review the company has used natural gas and also used solid fuel as a plant fuel. And also the Company has installed solar plant of 16 KW and made it operational for alternate source of power for lighting and office use.

(iii) The capital investment on energy conservation equipments

Company will identify various initiative under the energy savings project and subsequently capital investments will be done.

B. Technology Absorption

(i) The efforts made towards technology absorption

For technology absorption company is providing the training to operators of the plant for smooth running and cost effective maintenance of the plants and machineries. The Company also focus on giving quality product and for that gradually investing in procurement of various instruments.

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

Various techniques for automisation and control adopted by the Company helped in to achieve better control over quality and cost.

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

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

(iv) Expenditure incurred on Research and Development

(₹ in Lakhs)

Sr. No.	Particulars	2019-20	2018-19
1	Capital	Nil	15.90
2	Revenue	13.64	15.92
	Total	13.64	31.82
	Total Expenditure as a % of Turnover	0.05%	0.10%

C. Foreign exchange Earnings and Outgo-

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

The Company exports its product to Europe, Far East, South East Asia, China, USA and other countries. The Company has continued to maintain focus and availed export opportunities based on economic situation. During the year under review the Company exported Dye Intermediates and Pigments valuing to Rs. 20,604.88 Lakhs (Previous Year Rs. 26,682.54 Lakhs) to various countries around the World. Continuous efforts are being taken to increase exports by exploring new markets.

(ii) Total Foreign exchange Earned and Used

(₹ in Lakhs)

Particulars	2019-20	2018-19
Foreign Exchange earned in terms of Actual Inflows	20,604.88	26,682.54
Foreign Exchange outgo in terms of Actual Outflows	556.92	591.11

**ANNEXURE B TO
DIRECTORS' REPORT****Annual Report on CSR Activities****1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

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

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

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

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

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

2. Composition of the CSR Committee:

The CSR Committee comprises of the following members:

- Mrs. Paru M. Jaykrishna - Chairperson
- Mr. Gautam Jain - Member
- Ms. Maitri K. Mehta - Member

3. Average net profit of the Company for last three financial years:

Rs. 2741.03 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 54.82 Lakhs**5. Details of CSR spend for the financial year:**

- a) Total Amount to be spent for the financial year: Rs. 54.82 Lakhs (Actual Amount Spent is Rs. 92.84 Lakhs)
- b) Amount unspent, if any: Not Applicable
- c) Manner in which the amount spent during the financial year: As per Annexure attached

6. Reason for not spending the amount at 5(b): Not Applicable**7. We state that implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Munjal M. Jaykrishna
Jt. Managing Director & CEO
(DIN: 00671693)

Place : Indrad, Mehsana
Date : August 14, 2020

Paru M. Jaykrishna
Chairperson of the CSR Committee
(DIN: 00671721)

ANNEXURE B TO DIRECTORS' REPORT

MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which Project is covered	Project or Programmes (1) Local area or other (2) Specify the State and District where project or programs was undertaken	Amount outlay (Budget) Project or Programme Wise (Rs. in Lakhs)	Amount Spent on the projects or programmes (1) Direct Expenditure on programs (2) Overheads (Rs. in Lakhs)	Cumulative Expenditure upto the reporting date	Amount Spent direct or through implementing agency
1.	To build terrace in school situated in local area	Promotion of Education	Village Acharasan, Dist. Mehsana, Gujarat	3.50	3.28	3.28	Direct
2	To provide facility of education to poor and under privileged children	Promotion of Education	Ahmedabad, Gujarat	65.00	65.00	68.28	Implementing Agency
3.	To eradicate hunger, poverty and malnutrition	Promotion of Health Care	Kalol, Gujarat	2.00	1.50	69.78	Implementing Agency
4.	Medical fund for healthcare activities	Promotion of Health Care	Ahmedabad, Gujarat	8.00	7.00	76.78	Implementing Agency
5.	Conservation of natural resources and maintaining quality of soil	Ensuring Environmental Sustainability	Village Indrad, Dist. Mehsana, Gujarat	20.00	16.06	92.84	Direct
Total				98.50	92.84		

ANNEXURE C TO DIRECTORS' REPORT

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

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

Executive directors	Ratio to median remuneration
Mrs. Paru M. Jaykrishna	18.21
Mr. Munjal M. Jaykrishna	28.56
Mr. Ashok D. Barot	4.73

Non-executive directors	Ratio to median remuneration
Mr. Gokul M. Jaykrishna	N.A.
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jigar M. Patel	N.A.
Dr. Pradeep J. Jha	N.A.
Ms. Maitri K. Mehta	N.A.

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mrs. Paru M. Jaykrishna	(18.68)
Mr. Munjal M. Jaykrishna	(26.55)
Mr. Gautamkumar Mithalal Jain	N.A.
Mr. Jigar M. Patel	N.A.
Dr. Pradeep J. Jha	N.A.
Ms. Maitri K. Mehta	N.A.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Gokul M. Jaykrishna	Nil
Mr. Ashok D. Barot [#]	Nil
Mr. Meet J. Joshi, Company Secretary	44.81
Mr. Sunil Rane, Chief Financial Officer (upto March 22, 2020)	5.04
Mr. Amit Soni, Chief Financial Officer (w.e.f. March 22, 2020)*	Nil

[#]Since this information is for current year only, the same is not comparable.

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

iii. The percentage increase in the median remuneration of employees in the financial year: (0.45)%

iv. The number of permanent employees on the rolls of Company: 155

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

The average percentile increase was of 20.18% for employees other than managerial personnel. In comparison, there was a decline in the aggregate managerial remuneration for the year 2019-20 as Mrs. Paru M. Jaykrishna has drawn less salary and also not drawn any commission from the Company during the year 2019-20.

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

ANNEXURE D TO DIRECTORS' REPORT

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

List of employees of the Company employed throughout the financial year 2019-20 and were paid remuneration not less than Rs. 1 Crore and Two Lakhs per annum:

Name	:	Mr. Munjal M. Jaykrishna
Designation	:	Joint Managing Director & CEO
Remuneration received (Rs. Lakhs)	:	103.42
Nature of Employment	:	Contractual
Qualification	:	Major in Finance & Marketing
Experience (Years)	:	29
Date of Commencement of employment	:	1995
Age (Years)	:	50
Last Employment	:	Bank of California, San Francisco, USA
Percentage of Equity Shares held in the Company as on 31.03.2020*	:	Nil [16,30,361 (19.88%) Equity Shares held as a trustee(s) of M/s. Munjal M. Jaykrishna Family Trust]
Relationship with Directors of the Company	:	Son of Mrs. Paru M. Jaykrishna, Chairperson & Managing Director and brother of Mr. Gokul M. Jaykrishna, Director of the Company

Remuneration received includes Salary, Commission, Contribution to Provident Fund and Taxable Value of Perquisites.

**ANNEXURE D TO
DIRECTORS' REPORT**

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

List of top 10 employees of the Company in terms of remuneration drawn:

Sr. No.	Name of Employee	Designation	Birth Date	Date of Commencement of Employment	Annual Remuneration (Rs. in Lakhs)	Qualification & Experience	Age (Years)	Previous Employment	% of Equity Shars held by the employee	Whether employee is relative of any Director or Manager
1	Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	05/08/1943	04/07/1989	65.95	B.A., M.A., LL.B.	77	Skyjet Aviation Private Limited	Nil [31,88,819 (38.88%) Equity Shares held as a trustee(s) of M/s. Mrugesh Jaykrishna Family Trust-2]	Mother of Mr. Munjal M. Jaykrishna and Mr. Gokul M. Jaykrishna
2	Mr. Maheshkumar D. Patel	Vice President Operations & Project	09/12/1977	20/09/2011	32.58	B.E. (Chemical), Energy Auditor	43	Madhu Silica Private Limited	Nil	No
3	Mr. Rajesh Kumar Samal	Factory Manager	05/04/1972	13/01/2008	26.43	B.Sc. (Chemical), ICWAI (CMA), CA Inter	48	Global Spring Special Private Limited	Nil	No
4	Mr. Rajeshkumar Kalidas Patel	Deputy General Manager	05/03/1974	29/08/2009	25.24	B.Sc., PDIS	46	Meghmani Organics Limited	0.00 (250 Shares held)	No
5	Mr. Sunilkumar Shankarlal Patel	Deputy General Manager	12/09/1976	13/04/2006	24.40	B.E. (Mechanical)	44	Heubach Colour Private Limited	Nil	No
6	Mr. Dakshesh N. Patel	General Manager	15/07/1968	01/04/2009	19.65	B.Com.	52	–	Nil	No
7	Mr. Sunil Vaman Rane	General Manager -Accounts	28/07/1968	17/01/2006	17.29	M.Com	52	Special Projects Limited	Nil	No
8	Mr. Ashok Dolatsinh Barot	Director	20/02/1969	01/07/2004	16.95	M.Sc.	51	–	0.00 (9 Shares held)	No
9	Ms. Namrata Jaykrishna	Manager – Marketing	08/07/1995	01/01/2018	13.08	B.A.	25	–	Nil	Daughter of Mr. Munjal M. Jaykrishna
10	Mr. Girishkumar N. Patel	Production Supervisor	25/08/1977	01/03/2007	11.17	B.Sc.	43	Bodal Chemicals Limited	0.00 (1 Share held)	No

ANNEXURE E TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2020

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by AksharChem (India) Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2020. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment and external commercial borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014; (not applicable during the audit period)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations; 2009 (not applicable during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the audit period)
- (vi) I further report that with respect to the compliance of below mentioned laws, I have relied on compliance system prevailing in the Company and based on the representation received from the Company.
 1. Indian Boiler Act, 1923 and rules made thereunder.
 2. Explosive Act, 1984 and rules made thereunder.
 3. Applicable Environmental Laws and rules made thereunder and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

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

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

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

- (i) there was delay in submission of Annual Report for the year 31.3.2019 within the period prescribed in sub Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.

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

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

**ANNEXURE E TO
DIRECTORS' REPORT**

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

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

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

I further report that the members at the Annual General Meeting held on 30th September, 2019, passed Special Resolution authorizing the Board of Directors to issue Non convertible debentures and/or other debt securities in one or more series/trenches aggregating upto Rs.300 Crores.

I further report that during the audit period there were no specific event/action having a major bearing on the Company' s affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc referred to above more specifically related to:

- (i) Public / Right / Preferential Issue of Shares/ debentures/ Sweat equity etc.
- (ii) Redemption/ Buy back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Act.
- (iv) Foreign technical collaboration.

Place : Ahmedabad
Date: 14/08/2020

Bipin L. Makwana,
Company Secretary in Practice
ACS 15650/ C. P. No.5265
UDIN: A015650B000579004

Notes

1. Due to restricted movement amid covid-19 pandemic, I have conducted the assignment by examining the Secretarial records and other records etc. and some of them were received by way of electronic mode from the company and could not be verified from the original records. The Management has confirmed that the records submitted to me are true and correct.
2. This Report is limited to the Statutory Compliances on laws/ regulations listed in my report which have been complied with by the Company pertaining to financial year 2019-2020. I am not commenting on the statutory compliances whose due date is extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

ANNEXURE E TO DIRECTORS' REPORT

Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2020

To,
The Members,
AksharChem (India) Limited

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

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are responsibility of management of the Company. My responsibility is to express an opinion on these Secretarial records and compliance based on my audit.
2. I have followed audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide reasonable basis for my opinion.

3. I have not verified correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 14/08/2020

Bipin L. Makwana,
Company Secretary in Practice
ACS 15650/ C. P. No.5265
UDIN: A015650B000579004

ANNEXURE F TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS:	
i) CIN	: L24110GJ1989PLC012441
ii) Registration Date	: July 04, 1989
iii) Name of the Company	: AksharChem (India) Limited
iv) Category / Sub-Category of the Company	: Company Limited by Shares Indian Non Government Company
v) Address of the Registered office and contact details	: 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715, Gujarat
vi) Whether Listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre -1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad-380 006 Phone: (079) 26465179/86/87

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Vinyl Sulphone	20114	51.30
2	CPC Green	20114	32.59
3	H Acid	20114	16.11

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	200	-	200	0.002	200	-	200	0.002	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Family Trusts	48,19,180	-	48,19,180	58.752	48,19,180	-	48,19,180	58.752	-

ANNEXURE F TO DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Limited Liability Partnership	3,23,837	-	3,23,837	3.948	3,23,837	-	3,23,837	3.948	-
Sub-total (A) (1):-	51,43,217	-	51,43,217	62.702	51,43,217	-	51,43,217	62.702	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	51,43,217	-	51,43,217	62.702	51,43,217	-	51,43,217	62.702	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5,08,980	4,500	5,13,480	6.260	5,13,753	4,500	5,18,253	6.318	0.058
b) Banks / FI	3,569	-	3,569	0.043	50	-	50	0.0006	(0.042)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Alternative Investment Funds	6700	-	6700	0.081	-	-	-	-	(0.081)
g) FIs	4,77,210	-	4,77,210	5.817	4,01,421	-	4,01,421	4.893	(0.924)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Insurance Companies	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	9,96,459	4,500	10,00,959	12.203	9,15,224	4,500	9,19,724	11.212	(0.990)
2. Non- Institutions									
a) Bodies Corporate									
i. Indian	1,16,153	1,500	1,17,653	1.434	1,34,995	1,500	1,36,495	1.664	0.23
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	11,64,997	3,43,794	15,08,791	18.394	12,29,717	3,30,585	15,60,302	19.022	0.628
ii. Individual shareholders holding nominal share capital in excess of Rs. 1lakh	97,784	-	97,784	1.192	1,01,097	-	1,01,097	1.232	0.040

**ANNEXURE F TO
DIRECTORS' REPORT**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
NRI/OBC	60,926	15,600	76,526	0.933	65,289	15,600	80,889	0.986	0.053
Clearing Member/ House	20,254	-	20,254	0.247	5,813	-	5,813	0.070	(0.177)
Foreign Company	-	1,66,384	1,66,384	2.028	1,66,384	-	1,66,384	2.028	-
HUF	71,022	-	71,022	0.866	88,326	-	88,326	1.076	0.211
Trusts	-	-	-	-	343	-	343	0.004	0.004
Sub-total (B)(2):-	15,31,136	5,27,278	20,58,414	25.094	17,91,964	3,47,685	21,39,649	26.085	0.990
Total Public Shareholding (B)=(B)(1)+(B)(2)	25,27,595	5,31,778	30,59,373	37.298	27,07,188	3,52,185	30,59,373	37.298	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	76,70,812	5,31,778	82,02,590	100.000	78,50,405	3,52,185	82,02,590	100.000	-

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Share Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Share Pledged / encumbered to total shares	
1	Mrugesh Jaykrishna Family Trust-2	31,88,819	38.88	-	31,88,819	38.88	-	-
2	Munjal M. Jaykrishna Family Trust	16,30,361	19.88	-	16,30,361	19.88	-	-
3	Chelsea Marketing LLP	3,23,837	3.95	-	3,23,837	3.95	-	-
4	Skyjet Aviation Private Limited	200	0.00	-	200	0.00	-	-
	Total	51,43,217	62.70	-	51,43,217	62.70	-	-

(iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrugesh Jaykrishna Family Trust-2					
	At the beginning of the year	01/04/2019	31,88,819	38.88	31,88,819	38.88
	At the end of the year	31/03/2020	-	-	31,88,819	38.88
2	Munjal M. Jaykrishna Family Trust					
	At the beginning of the year	01/04/2019	16,30,361	19.88	16,30,361	19.88
	At the end of the year	31/03/2020	-	-	16,30,361	19.88
3	Chelsea Marketing LLP					
	At the beginning of the year	01/04/2019	3,23,837	3.95	3,23,837	3.95
	At the end of the year	31/03/2020	-	-	3,23,837	3.95
4	Skyjet Aviation Private Limited					
	At the beginning of the year	01/04/2019	200	0.00	200	0.00
	At the end of the year	31/03/2020	-	-	200	0.00

ANNEXURE F TO DIRECTORS' REPORT

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

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	L & T Mutual Fund Trustee Limited					
	At the beginning of the year	01/04/2019	5,08,980	6.20	5,08,980	6.20
	Transfer	07/06/2019	5,000	0.06	5,13,980	6.26
	Transfer	14/06/2019	(79,979)	(0.97)	4,34,001	5.29
	Transfer	21/06/2019	79,752	0.97	5,13,753	6.26
	At the end of the year	31/03/2020	-	-	5,13,753	6.26
2	Ubs Principal Capital Asia Ltd.					
	At the beginning of the year	01/04/2019	2,25,257	2.75	2,25,257	2.75
	At the end of the year	31/03/2020	-	-	2,25,257	2.75
3	DIC Corporation*					
	At the beginning of the year	01/04/2019	1,66,384	2.03	1,66,384	2.03
	At the end of the year	31/03/2020	-	-	1,66,384	2.03
4	Gymkhana Partners L.P.					
	At the beginning of the year	01/04/2019	1,16,353	1.42	1,16,353	1.42
	Transfer	05/04/2019	5,345	0.06	1,21,698	1.48
	Transfer	10/05/2019	6,202	0.07	1,27,900	1.55
	Transfer	27/12/2019	(10,850)	(0.13)	1,17,050	1.42
	At the end of the year	31/03/2020	-	-	1,17,050	1.42
5	BNP Paribas Arbitrage-ODI					
	At the beginning of the year	01/04/2019	-	-	-	-
	Transfer	13/12/2019	1,14,664	1.40	1,14,664	1.40
	Transfer	03/01/2020	(19,542)	(0.24)	95,122	1.16
	Transfer	14/02/2020	(12,508)	(0.15)	82,614	1.01
	Transfer	21/02/2020	(23,500)	(0.29)	59,114	0.72
	At the end of the year	31/03/2020	-	-	59,114	0.72
6	D Srimathi					
	At the beginning of the year	01/04/2019	31,884	0.39	31,884	0.39
	At the end of the year	31/03/2020	-	-	31,884	0.39
7	Ariston Capital Services Private Limited					
	At the beginning of the year	01/04/2019	-	-	-	-
	Transfer	14/02/2020	7,111	0.09	7,111	0.09
	Transfer	21/02/2020	11,275	0.14	18,386	0.22
	Transfer	28/02/2020	3,231	0.04	21,617	0.26
	Transfer	06/03/2020	6,961	0.08	28,578	0.34
	At the end of the year	31/03/2020	-	-	28,578	0.34
8	Gaurang Navinchandra Shah					
	At the beginning of the year	01/04/2019	25,000	0.30	25,000	0.30
	At the end of the year	31/03/2020	-	-	25,000	0.30
9	Rural Engineering Co. Pvt. Ltd.					
	At the beginning of the year	01/04/2018	18,653	0.23	18,653	0.23
	At the end of the year	31/03/2020	-	-	18,653	0.23
10	Dipti Bharatbhai Bhanushali					
	At the beginning of the year	01/04/2019	-	-	-	-
	Transfer	13/03/2020	19,359	0.24	19,359	0.24
	Transfer	20/03/2020	(953)	(0.01)	18,406	0.22
	Transfer	27/03/2020	(2,117)	(0.02)	16,289	0.20
	Transfer	31/03/2020	(409)	(0.00)	15,880	0.19
	At the end of the year	31/03/2020	-	-	15,880	0.19

* Physical holding of M/s. DIC Corporation got dematerialized during the year

ANNEXURE F TO DIRECTORS' REPORT

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Date wise Increase / (Decrease)			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrs. Paru M. Jaykrishna[®]					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
2	Mr. Munjal M. Jaykrishna[§]					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
3	Mr. Gokul M. Jaykrishna					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
4	Mr. Gautamkumar Mithalal Jain					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
5	Mr. Jigar M. Patel					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
6	Dr. Pradeep J. Jha					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
7	Ms. Maitri K. Mehta					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
8	Mr. Ashok D. Barot					
	At the beginning of the year	01/04/2019	9	0.00	9	0.00
	At the end of the year	31/03/2020	-	-	9	0.00
9	Mr. Meet Joshi					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
10	Mr. Sunil V. Rane[¶]					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-
11	Mr. Amit Soni[*]					
	At the beginning of the year	01/04/2019	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	-

[®]Mrs. Paru M. Jaykrishna holds 31,88,819 Equity Shares as a trustee(s) of M/s. Mrugesh Jaykrishna Family Trust-2

[§]Mr. Munjal M. Jaykrishna holds 16,30,361 Equity Shares as a trustee(s) of M/s. Munjal M. Jaykrishna Family Trust

[¶]Mr. Sunil Rane has resigned from the post of Chief Financial Officer of the company w.e.f. 22nd March, 2020.

^{*}Mr. Amit Soni is appointed as Chief Financial Officer of the company w.e.f. 22nd March, 2020.

None of the Independent Directors, Company Secretary and Chief Financial Officer holds shares in the Company during the financial year ended on March 31, 2020.

ANNEXURE F TO DIRECTORS' REPORT

INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1152.57	-	-	1152.57
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	131.72	-	-	131.72
• Reduction	-	-	-	-
Net Change	131.72	-	-	131.72
Indebtedness at the end of the financial year				
i. Principal Amount	1275.61	-	-	1275.61
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	8.67	-	-	8.67
Total (i+ii+iii)	1284.28	-	-	1284.28

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mrs. Paru M. Jaykrishna (CMD)	Mr. Munjal M. Jaykrishna (JMD & CEO)	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65.95	77.92	143.87
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others ...	-	25.50	25.50
5.	Others (Provident Fund)	-	-	-
	Total	65.95	103.42	169.37
	Ceiling as per the Act	Rs. 213.70 Lakhs (For Remuneration)		

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Jigar M. Patel	Dr. Pradeep Jha	Ms. Maitri K. Mehta	Mr. Ashok Barot	
1.	Gross salary					
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	16.95	16.95
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-	-
	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	0.50	0.50
	Total (1)	-	-	-	17.45	17.45

ANNEXURE F TO DIRECTORS' REPORT

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Jigar M. Patel	Dr. Pradeep Jha	Ms. Maitri K. Mehta	Mr. Ashok Barot	
2	Independent Directors					
	• Fee for attending board/ committee meetings	0.56	0.56	0.58	-	1.70
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	0.56	0.56	0.58	-	1.70
3	Other Non-Executive Directors					
	• Fee for attending board/ committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (3)	-	-	-	-	-
4	Total (4)=(1+2+3)	0.56	0.56	0.58	17.45	19.15
	Overall Ceiling as per the Act	Rs. 21.37 Lakhs (For Remuneration) Rs. 20 Lakhs (For Sitting Fees)				

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Amit Soni (Chief Financial Officer)*	Mr. Meet Joshi (Company Secretary)	Mr. Sunil Rane (Chief Financial Officer)†	
1.	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.82	7.33	17.29	25.44
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others ...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	0.82	7.33	17.29	25.44

*Mr. Amit Soni is appointed as Chief Financial Officer of the Company w.e.f. March 22, 2020

†Mr. Sunil Rane has resigned as Chief Financial Officer of the Company w.e.f. March 22, 2020

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no instances of any penalties/punishment/compounding of offences for the year ended March 31, 2020.

ANNEXURE G TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

AksharChem (India) Limited is one of the leading organic chemicals manufacturing company based in India with a focus on exports to over 20 countries. Our product offerings fall into two categories being dyes and pigments, within the organic chemical spectrum. We are specialised in manufacturing Vinyl Sulphone, H Acid and CPC Green which have multiple applications in textile, inks, rubber, plastics, paints and leather industries. We are one of the key manufacturers in the chemical markets for these products and have been recognised as Star Export House by the Government of India. We believe that we have built strong reputation in our markets, over 29 years of experience that has translated to a customer base. The Company has also put up its feet in the new market of Precipitated Silica which is going to be fully established in near future.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Our manufacturing facility is located in Gujarat, with installed manufacturing capacity of 11,400 MTPA, as of March 31, 2020. Our facility is fully integrated and equipped to manage products from the stage of chemical treatment to dispatch, lending us competitive advantages such as cost effectiveness and maintenance of quality standards. Our facility includes automated and cost-efficient systems and quality control and quality assurance laboratories, among others.

After completion of expansion the production of H-acid has started and the process has been normalized during the year 2019 and the production of H-Acid is now stabilized and the company has produced at full capacity. Precipitated Silica Project is under progress. We are at the stage of completion. The project is expected to complete in H2 of FY2021. The full benefit will be available from FY2021-22 onwards.

OPPORTUNITIES AND THREATS

The world scenario of chemical industry is changing very fast. The Market share of Western countries are declining because of higher cost mainly utility cost and labour cost, and currency appreciation. Emerging countries like India are capitalising on this, pushing the industry to the next stage through development in technology, innovation, and trade. This trend is expected to continue in the future.

2019-20 is a challenging year for us where we have witnessed a slowdown in the economy. We have witnessed a slowdown in consumption pattern across all industries specifically in textile industry who are main consumers of our products. Even during the slowdown, we have been able to maintain reasonable volumes of sale. Decrease in revenue was largely on back of softening in realization. In addition to the prices, the sales reduced due to reduction in demand from end user industry. The market for Dyes and Intermediates is looking subdued for near term and the Company expect gradual pick up in upcoming period.

OUTLOOK AND STRATEGY

China market remained core focus during the year 2019-20 as compliance to strict environment norms had witnessed either production restriction or permanent shutdown of several units in Pigment industry in China. Such development has eventually opened opportunity for Indian makers in China market and AksharChem too

have established its footprint with significant growth opportunity in future. Company has worked on several new grades of Pigment Green 7 which have been technically approved by our existing customers with opportunity to increase sales volume in the coming years Intensify focus on production, application profile research and development to explore possibility for new market in Coatings and Plastic industry.

Company is considering participation in trade exhibition, advertise in trade journals, improving packing and product safety as major tools for market and brand promotions. South East Asia is one of the fastest growing market and company is focusing more on strengthening its presence in the area to achieve growth in sales in tune of 7-10% annually. Company is also considering to expand market in domestic, focus on plastic industries which continue to grow 10% annually for past several years and offers significant opportunities for colorant producers. Company foresees good growth in certain market segments including plastic and packaging inks and succeeded to expand customer base in the industries.

RISKS AND CONCERNS

The Profitability of the Company was affected mainly due to internal and external factors. During the year 2019-20, textile market was under tremendous pressure which resulted into ultimate decline of sales. Fluctuation in the exchange rate and in the crude oil affected the Company adversely.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the year 2019-20 in terms of revenues was impacted due to low volumes, which were a result of slowdown in the economy, which led to reduction in demand from end user industries. The volume was 8,771 MTPA for FY2019-20 and our current capacity utilization blended basis stands at 80%. Net revenue from operations for FY2019-20 is Rs. 26,014.50 Lakhs as compared to 32,288.38 Lakhs for FY2018-19, a decline of 19% is due to lower realisation in key products like Vinyl Sulphone and other dye intermediates as there is a lower demand in the textile industry. The pricing pressure is mainly coming from China which is a key supplier of dye-intermediate. The Chinese supply has risen as global slowdown led by trade war forced government to revive the chemical units and settle the environment issues. The pigment though was largely unaffected and the company continues to register healthy volume numbers supported by strong capacity utilization. Below are the Financial Figures for the financial year 2019-20.

(₹ in Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	26,014.50	32,288.38
Other Income	105.24	534.89
Total Income	26,119.74	32,823.27
Profit for the year before Finance Costs, Depreciation, Exceptional Items and Tax Expenses	2,694.50	3,983.54
Less: Finance Costs	110.76	91.61
Profit for the year before Depreciation, Exceptional Items and Tax Expenses	2,583.74	3,891.93
Less: Depreciation	672.78	551.24
Profit for the year before Exceptional Items and Tax Expenses	1,910.96	3,340.69
Add/(Less): Exceptional Items	Nil	Nil
Profit for the year before Tax Expenses	1,910.96	3,340.69
Less: Current Tax	499.73	738.62
Less: Deferred Tax	(168.36)	343.12
Less: Adjustment of tax for earlier years (Net)	7.32	Nil
Net Profit for the year	1,572.27	2,258.95

IMPORTANT RATIOS (Changes with respect to the Previous Year)

Ratio	2019-20	2018-19
Debtors Turnover Ratio (Days)	48	37
Inventory Turnover Ratio (Days)	97	59
Interest Coverage Ratio (Times)	30	98
Current Ratio	2.73	2.77
Debt Equity Ratio	0.05	0.04
Operating Margin Ratio (%)	20	19
Net Profit Margin PBT (%)	7	10
Return on Net Worth (%)	6	9

CERTIFICATIONS

The certification of ISO 9001:2015 and ISO 14001:2015 is a testimony to the Company's commitment towards quality, safety and sustainable environment friendly approach. Further, The Company is having the certificate for registration of trademark from the Registrar of Trade Marks, Trade Marks Registry, Gujarat for its logo i.e. AksharChem and its product Pigment Green 7, i.e. Asaflo.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCES DEVELOPMENT

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

There is no change in the attrition rate. Further as the new project of Precipitated Silica is coming, the Company has started recruiting new employees. During the year under review Eighteen (18) employees were appointed by the Company. The Company has 155 employees as on year ended March 31, 2020. The Board of Directors had admired the efforts put in by all employees to achieve good performance and looks forward to its continuation.

ANNEXURE H TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

The Directors present a detail report on Corporate Governance for the financial year ended March 31, 2020 as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. The Board also provides strategic guidance and independent view to the Company's senior management which discharging its fiduciary responsibilities. As at March 31, 2020, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with two women director and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and half of the board of directors is comprised of Independent Directors. The Board meets at least four times a year. In addition to the above, the Board also meets as and when necessary to address specific issued concerning to business of your Company. During the financial year 2019-20, the time gap between two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Chairperson & Managing Director and Joint Managing Director & CEO of the Company looks after the day-to-day business affairs of the Company, the Board of Directors reviews the overall business operations at least once in quarter based on updates on the Company's performance provided by the Chairperson & Managing Director/Joint Managing Director & CEO.

2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2020, the total strength of the Board of Directors of the Company was Eight (8) members including three executive directors and five non executive directors and four of them are independent directors. There are three directors in whole time employment of the Company.

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

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

Independent Directors

Mr. Gautam M. Jain, Mr. Jigar M. Patel, Dr. Pradeep Jha and Ms. Maitri K. Mehta are independent directors of the Company.

The independent directors on the Board are senior, competent and highly respected persons from their respective fields. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than five committees across all companies in which they are directors. The necessary disclosures regarding compliance have been made by the directors. The Board does not have any Nominee Director representing any institution.

1. None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, it's promoter, its management during the Financial year 2019-20, which may affect independence of the Independent Directors.
2. None of the Directors on the Board hold directorship in more than ten public Companies. None of the Independent Directors serve as an Independent director in more than Seven Listed Entities. Necessary Disclosures regarding Committee positions in other public Companies as on 31st March 2020 have been made by the Directors.
3. All Directors mentioned above as Independent Directors, they fall within the expression of "Independent Directors" as mentioned in regulation 16(b) of the SEBI (Listing Obligation and Disclosure) Regulations, 2015.
4. The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has received a declaration from each of the Independent Directors confirming compliance with the criteria of Independence as laid down under this regulation as well as Section 149(6) of the Companies Act, 2013.
5. In terms of Regulation 25(8) of SEBI LODR Listing Regulations, All Independent Directors have Confirmed that they are not aware of any circumstances or Situation which exists or may be reasonably anticipated that could Impair or Impact their ability to discharge their duties.
6. In accordance with the relevant clauses/regulations of the Listing agreement and/or Listing Regulations, the Company has issued formal Letter of Appointment to all the Independent Directors. The terms and Conditions of their appointment have also been disclosed on the website of the Company. www.aksharchemindia.com

2.2 Details of Category of Directors, Attendance of each director at the meeting of Board of Directors and their attendance in last Annual General Meeting

Name of Members	Promoter Non-Promoter	Category	Attendance at the Meeting held on					No of Meetings Attended	Attendance in A.G.M. 30.09.2019
			14.05.2019	12.08.2019	13.11.2019	12.02.2020	11.03.2020		
Mrs. Paru M. Jaykrishna	Promoter	CMD	✓	✓	✓	✓	✓	5	Yes
Mr. Munjal M. Jaykrishna		Jt. MD & CEO	✓	✓	✓	✓	✓	5	Yes
Mr. Gokul M. Jaykrishna		NED	✓	✓	✓	✓	✓	5	Yes
Mr. Gautam M. Jain	Non-Promoter	ID	✓	✓	✓	✓	✓	5	Yes
Mr. Jigar M. Patel		ID	✓	✓	✓	✓	✓	5	Yes
Dr. Pradeep Jha		ID	✓	✓	✓	✓	✓	5	Yes
Ms. Maitri K. Mehta		ID	✓	✓	✓	✓	✓	5	Yes
Mr. Ashok D. Barot		ED	✓	✓	✓	✓	✓	5	Yes

CMD – Chairperson & Managing Director; Jt. MD & CEO – Joint Managing Director & Chief Executive Officer; ID - Independent Director; ED – Executive Director; NED – Non-Executive Director

2.3 Details of Number of other Board of Directors or Committees in which a Director is a Member or Chairperson

Name	Designation	No of Directorship in listed entities including this listed entity	No. of Independent Directorship in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity		Directorship in other listed entity Category of Directorship
				Chairman	Member	
Mrs. Paru M. Jaykrishna	CMD	2	-	-	1	Asahi Songwon Colors Limited – CMD
Mr. Munjal M. Jaykrishna	Jt. MD & CEO	2	-	-	-	Asahi Songwon Colors Limited - Director
Mr. Gokul M. Jaykrishna	NED	2	-	-	-	Asahi Songwon Colors Limited – JMD
Mr. Gautam M. Jain	ID	2	1	-	1	Metroglobal Limited – MD
Mr. Jigar M. Patel	ID	1	1	-	2	N.A.
Dr. Pradeep Jha	ID	2	2	2	4	Asahi Songwon Colors Limited – Director
Ms. Maitri K. Mehta	ID	4	4	-	3	Gujarat Ambuja Exports Limited – Independent Director Sintex Industries Limited – Independent Director Dishman Carbogen Amcis Limited – Independent Director
Mr. Ashok D. Barot	ED	1	-	-	-	N.A.

ANNEXURE H TO DIRECTORS' REPORT

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

During the financial year 2019-20, Five (5) meetings of the Board of Directors were held on 14.05.2019, 12.08.2019, 13.11.2019, 12.02.2020 & 11.03.2020. The maximum time gap between two meetings did not exceed one hundred and twenty days. All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

Board Procedures

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

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

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material defaults in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problem involving human resource management;
- Sale of a material nature, or of investments, subsidiaries and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;

- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer; and
- Any other information which is relevant for decision making by the Board.

2.5 Disclosure of relationships between Directors inter-se:

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

2.6 Shareholding of Non-Executive Directors

None of the Non-Executive Directors of the Company are holding any shares in the Company as on March 31, 2020.

2.7 Familiarisation Programme:

Your Company has put in place a well structured induction and familiarisation programme for all its directors including independent directors of the Company. They are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively. The details regarding Independent Directors' Familiarisation Programme is available on Company's website at www.aksharchemindia.com.

2.8 Matrix Setting Out Skills of Board of Directors:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

1	Technical skills-Chemical Industry
2	Business operation and management
3	Research and Development
4	Project Management
5	Risk Management
6	Quality and Performance management
7	Board and Governance
8	Strategic planning
9	Global Market Awareness
10	Finance, Accounting, Auditing
11	Indian Corporate Laws and Compliance Global Corporate Laws and Compliance
12	Safety management
13	Stakeholder Engagement
14	Merger and acquisitions
15	Government and Government/ industrial policy which impact to Chemicals business sector
16	Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products
17	Business Ethics as well as Corporate Ethics
18	Human Resources Management and labour Relations/ Labour Laws

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

Name of Board	Mrs. Paru M. Jaykrishna CMD	Mr. Munjal M. Jaykrishna Jt. MD & CEO	Mr. Gokul M. Jaykrishna NED	Mr. Gautam M. Jain ID	Mr. Jigar M. Patel ID	Dr. Pradeep Jha ID	Ms. Maitri K. Mehta ID	Mr. Ashok D. Barot ED
Technical skills-Chemical Industry	✓	✓	✓	✓	-	-	-	✓
Business operation and management	✓	✓	✓	✓	-	-	-	✓
Research and Development	✓	✓	✓	✓	-	-	-	✓
Project Management	✓	✓	✓	✓	-	-	-	-
Risk Management	✓	✓	✓	✓	-	-	-	-
Quality and Performance management	✓	✓	✓	✓	-	-	-	✓
Board and Governance	✓	✓	✓	✓	✓	✓	✓	✓
Strategic planning	✓	✓	✓	✓	✓	✓	✓	✓
Global Market Awareness	✓	✓	✓	✓	✓	✓	✓	✓
Finance, Accounting, Auditing	✓	✓	✓	✓	✓	✓	✓	-
Indian Corporate Laws and Compliance Global Corporate Laws and Compliance	✓	-	-	✓	✓	-	✓	-
Safety management	✓	✓	✓	✓	-	-	-	✓
Stakeholder Engagement	✓	✓	-	-	✓	✓	✓	-
Merger and acquisitions	✓	✓	✓	✓	-	-	-	-
Government and Government/ industrial policy which impact to Chemicals business sector	✓	✓	✓	✓	-	-	-	✓
Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products	✓	✓	✓	✓	-	-	-	✓
Business Ethics as well as Corporate Ethics	✓	✓	✓	✓	✓	✓	✓	✓
Human Resources Management and labour Relations/ Labour Laws	✓	-	-	-	✓	✓	✓	-

CMD – Chairperson & Managing Director; Jt. MD & CEO – Joint Managing Director & Chief Executive Officer; ID - Independent Director; ED – Executive Director; NED – Non-Executive Director

ANNEXURE H TO DIRECTORS' REPORT

2.9 Recording minutes of proceeding of Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting or in the next Board Meeting.

2.10 Post Meeting Follow-up

The Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments. Action taken report on decisions of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for noting.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s) ensure to adhere to all applicable laws and regulations including the Companies Act, 2013 read with rules there under and Secretarial Standard issued by the Institute of Company Secretaries of India.

2.11 Reappointment of Director liable to retire by rotation

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

2.12 Directors' Profile

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

2.13 Evaluation of Board

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. A structured evaluation was carried out based on various parameters such as skills and experience to perform the role, level of participation, contribution to strategy, degree of oversight, professional conduct and independence.

2.14 Code of Conduct

The Board has formulated Code of Conduct for all Board members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board member and senior level employees for the financial year 2019-20. Annual Declaration by the Chairperson & Managing Director to this effect is annexed at the end of this report.

2.15 Separate Meeting of Independent Directors

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years from the date of their

appointment. During the reporting financial year, a separate Meeting of the Independent Directors of the company was held on March 11, 2020, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

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

3 COMMITTEES OF THE BOARD

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

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

3.1. Audit Committee

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

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

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

A. Brief description of terms of reference:

The terms of reference of the Audit Committee are as per the governing provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II). The brief of terms of reference of the Audit Committee 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 for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Considering such other matters the Board may specify;
21. Reviewing other areas that may be brought under the preview of role of Audit Committee as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Composition, Name of Members and Chairman

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

The Committee comprises of following directors:

1.	Dr. Pradeep Jha	Chairman
2.	Mr. Jigar M. Patel	Member
3.	Ms. Maitri K. Mehta	Member

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Audit Committee Meetings held on			
		14.05.2019	12.08.2019	13.11.2019	12.02.2020
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mr. Jigar M. Patel	✓	✓	✓	✓
3.	Ms. Maitri K. Mehta	✓	✓	✓	✓

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3.2. Nomination and Remuneration Committee

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

A. Brief description of terms of reference:

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Nomination and Remuneration Committee Meetings held on				
		14.05.2019	12.08.2019	13.11.2019	12.02.2020	11.03.2020
1.	Dr. Pradeep Jha	✓	✓	✓	✓	✓
2.	Mr. Jigar M. Patel	✓	✓	✓	✓	✓
3.	Ms. Maitri K. Mehta	✓	✓	✓	✓	✓

E. Performance Evaluation of Directors

A performance evaluation of each independent director of the Company was done by the Board of Directors. The attendance, participation and contribution of each independent directors during the proceedings of meeting was considered. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth.

3.3. Stakeholders Relationship Committee

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

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

B. Composition, Name of Members and Chairman

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

The Committee comprises of following directors:

1.	Dr. Pradeep Jha	Chairman
2.	Mr. Jigar M. Patel	Member
3.	Ms. Maitri K. Mehta	Member

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

A. Terms of Reference

The Committee approves the matters relating to:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of investors' / shareholders' / security holders' grievances.
3. Oversee the performance of the Company's Registrar and Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.

- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

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

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Quorum

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

E. Meeting and Attendance during the year

Sr. No.	Name of Members	Attendance in Stakeholders Relationship Committee Meetings held on			
		14.05.2019	12.08.2019	13.11.2019	12.02.2020
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mr. Jigar M. Patel	✓	✓	✓	✓
3.	Ms. Maitri K. Mehta	✓	✓	✓	✓

F. Details of Shareholders Complaints

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

Number of complaints at the beginning of the Year	: 6
Number of complaints received during the year	: 40
Number of complaints solved during the year	: 41
Number of pending complaints at the end of the year	: 5

G. Compliance Officer

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

3.4. Corporate Social Responsibility (CSR) Committee

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

A. Terms of Reference

The Committee looks into the matters relating to:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;
- To recommend the amount of expenditure to be incurred on CSR activities; and
- To monitor the implementation of framework of CSR policy.

B. Composition of the Committee

The members of the Stakeholders' Relationship Committee are three (3) Non-Executive Independent Directors:

The Committee comprises of following directors:

1.	Dr. Pradeep Jha	Chairman
2.	Mr. Jigar M. Patel	Member
3.	Ms. Maitri K. Mehta	Member

- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may applicable or as may be necessary or appropriate for performance of its duties.

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

B. Composition of the Committee

The Committee comprises of following directors:

1.	Dr. Pradeep Jha	Chairman
2.	Mr. Jigar M. Patel	Member
3.	Ms. Maitri K. Mehta	Member

ANNEXURE H TO DIRECTORS' REPORT

C. Secretary

The Company Secretary acts as secretary to the committee.

D. Meeting and Attendance during the year.

Sr. No.	Name of Members	Attendance in Corporate Social Responsibility Committee Meetings held on			
		14.05.2019	12.08.2019	13.11.2019	12.02.2020
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mr. Jigar M. Patel	✓	✓	✓	✓
3.	Ms. Maitri K. Mehta	✓	✓	✓	✓

4. REMUNERATION OF DIRECTORS

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

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

B. Details of remuneration paid to Executive Directors

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

Details of the remuneration paid to the Executive Directors are as below:

Name of Directors	Business relationship with the Company	Remuneration during the year 2019-20 (Inclusive of P. F. Contribution, Perquisites, Sitting Fees and Commission) (Rs. in Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	65.95
Mr. Munjal M. Jaykrishna	Joint Managing Director & CEO	103.42
Mr. Ashok Barot	Executive Director	17.45
Total		186.82

C. Service Contract, Severance Fees and Notice Period:

The appointment of the Managing Director & Executive Director is governed by Articles of Association of the Company and the resolution passed by Board of Directors and the members of the Company. These cover terms and condition of such appointment. No separate service contract is entered into by the Company with Managing Directors & Executive Director. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors & Executive Director.

D. Stock Option details, if any

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

E. Pecuniary Relationship of the Non-Executive Directors with the listed entity

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

5. ANNUAL GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2016-17	At the Registered Office at 166/169, Village Indrad, Kadi-Kalol Road, Mehsana, Gujarat	14.09.2017	10.30 a.m
2017-18	At the Registered Office at 166/169, Village Indard, Kadi-Kalol Road, Mehsana, Gujarat	28.09.2018	11.00 a.m.
2018-19	At the Registered Office at 166/169, Village Indrad, Kadi-Kalol Road, Mehsana, Gujarat	30.09.2019	2.00 p.m.

5.2 Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2019-20.

5.3 Special Resolutions passed in the last three years at the Annual General Meetings

At the Annual General Meeting held on September 14, 2017 following Special Resolution was passed.

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

At the Annual General Meeting held on September 28, 2018 following Special Resolution was passed.

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

At the Annual General Meeting held on September 30, 2019 following Special Resolutions were passed.

1. Appointment of Ms. Maitri K. Mehta (DIN: 07549243) as a Director of the company
2. Appointment of Mr. Ashok D. Barot (DIN: 08366687) as a Director of the company
3. Re-appointment of Mr. Munjal M. Jaykrishna (DIN: 00671693), as Joint Managing Director & CEO of the company
4. Re-appointment of Mr. Gautam Jain (DIN: 00160167) as an Independent Director of the company
5. Re-appointment of Dr. Pradeep Jha (DIN: 01539732) as an Independent Director of the company
6. Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013
7. Payment of Remuneration to Executive Directors who are Promoters or Member of Promoter Group
8. Private Placement of Non-Convertible Debentures and/or Other Debt Securities

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

No resolution was passed through Postal Ballot in the Financial Year 2019-20.

5.5 Special Resolution proposed to be conducted through postal ballot

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

5.6 Date of Book Closure

Closure of Register of Members and Share Transfer Books: September 24, 2020 to September 30, 2020 (both days inclusive).

5.7 Electronic Voting

Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended by the companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015 members have been provided the facility to exercise their right to vote at the 31st Annual

General Meeting by electronic voting through services provided by NSDL. The electronic voting period will be from 9.00 a.m. IST on September 27, 2020 to 5.00 p.m. on September 29, 2020, both days inclusive.

5.8 Scrutiniser for electronic voting

Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. ACS15650) has been appointed as the Scrutinizer to scrutinize the electronic voting process in a fair and transparent manner and to give his report to the Chairperson.

6. MEANS OF COMMUNICATION

- i. Financial Results: The Company publishes limited reviewed un-audited financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year. They are normally published in widely circulating national and local dailies such as "Business Standard" in English and "Jai hind" in Gujarati. The shareholding pattern, financial results, corporate governance report, other announcements are also filed electronically on BSE Ltd. (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE).
- ii. Website, where displayed
The Annual Report of the Company as well as the quarterly/ half yearly and annual results are posted on the website of the Company at www.aksharchemindia.com and can be downloaded by the shareholders.
- iii. The Company's website contains separate dedicated section for investors, where shareholder information is available.
- iv. The Company intimates to the Stock Exchanges all the price sensitive matter which in its opinion are material and of relevance to the shareholders.
- v. Corporate presentations made to institution investors or to analyst are posted on the Company's website.
- vi. Filing with BSE "Listing Centre"
Pursuant to Regulation 10 (1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with Stock Exchanges by Listed Entities. Accordingly, the Company have been electronically filing Shareholding Pattern, Financial Results, Corporate Governance Report, Reconciliation of Share Capital Audit in XBRL mode with Exchange Listing Centre.
- vii. NSE Electronic Application Processing System (NEAPS)
The Shareholding Pattern, Financial Results, Corporate Governance Report and various submissions/disclosure documents are filed by the Company electronically on NEAPS.
- viii. SEBI Complaints Redress System (SCORES)
The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this

ANNEXURE H TO DIRECTORS' REPORT

system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

7. GENERAL SHAREHOLDER'S INFORMATION

7.1 Annual General Meeting

Day, Date, Time & Venue	Wednesday, September 30, 2020 at 2.00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
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7.2 Financial Year Calendar (2020-21) (Tentative)

Financial Year	April 1, 2020 to March 31, 2021
Annual General Meeting	August/ September, 2020
First Quarter Results	On or before August 14, 2020
Half Yearly Results	On or before November 14, 2020
Third Quarter Results	On or before February 14, 2021
Audited Results for the year 2020-21	On or before May 30, 2021

7.3 Dividend payment date

Interim dividend declared in the Board meeting held on March 11, 2020 is proposed as final dividend and no additional dividend is recommended.

Payment of dividend through Automated Clearing House (ACH)
The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not made available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

Unclaimed Dividends

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

administered by the Central Government.

7.4 Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s)

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

Name and Address of Stock Exchange

BSE Limited

1st Floor, New Trading Ring, Rotunda Building, P. J. Tower Dalal Street, Fort, Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 015

Ahmedabad Stock Exchange Limited

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

The Required Annual Listing Fees for the Financial Year 2019-20 have been paid to the stock exchanges within the stipulated time.

7.5 Stock Codes

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

7.6 Corporate identification Number (CIN) of the Company

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

7.7 International Securities Identification Number (ISIN)

The Company's scrip form part of Securities Exchange Board of India (SEBI) compulsory demat segment bearing ISIN INE542B01011. The name and address of depositories are:

National Securities Depository Limited

Trade World, 4th Floor, "A" Wing, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Central Depository Services (India) Limited

25th Floor, Marathon Futorex, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013

The Annual Custodial fees for the financial year 2019-20 have been paid to National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL).

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

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2019-20 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-19	359.65	315.05	5,095	375.00	315.30	7,292
May-19	365.00	245.50	49,795	365.70	243.60	1,56,873
Jun-19	330.45	260.15	81,757	340.00	261.55	46,325
Jul-19	292.20	206.50	6,988	297.00	204.80	5,616
Aug-19	243.85	177.00	10,299	244.80	183.00	31,555
Sep-19	249.00	188.25	11,072	247.00	192.70	10,336
Oct-19	230.00	186.40	6,872	228.65	192.35	5,738
Nov-19	232.70	178.85	14,385	232.40	176.10	38,881
Dec-19	266.00	175.05	37,823	266.00	175.00	2,63,575
Jan-20	268.00	225.00	34,060	267.00	221.20	1,69,153
Feb-20	340.00	220.00	44,342	337.95	219.95	66,086
Mar-20	285.75	140.00	17,340	290.00	134.00	32,424

Performance of the Company' Equity Share vis-a-vis BSE Sensex during 2019-20

The chart below provides the relative movement of the closing price of the Company's share and the BSE Sensex. The period covered is April 1, 2019 to March 31, 2020. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.



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

9. Registrar and Transfer Agent

Link Intime India Private Limited
UNIT: AKSHARCHEM (INDIA) LIMITED
Mumbai Office: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
 Tel: 022-49186000,
 E-mail id: rnt.helpdesk@linkintime.co.in
 Website: www.linkintime.co.in

Ahmedabad Branch Office

506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad-380 006
 Tel: 079-26465179/86/87
 E-mail id: ahmedabad@linkintime.co.in
 Website: www.linkintime.co.in

10. Compliance Officer and Company Secretary/Nodal Officer

Mr. Meet Joshi
AksharChem (India) Limited
 166/169, Village Indrad, Kadi - Kalol Road, Dist : Mehsana - 382 715, Gujarat.
 Tel : (02764) 233007 to 10, Fax: (02764) 233550
 Email: cs@aksharchemindia.com
 Website: www.aksharchemindia.com

11. Credit Rating

The CARE Ratings Limited has reviewed the ratings on the bank facilities of the Company and reaffirmed the rating of the Company as "CARE A+" (Single A Plus) assigned to the long term/short term bank facilities for fund based limit and "CARE A1+" (A One Plus) assigned to the short term bank facilities for non fund based limit.

12. Share Transfer System

(i) Share Transfer System:
 Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialised form. Transfers of these shares are done through the depositories with no involvement of the Company. The Registrar and Transfer Agent deal with Share Transfer both in Physical and dematerialized Mode.

ANNEXURE H TO DIRECTORS' REPORT

The transfers with respect to shares held in physical form are executed within 15 days from the receipt of documents, provided documents are valid and complete in all respects. Securities Exchange Board of India vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, effective from April 1, 2019, has discontinued transfer of shares in physical mode and hence, the Company is not required to process any transfer request on or after April 1, 2019. The Company holds Stakeholders' Relationship Committee Meetings for approving dematerialization, requests for transmission and rematerialization of equity shares. The Committee also reviews request for issue of duplicate share certificate, if any, received from shareholders. The Company obtains from a Company Secretary in Practice a half yearly certificate of compliance with the share transfer formalities as required under the Regulation 40 (9) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges

13. Distribution of shareholding

The distribution of shareholding as on March 31, 2020 is as under:

a. Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
1-500	11,804	95.48	10,63,416	12.96
501-1000	330	2.67	2,53,494	3.10
1001-2000	131	1.06	1,88,791	2.30
2001-3000	47	0.38	1,17,416	1.43
3001-4000	9	0.07	33,649	0.41
4001-5000	13	0.11	59,934	0.73
5001-10000	10	0.08	86,270	1.05
10001 and above	19	0.15	63,99,620	78.02
Total	12,363	100.00	82,02,590	100.00

b. Shareholding Pattern as at March 31, 2020 (Category wise)

Sr. No.	Category	No. of Holders	No. of Shares	% of Shareholding
A.	Promoters			
1.	Indian Promoters			
	Individuals	-	-	-
	Bodies Corporate	1	200	0.00
	Family Trust	2	48,19,180	58.75
	Others – LLP	1	3,23,837	3.95
2.	Foreign Promoters	-	-	-
	Total Promoters Holding	4	51,43,217	62.70
B.	Non Promoters			
1.	Institutional Investors	-	-	-
	a. Mutual Funds	2	5,18,253	6.31
	b. Banks, Financial Institutions, Insurance Companies	1	50	0.00
	c. Foreign Portfolio Investors	3	4,01,421	4.89
	Sub Total	6	9,19,724	11.21

(ii) Correspondence regarding change of address:

Shareholders are requested to ensure that any correspondence of Change of Address, change of Bank Mandates should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they opened Demat Account.

(iii) Green Initiative for Paperless Communication:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its members through electronic mode. The move of the ministry allows public at large to contribute to the green movement. Keeping in view the underlying theme, the Company will continue to send various communication and documents in electronic form in the email address provided by the members to the Depositories or to the Company.

(iv) Pending Investors' Grievances:

Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered office of the Company with a copy of earlier correspondence.

b. Shareholding Pattern as at March 31, 2020 (Category wise)

Sr. No.	Category	No. of Holders	No. of Shares	% of Shareholding
2.	Others			
	a. Bodies Corporate	131	1,36,495	1.66
	b. Indian Public	11,388	16,61,399	20.25
	c. NRIs/OCBs	279	80,889	0.98
	d. Clearing Members	31	5,813	0.07
	e. HUF	311	88,326	1.07
	f. Trust	1	343	0.00
	g. Foreign Bodies Corporate	1	1,66,384	2.02
	Sub Total	12,142	21,39,649	26.09
	Grand Total	12,152	82,02,590	100.00

c. List of top 10 Shareholders other than Promoters as at March 31, 2020

Sr. No.	Name of the Shareholder	No. of Shares held	% of Total Holding
1.	L & T Mutual Fund Trustee Limited	5,13,753	6.26
2.	UBS Principal Capital Asia Ltd	2,25,257	2.75
3.	DIC Corporation	1,66,384	2.03
4.	Gymkhana Partners L.P.	1,17,050	1.42
5.	BNP Paribas Arbitrage	59,114	0.72
6.	D Srimathi	31,884	0.39
7.	Ariston Capital Services Private Limited	28,578	0.34
8.	Gaurang Navinchandra Shah	25,000	0.30
9.	Rural Engineering Co. Pvt. Ltd	18,653	0.23
10.	Dipti Bharatbhai Bhanushali	15,880	0.19
	Total	12,01,553	14.58

14. Dematerialization of Shares and Liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE542B01011. Nearly 95.71% of total listed Equity Shares have been dematerialised as on March 31, 2020. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE and NSE.

Details of Dematerialised Shares as at March 31, 2020

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	21,58,538	26.32	20,46,726	24.95
CDSL	56,91,867	69.39	56,24,086	68.57
Shares in Physical Form	3,52,185	4.29	5,31,778	6.48
Total	82,02,590	100.00	82,02,590	100.00

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

There are no Global Depository Receipts or American Depository Receipts or Warrants outstanding as on March 31, 2020.

16. Plant Locations:

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

17. Address for correspondence with the Company

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

ANNEXURE H TO DIRECTORS' REPORT

18. Address for correspondence with the Registrar and Transfer Agent

Link Intime India Private Limited
506-508, Amarnath Business Centre -1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad-380 006
Tel: 079-26465179/86/87
E-mail id: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

19. Other Disclosures

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

During the financial year 2019-20, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board has approved a policy on related party transaction. The Register of Contracts/Statement of related party transactions is placed before the Board / Audit Committee regularly. Transactions with the related parties as per requirements of Ind AS 24 and which are not materially significant are disclosed in Note 38 to the Financial Statements in the Annual Report and they are not in conflict with the interest of the Company at large. All transactions with related parties are at arms' length.

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

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

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

1. There was minor delay in submission of annual report to the stock exchanges for which penalty were levied and paid to the stock exchanges. Subsequently penalty was waived by Stock Exchanges and the matter is closed now.
2. Penalty levied by Adjudicating Officer appointed by SEBI for non-compliance of takeover regulation for the past years, and directors have penalty as per order dated 24/12/2019 and the matter is disposed off now.

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

The Company has established a Whistle Blower policy and has established necessary mechanism to enable directors and employees to report concerns about ethical behaviour, actual or suspected fraud or violation of the Companies code of conduct. The policy offer appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Audit Committee reviews

periodically the functioning of whistle blower mechanism. No personnel is denied the opportunity to meet the Audit Committee members of the Company. A copy of the Whistle Blower Policy is also available on the website of the Company at www.aksharchemindia.com

The ombudsman had not received any complaint during the financial year ended March 31, 2020.

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

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

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

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

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

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

g. Commodity Price Risks and Foreign Exchange Risk and Hedging Activities

The Company is subject to commodity price risks due to fluctuation in prices of crude oil. The Company's receivables are in U.S. Dollars and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a well structured risk management system for identification and monitoring and mitigation of commodity price and foreign exchange risks under the guidance of experienced Board of Directors.

h. Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance

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

i. Certificate from practicing company secretaries regarding non-disqualification of directors

The Certificate from the Practising Company Secretary that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the board/Ministry of Corporate Affairs or any such statutory authority is annexed with the Directors' Report and forms an integral part of the Annual Report.

j. Total Fees paid to the Statutory Auditors

Total Fees paid to Statutory Auditors is Rs. 3.50 lakhs for the financial year 2019-20.

k. Redressal of Grievances under Sexual Harassment Policy

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013). The details of complaints received and resolved during the year are as follows:

No.	Complaints Received	Complaints Status
1	Number of grievances received during the financial year	Nil
2	Number of grievances disposed during the financial year	Nil
3	Number of complaints pending at end of financial year	Nil

20. Non-Compliance of any Requirements of Corporate Governance

There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub paras (2) to (10) of Para (C) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- The Company has an Executive Chairperson.
- The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- The Company's financial statements for the financial year 2019-20 do not contain any audit qualification.
- The internal auditors report to the Audit Committee.

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

The Company has obtained affirmation from Chairperson and Managing Director that all the members of the board and senior managerial personnel have complied with the Code of Conduct for Board members and Senior Managerial Personnel for the year ended March 31, 2020.

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

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

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

24. Reconciliation of Share Capital Audit Report

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and also submitted to the Stock Exchanges where the shares of the Company are listed.

25. Management Discussion and Analysis Report

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

26. Disclosure of Accounting Treatment

The Company had adopted Ind AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. The Company has published Ind AS Financials for the year ended March 31, 2020 along with comparable as on March 31, 2019.

27. Subsidiaries

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

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

28. Management

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

29. CEO/CFO Certification

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

30. Prevention of Insider Trading

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

For and on behalf of Board of Directors

PARU M. JAYKRISHNA
Chairperson & Mg. Director
DIN: 00671721

Place :Indrad, Mehsana
Date : August 14, 2020

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
AksharChem (India) Limited

I have examined the compliance of conditions of Corporate Governance by M/s. AksharChem (India) Limited ("the Company"), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Bipin L. Makwana

Company Secretary in Practice
Membership No. 15650
C. P. No. 5265
UDIN: A015650B000579015

Place: Ahmedabad
Date: August 14, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
AksharChem (India) Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AksharChem (India) Limited having CIN - L24110GJ1989PLC012441 and having registered office at 166/169, Indrad Village, Kadi Kalol Road, Mehsana: 382715, Gujarat (hereinafter referred to as 'the Company'), as made available to me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1	Mrs. Paru Mrugesh Jaykrishna	00671721	04/07/1989	-
2	Mr. Gautamkumar Mithalal Jain	00160167	21/01/2014	-
3	Mr. Gokul Mrugesh Jaykrishna	00671652	01/01/1994	-
4	Mr. Munjal Mrugesh Jaykrishna	00671693	28/06/1995	-
5	Mr. Pradeepbhai Jasubhai Jha	01539732	28/05/2002	-
6	Mr. Jigar Mukesh Patel	05291605	11/12/2017	-
7	Ms. Maitri Kirankumar Mehta	07549243	28/03/2019	-
8	Mr. Ashok Dolatsinh Barot	08366687	28/03/2019	-

According to the information provided by the Management, The Adjudicating officer appointed by SEBI had imposed penalty vide order dtd. 24/12/2019, amounting to Rs. Rs.8 Lacs in aggregate for Non Compliances in respect of Provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 on various dates during the year 1997, 1998, 2000, 2004 and 2005 by Directors viz. 1) Mrs. Paru M. Jaykrishna, 2) Mr. Munjal M. Jaykrishna and 3) Mr. Gokul M. Jaykrishna in respect of acquisition of 20% Shares of M/s. AksharChem (India) Ltd., by them through letter of offer in April, 2011 and the aforesaid directors have paid penalty as per the order dated 24/12/2019 issued by adjudicating officer and the matter is disposed off now.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued at the request of the company to make the disclosure in its Corporate Governance Report for the financial year ended 31st March, 2020.

Bipin L. Makwana

Company Secretary in Practice
Membership No. 15650
C. P. No. 5265
UDIN: A015650B000579015

Place: Ahmedabad
Date: August 14, 2020

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended March 31, 2020.

For, AksharChem (India) Limited

Place: Indad, Mehsana
Date: August 14, 2020

PARU M. JAYKRISHNA
Chairperson & Mg. Director
DIN: 00671721

CERTIFICATE BY CEO AND CFO PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
AksharChem (India) Limited

We, the undersigned, in our respective capacities as Joint Managing Director & CEO and Chief Financial Officer (CFO) of AksharChem (India) Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of AksharChem (India) Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit Committee:
 - a. that there have been no significant changes in internal control over financial reporting during the year ended March 31, 2020;
 - b. that there have been no significant changes in accounting policies during the year ended March 31, 2020 and that the same have been disclosed in the notes to the financial statements; and
 - c. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For, AksharChem (India) Limited

Munjal M. Jaykrishna
Jt. Managing Director & CEO
DIN: 00671693

Place : Indrad, Mehsana
Date : August 14, 2020

Amit Soni
Chief Financial Officer (CFO)

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of AksharChem (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of AksharChem (India) Limited (the 'Company') which comprise the Balance Sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial

statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to note no. 47 of the financial statements, wherein management while concluding no significant impact due to COVID-19 on the current year's financial statements, has considered internal and external source of information relating to economic forecasts and estimates on realizability of various classes of assets and expects to recover the carrying amounts of these assets. However, the assessment of Impact of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic condition.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Response to Key Audit Matter
<p>Physical Verification of Inventories</p> <p>The company's inventories include raw materials, work in progress, finished goods and stores & spares.</p> <p>The company has adequate inventory records and internal control systems over inventory movements. The company has established procedures to carry out physical inventory during the year and at the year-end.</p> <p>However, due to various restrictions imposed under COVID 19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end. At the time of such subsequent verification, it was impracticable for us as auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.</p>	<p>Principal Audit Procedures</p> <p>We have carried out alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories which include the followings:</p> <ul style="list-style-type: none"> • Evaluated the control design in respect of physical inventory verification process and verified whether such controls have operated effectively during verification process. • Obtained sufficient and appropriate audit evidences of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end. • Rollback procedures were applied to the inventories verified by the company at subsequent of the year-end to arrive inventories at the year-end.
<p>Property, Plant & Equipment</p> <p>The value of property, plant & equipment and capital work-in-progress amounted to Rs. 18,999.30 Lakh (i.e. 58.83% of total assets) at the Balance Sheet Date 31/3/2020.</p> <p>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment and capital work-in-progress and their respective depreciation profiles. These include:</p> <ul style="list-style-type: none"> - the decision to capitalize or expense costs; - review of estimated useful lives of assets - the timeliness of transfers to property, plant & equipment from capital work-in-progress. <p>Refer to note 2.3 and 3 of the financial statements.</p>	<p>We tested controls in place over the property, plant & equipment cycle, evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalized and assessed the timeliness of capitalization from capital work-in-progress. We also reviewed the appropriateness of estimated useful lives applied in the calculation of depreciation.</p> <p>No issues were noted from our testing.</p>

Information other than Financial Statements & Auditors Report thereon.

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion & Analysis (but does not include the standalone financial statements and our auditor's reports thereon). The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's Responsibilities Relating to Other Information".

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our

independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our

information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements (Refer Note 36 to the financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
FRN 105775W

Chirag M. Shah
Partner

Date: 30/06/2020
Place: Ahmedabad

Membership No. 045706
UDIN: 20045706AAAADZ2003

ANNEXURE 'A'

to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Company has regular programme of physical verification of fixed assets by which all fixed assets are verified in phased manner over period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its business. According to information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
2. According to information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such physical verification during the year.
 3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
 4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loans and investments made. As explained to us the Company has not given guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013.

Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the Account relates	Forum where the dispute is pending
Gujarat VAT Act, 2003	Sales Tax	18.03	2004-05	Ahmedabad VAT Tribunal
Income Tax Act, 1961	Income Tax	44.27	2003-04	High Court of Gujarat
Income Tax Act, 1961	Income Tax	10.28	2017-18	CIT (Appeal), Ahmedabad

8. According to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, bank, Government or dues to debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans during the year under audit.
10. According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported

5. According to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 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, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records:

- (a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Goods & Service Tax and Customs Duty which have not been deposited with the appropriate authorities on account of any dispute, except following :

during the year.

11. According to the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the

details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

16. In our opinion, the company is not required to be registered under

Section 451A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
FRN 105775W

Date: 30/06/2020
Place: Ahmedabad

Chirag M. Shah
Partner
Membership No. 045706
UDIN: 20045706AAAADZ2003

ANNEXURE 'B'

to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AksharChem (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies of procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
FRN 105775W

Chirag M. Shah
Partner

Date: 30/06/2020
Place: Ahmedabad

Membership No. 045706
UDIN: 20045706AAAADZ2003

BALANCE SHEET

as at March 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	3	12,827.74	12,604.60
(b) Capital Work-in-Progress		6,171.56	3,082.32
(c) Other Intangible Assets	4	2.05	2.86
(d) Intangible Assets under Development		34.59	21.99
(e) Financial Assets			
(i) Investments	5	108.54	2,097.97
(ii) Loans	6	18.00	18.00
(iii) Other Assets	7	96.10	186.51
(f) Other Non-current Assets	8	1,032.49	1,475.22
Total Non-current Assets		20,291.07	19,489.47
2 Current Assets			
(a) Inventories	9	4,225.69	3,655.00
(b) Financial Assets			
(i) Trade Receivables	10	2,975.17	3,813.23
(ii) Cash and Cash Equivalents	11	21.55	24.23
(iii) Bank balances other than Cash and Cash Equivalents	12	139.24	197.20
(iv) Loans	13	31.04	11.17
(v) Other Financial Assets	14	3.89	5.70
(c) Current Tax Assets (Net)	15	120.23	228.20
(d) Other Current Assets	16	4,485.32	4,177.31
Total Current Assets		12,002.13	12,112.04
TOTAL ASSETS		32,293.20	31,601.51
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	17	820.26	820.26
(b) Other Equity	18	25,710.98	24,899.95
Total Equity		26,531.24	25,720.21
2 Liabilities			
Non-current Liabilities			
(a) Provisions	19	50.15	-
(b) Deferred Tax Liabilities (Net)	20	1,318.90	1,515.91
Total Non-current Liabilities		1,369.05	1,515.91
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1,275.61	1,152.57
(ii) Trade Payables	22		
- Total outstanding dues of micro and small enterprises		40.97	247.60
- Total outstanding dues of trade payables other than "micro and small enterprises"		2,486.26	2,491.34
(iii) Other Financial Liabilities	23	81.99	57.20
(b) Other Current Liabilities	24	469.61	399.16
(c) Provisions	25	38.47	17.52
Total Current Liabilities		4,392.91	4,365.39
TOTAL EQUITY AND LIABILITIES		32,293.20	31,601.51

Significant Accounting Policies

2

The accompanying notes are an integral part of financial statements

3 - 48

As per our Report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

Amit D. Soni
 Chief Financial Officer

Chirag M. Shah

(Partner)

Membership No. 045706

Meet J. Joshi
 Company Secretary

For and on behalf of the Board of Directors

AksharChem (India) Limited
Paru M. Jaykrishna
 Chairperson & Mg. Director
 DIN: 00671721

Munjal M. Jaykrishna
 Jt. Managing Director & CEO
 DIN: 00671693

 Place : Ahmedabad
 Date : June 30, 2020

 Place : Indrad, Mehsana
 Date : June 30, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
I REVENUE FROM OPERATIONS	26	26,014.50	32,288.38
II OTHER INCOME	27	105.24	534.89
III TOTAL INCOME (I+II)		26,119.74	32,823.27
IV EXPENSES			
Cost of Materials Consumed	28	14,868.03	19,374.47
Purchase of Stock-in-Trade		638.95	1,616.38
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	29	(621.04)	(536.39)
Employee Benefits Expense	30	1,040.65	967.35
Power & Fuel		2,850.96	2,668.84
Finance Costs	31	110.76	91.61
Depreciation and Amortization Expenses	32	672.78	551.24
Other Expenses	33	4,647.69	4,749.08
Total Expenses (IV)		24,208.78	29,482.58
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)		1,910.96	3,340.69
VI EXCEPTIONAL ITEMS		-	-
VII PROFIT BEFORE TAX (V-VI)		1,910.96	3,340.69
VIII TAX EXPENSES			
Current Tax		499.73	738.62
Deferred Tax		(168.36)	343.12
Adjustment of Tax for Earlier Years		7.32	-
Total Tax Expenses (VIII)		338.69	1,081.74
IX PROFIT FOR THE YEAR (VII-VIII)		1,572.27	2,258.95
X OTHER COMPREHENSIVE INCOME			
A. Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		(1.18)	15.57
- Equity instruments through other comprehensive income		(8.17)	30.45
- Income tax related to above items		0.54	(10.76)
B. Items that will be reclassified to profit or loss			
- Effective portion of gains / (losses) in cash flow hedges		(85.00)	(0.45)
- Income tax related to above items		24.75	0.16
Other Comprehensive Income for the year (X)		(69.06)	34.97
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)		1,503.21	2,293.92
XII EARNING PER EQUITY SHARE (FACE VALUE OF RS. 10 EACH)	34		
Basic		19.17	27.54
Diluted		19.17	27.54

Significant Accounting Policies

2

The accompanying notes are an integral part of financial statements

3 - 48

As per our Report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

Amit D. Soni
Chief Financial Officer

Chirag M. Shah
(Partner)

Membership No. 045706

Meet J. Joshi
Company Secretary

Place : Ahmedabad
Date : June 30, 2020

For and on behalf of the Board of Directors
AksharChem (India) Limited

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

Munjal M. Jaykrishna
Jt. Managing Director & CEO
DIN: 00671693

Place : Indrad, Mehsana
Date : June 30, 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs. 10 each (Fully Paid up)				
Balance at the beginning of the year	82,02,590	820.26	82,02,590	820.26
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	82,02,590	820.26	82,02,590	820.26

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Components of Equity		Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	
Balance as at April 1, 2018	6,822.54	2,744.36	13,385.29	-	-	22,952.19
Profit for the year	-	-	2,258.95	-	-	2,258.95
Other comprehensive income	-	-	10.13	25.13	(0.29)	34.97
Total comprehensive income for the year	-	-	2,269.08	25.13	(0.29)	2,293.92
Share issued at premium	-	-	(346.15)	-	-	(346.15)
Balance as at March 31, 2019	6,822.54	2,744.36	15,308.22	25.13	(0.29)	24,899.95
Balance as at April 1, 2019	6,822.54	2,744.36	15,308.22	25.13	(0.29)	24,899.95
Profit for the year	-	-	1,572.27	-	-	1,572.27
Other comprehensive income	-	-	(0.84)	(7.97)	(60.25)	(69.06)
Total comprehensive income for the year	-	-	1,571.43	(7.97)	(60.25)	1,503.21
Dividend paid (including tax thereon)	-	-	(692.21)	-	-	(692.21)
Balance as at March 31, 2020	6,822.54	2,744.36	16,187.45	17.16	(60.54)	25,710.98

As per our Report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

Chirag M. Shah

(Partner)

Membership No. 045706

Place : Ahmedabad

Date: June 30, 2020

Amit D. Soni
Chief Financial Officer

Meet J. Joshi
Company Secretary

For and on behalf of the Board of Directors
AksharChem (India) Limited

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

Munjal M. Jaykrishna
Jt. Managing Director & CEO
DIN: 00671693

Place : Indrad, Mehsana

Date: June 30, 2020

CASH FLOW STATEMENT

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax		1,910.96		3,340.69
Adjustments for :				
Depreciation and Amortisation Expenses	672.78		551.24	
Finance Cost	110.76		91.61	
(Profit)/ Loss on sales of Property, Plant and Equipment	2.41		(0.55)	
Interest Received	(49.27)		(69.02)	
Other Income Received				
(Profit) / Loss from sale of Investments	(50.20)		(257.15)	
Net (Gain)/Loss arising on financial assets measured at fair value through Profit or Loss (FVTPL)	15.37		(136.74)	
Provision for Investment	24.37		-	
Bad Debts Written off	9.97		-	
Dividend Income	(1.57)	734.62	(67.51)	111.88
Operating Profit Before Working Capital Changes		2,645.58		3,452.57
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade & Other receivables	1,116.36		(2,293.98)	
(Increase)/Decrease Inventories	(570.68)		(689.78)	
Increase/ (Decrease) Trade & other payables	(156.34)	389.34	(443.87)	(3,427.63)
Net Cash Flow Generated from Operating Activities		3,034.92		24.94
Direct taxes paid (Net)		(402.43)		(902.70)
Net Cash Flow from Operating Activities		2,632.49		(877.76)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(4,008.99)		(5,076.96)	
Proceeds from sale of Property, Plant & Equipment	9.62		0.55	
Sales/(Purchase) of Investments (Net)	1,991.72		4,739.20	
Inter Corporate Deposit given	(25.00)		-	
Interest Income Received	51.03		73.68	
Dividend Income	1.57		67.51	
Net Cash Flow from Investing Activities		(1,980.05)		(196.01)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Availment/(Repayment) of borrowings	123.04		1,152.57	
Interest Paid	(102.07)		(91.61)	
Dividend Paid (including tax on dividend)	(676.09)		(346.15)	
Net Cash Flow from Financing Activities		(655.12)		714.81
Net increase / (decrease) in cash and cash equivalents		(2.68)		(358.96)
Cash and cash equivalent at the beginning of the year		24.23		383.19
Cash and cash equivalent at the end of the year		21.55		24.23

As per our Report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

Amit D Soni
Chief Financial Officer

Chirag M. Shah

(Partner)

Membership No. 045706

Meet J. Joshi
Company Secretary

Place : Ahmedabad

Date : June 30, 2020

For and on behalf of the Board of Directors

AksharChem (India) Limited

Paru M. Jaykrishna

Chairperson & Mg. Director

DIN: 00671721

Munjal M. Jaykrishna

Jt. Managing Director & CEO

DIN: 00671693

Place : Indrad, Mehsana

Date: June 30, 2020

NOTES

1. Company Information

AksharChem (India) Limited (the 'Company') is a public limited Company domiciled in India with its registered office at 166/169, Village Indrad, Kadi Kalol Road, Dist. Mehsana, Gujarat - 382 715 (India). The equity shares of the Company are listed on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Ltd. (ASE).

The Company is principally engaged in the business of manufacturing & export of Dyes and Pigments.

The financial statements as at March 31, 2020 present the financial position of the Company.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on June 30, 2020.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

(i) Compliance with Ind-AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

(ii) Basis of Preparation and presentation

The financial statements have been prepared and presented on the going concern basis and at historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- b) Any other item as specifically stated in the accounting policy.

(iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(iv) Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act,

2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

(v) Rounding off amounts

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 1,00,000) as per the requirement of Schedule III, unless otherwise stated.

2.2 Key accounting estimates & judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

2.2.1 Critical accounting estimates

- a. Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

b. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

c. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

d. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.3 Property, Plant and Equipment (PPE) (IND AS 16)

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for

freehold land which is not depreciated. Cost includes purchase price after deducting trade discount/rebate, import duties, non-refundable taxes, Net of GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognized as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year.

De-recognised upon disposal

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.

Treatment of Expenditure during Construction Period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's

carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:-

Asset Class	Useful Life
Factory Building	30 years
Non-Factory Building	60 years
Road, Fencing, Borewell, etc.	5/10 years
Plant & Equipment	15/20 years
Lab Equipment	10 years
Electric Installation	10 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers	3 years

The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold Land is amortised over the primary period of the lease.

2.4 Intangible assets (IND AS 38)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer Software

Computer software are amortized over period of 3 years.

Internally Generated Intangible Assets - Research and Development Expenditure:

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of

Profit and Loss. PPE procured for research and development activities are capitalised.

2.5 Leases (Ind AS 116)

The Company has adopted Ind AS 116 - Leases effective 1st April, 2019.

As a Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

As a Lessor

The company, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

2.6 Inventories (IND AS 2)

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis and is net of credits under GST.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.7 Borrowing Cost (IND AS 23)

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.8 Impairment of Assets (IND AS 36)

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for

the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.9 Government Grants (IND AS 20)

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

2.10 Taxes (IND AS 12)

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends

to settle its current tax assets and liabilities on a net basis.

c) Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

2.11 Employees Benefits (IND AS 19)

a) Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Post-employment obligations

The Company operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity and;
 - (ii) Defined contribution plans such as provident fund.
- (i) Defined benefit plans-Gratuity obligations
- The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are

included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(ii) **Defined contribution plans**

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

2.12 Provisions, Contingent Liability and Contingent Assets (IND AS 37)

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise, GST etc.) pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized but disclosed by way of notes to accounts.

2.13 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.14 Revenue Recognition (IND AS 18)

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc.

Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from sales excludes GST. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

Dividend Income

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.15 Cash Flows and Cash and Cash Equivalents (IND AS 7)

Statement of cash flows is prepared in accordance with the indirect method prescribed in the IND AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

2.16 Earnings per share (IND AS 33)

- (i) **Basic earnings per share**
Basic earnings per share is calculated by dividing:
 - The profit attributable to owners of the Company
 - By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.
- (ii) **Diluted earnings per share**
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
 - The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
 - The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Segment Reporting (IND AS 108)

Based on "Management Approach" as defined in IND AS 108 – Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.18 Foreign Currency Transactions (IND AS 21)

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.19 Events occurring after the balance sheet date (IND AS 10)

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

2.20 Financial Instruments (IND AS 109)

- i. Recognition and initial measurement
All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

- ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss

De-recognition**Financial assets**

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.21 Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.22 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.23 Goods and Service Tax / Service Tax input Credit:

Goods and Service tax / Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

NOTES

3. Property, plant and equipment

(₹ in Lakhs)

Particular	Land	Leasehold	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Total
I. Gross Block								
Balance as at April 1, 2018	884.72	1,532.97	1,529.55	7,473.91	121.55	330.78	187.51	12,060.98
Additions	175.78	-	779.86	3,493.89	9.90	102.71	8.00	4,570.13
Deduction & Adjustment	-	(25.41)	-	-	-	-	-	(25.41)
Reclassification as held for sale	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	1,060.50	1,507.56	2,309.41	10,967.80	131.45	433.49	195.51	16,605.69
Additions	2.98	-	45.41	803.01	1.32	40.64	11.66	905.02
Deduction & Adjustment	-	-	-	-	-	(29.46)	-	(29.46)
Reclassification as held for sale	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	1,063.48	1,507.56	2,354.82	11,770.81	132.77	444.67	207.17	17,481.25
II. Accumulated Depreciation								
Balance as at April 1, 2018	-	2.64	413.91	2,623.44	106.64	147.43	163.87	3,457.93
Depreciation for the period	-	-	81.41	405.14	4.78	41.74	10.09	543.16
Deduction & Adjustment	-	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	-	2.64	495.32	3,028.58	111.42	189.17	173.96	4,001.09
Depreciation for the period	-	-	112.34	509.44	2.72	38.87	6.48	669.85
Deduction & Adjustment	-	-	-	-	-	(17.42)	-	(17.42)
Reclassification as held for sale	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	-	2.64	607.66	3,538.02	114.14	210.62	180.44	4,653.51
III. Net carrying amount								
Balance as at March 31, 2019	1,060.50	1,504.92	1,814.09	7,939.22	20.03	244.32	21.55	12,604.60
Balance as at March 31, 2020	1,063.48	1,504.92	1,747.16	8,232.78	18.63	234.05	26.73	12,827.74

4. Other Intangible Assets

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
Computer Software & ERP System		
I. Gross Block		
Opening Balance	31.10	31.03
Additions	2.12	0.07
Closing Balance	33.22	31.10
II. Accumulated Amortization		
Opening Balance	28.24	20.16
Amortization for the period	2.93	8.08
Closing Balance	31.17	28.24
III. Net carrying amount	2.05	2.86

5. Non-Current Investments

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
A Investments in Equity Instruments at Fair Value Through Profit & Loss				
Quoted, Fully Paid Up				
Equity Shares of Rs. 2 each of AIA Engineering Limited	-	-	5,000	89.50
Equity Shares of Rs. 5 each of Ashoka Buildcon Limited	-	-	17,250	22.24
Equity Shares of Rs. 2 each of Bajaj Finance Limited	-	-	27,650	836.37
Equity Shares of Rs. 5 each of Bajaj Finserv Limited	-	-	700	49.25
Equity Shares of Rs. 10 each of Bharat Financial Inclusion Limited	-	-	14,000	158.46
Equity Shares of Rs. 5 each of Castrol India Limited	-	-	11,900	19.81
Equity Shares of Rs. 10 each of Eclerx Services Limited	2,226	8.16	10,676	122.93
Equity Shares of Rs. 10 each of Equitas Holdings Limited	-	-	24,000	32.81
Equity Shares of Rs. 10 each of Futura Polysters Limited	2,700	0.27	2,700	0.27
Equity Shares of Rs. 10 each of IDFC Limited	-	-	20,850	11.51
Equity Shares of Rs. 10 each of Indian Oil Corporation Limited	-	-	36,500	59.39
Equity Shares of Rs. 5 each of Mahindra & Mahindra	-	-	7,300	49.04
Equity Shares of Rs. 1 each of Nectar Lifescience Limited	-	-	42,000	7.18
Equity Shares of Rs. 1 each of Pidilite Industries Ltd.	-	-	1,972	24.50
Equity Shares of Rs. 10 each of Shriram Transport Finance Co. Ltd.	-	-	7,000	89.14
Equity Shares of Rs. 10 each of Bihar Sponge Iron Ltd. [#]	1,500	0.01	1,500	0.01
Equity Shares of Rs. 10 each of DCL Finance Ltd. ^{*#}	400	0.00	400	0.00
Equity Shares of Rs. 10 each of Hindustan Unilever Ltd. [#]	1,000	22.98	1,000	17.08
Equity Shares of Rs. 10 each of Huges Software Ltd. ^{*#}	100	0.00	100	0.00
Equity Shares of Rs. 10 each of Tata Sponge Iron Ltd. [#]	600	1.14	600	4.57
Equity Shares of Rs. 10 each of Moser Baer (I) Ltd. ^{*#}	50	0.00	50	0.00
Equity Shares of Rs. 10 each of Nath Seeds Ltd. [#]	1,500	0.02	1,500	0.02
Equity Shares of Rs. 10 each of Raymond Synthetic Ltd. ^{*#}	150	0.00	150	0.00
Equity Shares of Rs. 10 each of Tata Chemicals Ltd. [#]	100	0.22	100	0.59
	32.80		1,594.65	
* Amounts are less than Rs. 0.01 Lakh				
[#] The company is in process of obtaining duplicate certificates/dematerialisation and hence not available for physical verification.				
Provision for Diminution in value of Investment		(24.37)		-
Total of Investments in Equity Instruments at FVTPL (A)		8.43		1,594.65
B Investments in Equity Instruments at Fair Value Through Other Comprehensive Income				
Quoted, Fully paid				
Equity Shares of Rs. 10 each of Bajaj Auto Limited	-	-	8,492	247.54
Equity Shares of Rs. 2 each of Bodal Chemicals Limited	-	-	44,000	55.77
Equity Shares of Rs. 10 each of Interglobe Aviation Limited	-	-	7,000	99.90
Total of Investments in Equity Instruments at FVOCI (B)				403.21
C Investments measured at Amortized Cost				
Unquoted, Fully Paid Up				
(i) In Equity Shares of Structured Entities (in which key management personnel or their relatives have significant influence):				
Fully Paid Equity Shares of Rs. 10 each of Asahi Powertech Pvt. Ltd.	1,000	0.10	1,000	0.10
Fully Paid Equity Shares of Rs. 10 each of Akshar Silica Pvt. Ltd.	100.00	0.01	100.00	0.01
		0.11		0.11
(ii) In Redeemable Preference Shares of Structured Entities (in which key management personnel or their relatives have significant influence):				
Fully Paid Redeemable Preference Shares of Rs. 10 each of Chhatral Environment Management Systems Pvt. Ltd.	10,00,000	100.00	10,00,000	100.00
		100.00		100.00
Total of Investments measured at Amortized Cost (C)		100.11		100.11
Total Non Current Investments (A + B + C)		108.54		2,097.97
Aggregate amount of quoted investments		32.80		1,997.86
Aggregate market value of quoted investments		32.80		1,997.86
Aggregate amount of unquoted investments		100.11		100.11
Aggregate amount of impairment in value of investments		24.37		-

NOTES

6. Non-current Loans (Unsecured, considered good)

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Security Deposits	18.00	18.00
Total	18.00	18.00

7. Other Non-current Financial Assets (Unsecured, considered good)

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Security Deposits	96.10	186.51
Total	96.10	186.51

8. Other Non current Assets

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Capital Advances	541.96	829.39
b. Balance with Government Authorities	490.53	645.83
Total	1,032.49	1,475.22

9. Inventories (Valued at lower of cost or net realized value)

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Raw materials	441.16	563.04
b. Raw materials - in Transit	-	82.49
c. Work in progress	372.86	626.12
d. Finished goods	1,704.96	1,627.46
e. Finished Goods- in Transit	1,166.71	352.39
f. Stock in Trade	118.91	136.42
g. Stores and spares	315.83	198.79
h. Packing Material	47.62	43.05
i. Fuel & Oil	57.64	25.24
Total	4,225.69	3,655.00

10. Trade Receivables

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Unsecured, considered good	2,975.17	3,813.23
Total	2,975.17	3,813.23

Refer Note No. 38 for receivable from related parties

11. Cash and Cash Equivalents

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Balances with banks in current accounts*	9.64	14.85
b. Cash on hand	11.91	9.38
Total	21.55	24.23

* Two bank accounts having balance of Rs. 0.77 Lakhs (P.Y. 0.77 Lakhs) are held in name of Asahi Songwong Ltd. and the company is in process of transferring these bank accounts in company's name pursuant to scheme of demerger.

12. Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Earmarked balance for unpaid dividend	73.32	57.20
b. Term deposits with bank held as margin money against letters of credit, bank guarantees and collateral security for working capital facilities	65.92	140.00
Total	139.24	197.20

NOTES
13. Current Loans (Unsecured, considered good)

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Loans & Advances to Employees	5.99	11.17
b. Inter Corporate Deposit	25.05	-
Total	31.04	11.17

14. Other Current Financial Assets

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Interest receivable	3.89	5.70
Total	3.89	5.70

15. Current Tax Assets (Net)

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Advance payment of tax (Net of provision)	120.23	228.20
Total	120.23	228.20

16. Other Current Assets

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Balance with Government Authorities	3,375.38	3,275.83
b. Prepaid Expenses	32.38	40.59
c. Advances other than capital advances	721.08	571.64
d. Export Incentive Receivable	277.35	289.25
e. Other Receivable	79.13	-
Total	4,485.32	4,177.31

Refer Note No. 38 for receivable from related parties

17. Share capital

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital :				
Equity Shares of Rs. 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Issued, Subscribed & Fully Paid Up:				
Equity Shares of Rs. 10 each	82,02,590	820.26	82,02,590	820.26
Total	82,02,590	820.26	82,02,590	820.26

17.1 The reconciliation of the no. of shares outstanding is set out below :

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At Beginning of the period	82,02,590	820.26	82,02,590	820.26
Add : Issued during the year	-	-	-	-
Outstanding at the end of the period	82,02,590	820.26	82,02,590	820.26

17.2 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 pays 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.

17.3 Shares held by holding / ultimate holding company / or their subsidiaries / associates : **Not Applicable**

NOTES**17.4 Details of shareholders holding more than 5% shares**

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Mrugesh Jaykrishna Family Trust-2	31,88,819	38.88	31,88,819	38.88
Munjil M. Jaykrishna Family Trust	16,30,361	19.88	16,30,361	19.88
L & T Mutual Fund Trustee Limited	5,13,753	6.26	5,08,980	6.21

17.5 Shares Reserved for Issued under options & contracts or commitments for the sale of shares or disinvestment, including terms of amounts : **Nil**

17.6

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

17.7 Securities which are convertible into Equity Shares : **Nil**

17.8 Aggregate Value of Calls unpaid by directors and officers : **Nil**

18. Other Equity

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Securities Premium		
Balance at the beginning of the Year	6,822.54	6,822.54
Add : Securities premium credited on Share issue	-	-
Balance at the end of the Year	6,822.54	6,822.54
General Reserve		
Balance at the beginning of the Year	2,744.36	2,744.36
Add: Appropriations From Current year's Profit	-	-
Balance at the end of the Year	2,744.36	2,744.36
Surplus in Statement of Profit and Loss		
Balance at the beginning of the Year	15,308.22	13,385.29
Add : Net Profit for the Year	1,572.27	2,258.95
Add : Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)	(0.84)	10.13
Less : Dividend (including tax)	(692.21)	(346.15)
Balance at the end of the Year	16,187.45	15,308.22
Other Comprehensive Income		
- Fair value gains/(loss) on Equity Instruments	17.16	25.13
- Effective portion of cash flow hedge	(60.54)	(0.29)
Total	25,710.98	24,899.95

Securities Premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve:

General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings:

Retained earnings are the profits that the Company has earned till date including effect of remeasurement of defined benefit obligations less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

Equity Instruments through Other Comprehensive Income:

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Effective portion of Cash Flow Hedges:

This Reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

19. Non Current Provisions

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Leave Encashment	31.54	-
b. Grauity	18.61	-
Total	50.15	-

20. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
Opening Balance	1,515.91	1,162.18
Add/(Less): Liability/(Assets) for the year	(197.01)	353.73
Total	1,318.90	1,515.91

20.1 Component of Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Depreciation	1,479.66	1,598.75
b. Employee Benefits	(25.70)	(5.83)
c. MAT Credit	(93.12)	(85.47)
d. Other Timing Differences	(41.94)	8.46
Total	1,318.90	1,515.91

21. Current Borrowings

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Secured		
Loan repayable on demand - Cash Credit/Working Capital Borrowings		
From State Bank of India	1,275.61	1,152.57
Total	1,275.61	1,152.57

21.1 Details of security for working capital facilities from State Bank of India
Primary Security:

First charge by way of hypothecation over entire present and future current assets of the company.

Collateral Security:

- First charge in favour of State Bank of India, by way of Equitable Mortgage and Hypothecation over land, building, plant & Machinery and other fixed assets situated at Survey Nos. 166 & 169, of Mouje Indrad Village, Kadi-Kalol Road, Chhatral, Talika Kadi, Dist. Mehsana, Gujarat.
- Extension of First Charge by way of Equitable Mortgage and Hypothecation over land, building, plant & machinery and other fixed assets situated at Survey Nos. 167 & 168, Mouje Indrad Village, Kadi-Kalol Road, Chhatral, Taluka Kadi, Dist. Mehsana, Gujarat.
- Lien over TDR worth Rs. 25 Lakhs in lieu of waiver of ECGC policy.

22. Current Trade Payables

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Micro Enterprises and Small Enterprises	40.97	247.60
b. Others	2,486.26	2,491.34
Total	2,527.23	2,738.94

Refer Note No. 38 for receivable from related parties

NOTES**22.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	40.97	247.60
b. Interest due and remaining unpaid to any supplier as at the end of accounting year	-	-
c. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d. Amount of interest due and payable for the reporting 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	-	-
e. Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f. Amount of further interest remaining due and payable even in succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

23. Other Current Financial Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Unpaid dividends*	73.32	57.20
b. Interest Accrued	8.67	-
Total	81.99	57.20

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

24. Other Current Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Payable for Fixed Assets Supplier	191.08	227.37
b. Statutory Dues	32.42	34.18
c. Other Payables	237.51	137.57
d. Credit balance of Customer	8.60	0.04
Total	469.61	399.16

Refer Note No. 38 for receivable from related parties

25. Current Provisions

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
a. Bonus	20.10	17.52
b. Leave Encashment	18.37	-
Total	38.47	17.52

NOTES
26. Revenue from Operations (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products		
Export Sales	20,645.70	26,839.81
Domestic Sales	4,183.91	4,126.70
	24,829.61	30,966.51
Other operating revenues	1,184.89	1,321.87
Total	26,014.50	32,288.38

26.1 Other Operating Revenue (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
MEIS Income	401.91	582.55
Export incentives	338.33	385.03
Exchange Rate differences	444.65	354.29
Total	1,184.89	1,321.87

27. Other Income (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Interest income	49.27	69.02
b. Dividend income	1.57	67.51
c. Net gain on sale of Investments	50.20	257.15
d. Net gain on fair valuation of Investments through Profit & Loss	-	136.74
e. Net gain on sale of fixed assets	-	0.55
f. Other miscellaneous income	4.20	3.92
Total	105.24	534.89

28. Cost of Materials Consumed (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock	645.53	575.48
Add : Purchases	14,663.66	19,444.52
Sub Total	15,309.19	20,020.00
Less : Closing Stock	441.16	645.53
Total	14,868.03	19,374.47

29. Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in -Trade (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Closing Stock		-
Stock-in-Trade	2,871.67	136.42
Finished goods	372.86	1,979.86
Work-in-process	118.91	626.12
Total	3,363.44	2,742.40
b. Opening Stock		
Stock-in-Trade	136.42	196.10
Finished goods	1,979.86	1,477.64
Work-in-process	626.12	532.27
Total	2,742.40	2,206.01
Total (Increase) / Decrease In Stock	(621.04)	(536.39)

NOTES**30. Employee benefit expense**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Salaries and wages	801.77	676.19
b. Managerial remuneration including perquisites and commission	169.37	221.90
c. Contribution to provident & other funds	43.17	35.29
d. Staff welfare expenses	26.34	33.97
Total	1,040.65	967.35

31. Finance Costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Interest on working capital facilities from bank	66.04	34.54
b. Other borrowing costs	44.72	57.07
Total	110.76	91.61

32. Depreciation and Amortisation Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Depreciation on property, plant & equipment	669.85	543.16
b. Amortization of intangible assets	2.93	8.08
Total	672.78	551.24

33. Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Consumption of Stores & Spares	418.11	375.36
b. Repairs to Building	41.13	27.03
c. Repairs to Machinery	243.29	187.12
d. Other Repairs	10.57	5.86
e. Pollution Treatment Expenses	1,366.63	1,600.31
f. Labour Charges	916.46	815.24
g. Rent	8.36	7.86
h. Rates & Taxes (excluding taxes on income)	1.55	1.47
i. Insurance	39.68	19.85
j. Consumption of Packing Material	160.10	171.99
k. Net Loss on sale of Fixed Assets	2.41	-
l. Expenditure incurred on CSR activities (Refer Note No. 41)	92.84	81.88
m. Freight, Handling, Transportation & other Expenses	139.28	81.05
n. Selling and Distribution Expenses	603.05	831.11
o. Travelling, Conveyance & Vehicle Expenses	265.26	270.49
p. Donation	1.66	4.79
q. Directors Sitting Fees	2.20	0.27
r. Legal & Professional Expenses	211.85	198.59
s. Auditors Remuneration	3.50	2.25
t. Bad Debts written off	9.97	-
u. Loss on fair valuation of Investment through Profit & Loss	15.37	-
v. Provision for Investment	24.37	-
w. General Expenses	70.05	66.56
Total	4,647.69	4,749.08

33.1. Auditor Remuneration & others

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor :		
Audit fee	3.00	2.00
Tax audit fee	0.50	0.25
Reimbursement of expenses (included in travelling, conveyance and vehicle expenses)	0.75	0.40
Certification Fees (included in Legal & Professional Expenses)	0.77	-
Total	5.02	2.65

NOTES
34. Earning Per Share

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit for the year attributable to Equity Shareholders (Rs. In Lakhs)	1,572.27	2,258.95
Weighted Average number of Equity Shares outstanding of Face Value of Rs. 10 each.	82,02,590	82,02,590
Number of Equity Shares for Basic EPS	82,02,590	82,02,590
Number of Equity Shares for Diluted EPS	82,02,590	82,02,590
Nominal Value Per Share (Rs.)	10	10
Basic Earning Per Share (Rs.)	19.17	27.54
Diluted Earning Per Share (Rs.)	19.17	27.54

35. Income Taxes

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
The major components of income tax expense for the year as under:		
a. Current tax	503.08	738.62
b. Deferred tax		
In respect of Accumulated Depreciation	(119.09)	385.46
In respect of Investments and other timing differences (including OCI)	(70.27)	53.75
MAT Credit	(7.65)	(85.47)
Total deferred tax	(197.01)	353.74
c. Adjustment of tax for earlier years	7.32	-
Total tax expenses charged to statement of Profit and Loss	313.38	1,092.36

35.1 Reconciliation of Effective Tax Rate

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Applicable Tax Rate	29.12%	34.94%
Profit before tax	1,910.96	3,340.69
Income not considered for tax purpose	(643.79)	(461.94)
Expenses not allowed for tax purpose	97.52	86.69
Adjustment for depreciation	(508.51)	(1,064.23)
Others	1,245.50	(34.46)
Net Taxable income for the year	2,101.68	1,866.75
Effective Tax for the year	612.01	652.32
Additional Tax Liability due to MAT	-	85.47
Adjustment for income taxable at lower rate	(108.95)	-
Total current tax calculated for the year	503.06	737.79
Excess provision	0.02	0.83
Effective current tax rate for the year	26.32%	22.08%

36. Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent Liabilities		
a. Appellate order passed by Dy. Commissioner of Commercial Taxes, Appeals-3 at Gandhinagar for the year 2004-05 and Subsequently applied for Appeal at commercial tax commissioner Ahmedabad (VAT Tribunal).	18.03	18.03
b. The commissioner of Income Tax-1 Ahmedabad has filed an appeal in the High Court of Gujarat, Ahmedabad for the Asst. Year 2003- 04	44.27	44.27
c. Assessment order passed by Circle 1(1)(1) Ahmedabad for Asst. Year 2017- 18 for which Appeal filed with CIT(Ahmedabad) on 02/09/2019	10.28	-
d. Bills discounted under Export/Inland Letter of Credit	161.96	130.04
e. Outstanding bank guarantees for contract demand	244.56	165.68
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	861.05	1,412.29

NOTES

37 The Company operates in a single segment and in line with Ind AS - 108 - "Operating Segments", the operation of the Company fall under Chemical Business which is considered to be the only reportable business segment.

38. Related Party Disclosures

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:

Related Parties and Nature of Relationship

38.1 Name of the Related Parties and Nature of Relationship:

A. Enterprises own or significantly influenced by key managerial personnel or their relatives

Asahi Songwon Colors Limited
Skyways
Skyjet Aviation Private Limited
Akshar Silica Private Limited
Chhatral Environment Management System Private Limited
Munjal M. Jaykrishna HUF

NON-EXECUTIVE DIRECTORS

Mr. Gokul M. Jaykrishna - Director

EXECUTIVE OFFICERS

Mr. Meet Joshi - Company Secretary
Mr. Sunil Rane - CFO (upto 22.03.2020)
Mr. Amit D Soni - CFO (From 22.03.2020)

B. Key Managerial Personnel:

EXECUTIVE DIRECTORS

Mrs. Paru M. Jaykrishna - Chairperson & Managing Director
Mr. Munjal M. Jaykrishna - Jt. Managing Director & CEO
Mr. Ashok Barot - Director

C. Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna
Ms. Namrata Jaykrishna

38.2 Details of Transactions carried out with related parties referred to in note 38.1 above in the ordinary course of business (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Enterprises own or significantly influenced by key managerial personnel or their relatives		
Asahi Songwon Colors Limited		
Purchase of Goods	45.10	340.50
Sales of Goods	45.03	3.15
Skyways		
Rent Paid	1.86	1.86
Skyjet Aviation Private Limited		
Air Tickets booking services	58.26	75.59
Chhatral Environment Management System Private Limited		
Effluent Treatment Service Availed	468.68	436.05
Rent Income	4.96	4.13
Scrap Sales	9.55	3.82
Munjal M. Jaykrishna HUF		
Rent Paid	6.50	6.00
B. Key Managerial Personnel and their relatives		
Mrs. Paru M. Jaykrishna		
Remuneration, Allowances and Perquisites	65.95	81.10
Mr. Munjal M. Jaykrishna		
Remuneration, Allowances and Perquisites	77.92	76.80
Commission	25.50	64.00
Mr. Ashok Barot		
Director Sitting Fees	0.50	-
Salary and allowances	16.95	0.18
Mr. Meet Joshi		
Salary and allowances	7.33	5.37
Mr. Sunil Rane		
Salary and allowances upto 22.03.2020	17.29	17.39

NOTES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Mr. Amit D Soni		
Salary and allowances from 22.03.2020	0.82	-
Mr. Mrugesh Jaykrishna		
Consultancy	29.31	24.84
Ms. Namrata Jaykrishna		
Salary and allowances	13.08	10.78

Remuneration does not include the provision made for gratuity, as they are determined on an actuarial basis for the company as a whole
Income and expenses are inclusive of applicable tax

38.3 Outstanding Balance with Related Parties

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payables/(Receivable)		
Asahi Songwon Colors Limited	(96.75)	44.96
Skyways	0.14	0.14
Skyjet Aviation Pvt. Ltd.	2.07	2.78
Chhatral Environment Mgt Sysytems Pvt. Ltd.	55.09	26.49
Munjal M. Jaykrishna H.U.F.	0.68	0.45
Mr. Munjal M. Jaykrishna	12.64	14.30
Mr. Mrugesh Jaykrishna	2.24	1.86
Ms. Namrata Jaykrishna	1.58	0.72
Mr. Ashok Barot	1.02	0.14
Mr. Sunil Rane	0.76	1.08
Mr. Amit D Soni	0.74	-
Mr. Meet Joshi	0.34	0.36

39. As at March 31, 2020, the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

39.1 Dividend on equity shares paid during the year

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Final Dividend for the Financial Year 2018-2019 (Previous Year 2017-18) Rs. 3.50 (Previous Year Rs. 3.50) per equity shares of Rs. 10/- each)	287.09	287.09
Dividend distribution tax on final (Prevoius year final) dividend	59.01	59.06
Interim dividend for the Financial Year 2019-2020 Rs. 3.50 (Previous Year Rs. Nil) per equity shares of Rs. 10/- each)	287.09	-
Dividend distribution tax on Interim (Prevoius Year Nil) dividend	59.01	-

NOTES

40. Disclosures as Required by Indian Accounting Standard (Ind-AS) 19 "Employee Benefits"

(a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Employer's contribution to Provident & other Fund	43.17	35.29

(b) Defined benefit plan

Details of defined benefit obligation and plan assets in respect of retiring gratuity are given below :

i) Change in the Defined Benefit Obligation

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Define Benefit Obligation at the beginning	239.52	226.02
Current Service Cost	18.32	14.52
Interest Cost	19.12	17.97
Benefits Paid	(1.08)	(2.80)
Actuarial (Loss)/Gain on Obligation	0.18	(16.19)
Define Benefit Obligation at the end	276.06	239.52

ii) Change in the fair value of Plan Assets

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Fair Value of plan assets at the beginning	240.34	220.45
Expected Return on Plan Assets	19.18	17.75
Employer Contributions	-	5.57
Benefits paid	(1.08)	(2.80)
Actuarial Gain/(Loss) on the Plan Assets	(1.00)	(0.62)
Fair Value of plan assets at the end	257.45	240.34

iii) Net Liability/(Asset) recognized in Balance Sheet

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Present value of funded defined benefit obligation at the year end	276.06	239.52
Fair Value of plan assets at the year end	257.45	240.34
Amount recognized in Balance Sheet	18.61	(0.82)

iv) Expenses recognised in Statement of Profit & Loss

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Current Service Cost	18.32	14.52
Interest Cost on Obligation	19.12	17.97
Expected Return on Plan Asset	(19.18)	(17.75)
Defined Benefit Cost included in Statement of Profit & Loss	18.26	14.74

v) Amount recognised in Other Comprehensive Income for the year

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Remeasurements due to experience adjustments	0.18	(16.19)
Return on plan assets	1.00	0.62
Total remeasurements in OCI	1.18	(15.56)

vi) Actuarial Assumptions

Financial/Demographic Assumptions :

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability Rate (as % of mortality Rate)	0.00%	0.00%
Withdrawal Rate	2.00%	2.00%
Discount Rate (Per Annum)	6.77%	8.00%
Salary Growth Rate (Per Annum)	8.00%	8.00%

NOTES
vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis on defined benefit obligation is given below :

Particulars	March 31, 2020	March 31, 2019
Sensitivity Level - Discount Rate		
1% Increase	-6.20%	-5.60%
1% Decrease	7.20%	6.50%
Sensitivity Level - Salary Escalation		
1% Increase	7.80%	7.30%
1% Decrease	-6.90%	-6.40%
Sensitivity Level - Employee Turnover		
1% Increase	-0.70%	-0.10%
1% Decrease	0.80%	0.11%

viii) Major Categories of Plan Assets

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Insurance policies	100%	100%

41. Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under:

a. Gross amount required to be spent by the Company during the year: Rs. 54.82 Lakhs (Previous year Rs. 34.73 Lakhs)

b. Amount spent and utilized during the year on:

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	92.84	-	92.84	81.88	-	81.88
Total	92.84	-	92.84	81.88	-	81.88

42. Financial Risk Management - Objectives and Policies

The Company's financial liabilities comprise other than derivatives mainly of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, other balances with banks, loans, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities are exposed to Credit risk, Liquidity Risk and Market risk.

The Board of directors of the Company are overall responsible for the establishment and oversight of the company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

42.1 Credit Risk Management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables and Loans

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the company.

The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days for customers. More than 85% of the company's customers have been transacting with the company for over five years, and none of these customers' balances are credit-impaired at the reporting date.

Confirmation of balances from Debtors & Loans and Advances received, are being reconciled.

Cash and Cash Equivalents

The company holds cash and cash equivalents of Rs. 21.55 Lakhs at March 31, 2020 (P.Y. Rs. 24.23 Lakhs). The cash and cash equivalents are held with bank and cash on hand.

NOTES

42.2 Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company uses process costing to cost its products, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

42.3 Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

42.4 Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Change in basis points	Impact on PAT	
		(₹ in Lakhs)	
		As at 31-03-2020	As at 31-03-2019
Working Capital Facilities from Bank	0.5%	4.52	3.75
	-0.5%	(4.52)	(3.75)

42.5 Foreign Currency Risk

The company operates internationally and is exposed to currency risk on account of its receivables in foreign currency. The functional currency of the company is Indian Rupee. The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company does not use derivative financial instruments for trading or speculative purposes.

I. Foreign Currency Exposure

(In Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	USD	Euro	GBP	USD	Euro	GBP
Financial Assets						
Trade & Other Receivables	23.95	1.61	0.15	35.57	-	-
Less: Forward Contract for selling foreign currency	(23.95)	(1.60)	-	(5.00)	-	-
Total	-	0.01	0.15	30.57	-	-
Financial Liabilities	-	-	-	-	-	-
Net Exposure	-	0.01	0.15	30.57	-	-

II. Foreign Currency Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments as below:

Particulars	Movement in Rate	Impact on PAT	
		(₹ in Lakhs)	
		2019-20	2018-19
USD	5%	-	68.76
USD	- 5%	-	(68.76)
EURO	5%	0.04	-
EURO	- 5%	(0.04)	-
GBP	5%	0.49	-
GBP	- 5%	(0.49)	-

NOTES
42.6 Price Risk
Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.
(₹ in Lakhs)

Particulars	Movement in Rate	Impact on PAT	
		2019-20	2018-19
Equity Shares (Quoted)	3%	0.18	38.99
Equity Shares (Quoted)	-3%	(0.18)	(38.99)

Commodity Price Risk

Principal Raw Material for company's products is Acetanilide, CPC Blue & Ethylene Oxide. Company sources its raw material requirements from domestic markets. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of Acetanilide, CPC Blue & Ethylene Oxide by Rs. 1 per kg on profit for the period.

Particulars	Impact on PAT	
	2019-20	2018-19
Rs. 1 decrease in price of Acetanilide	24.08	25.29
Rs. 1 Increase in price of Acetanilide	(24.08)	(25.29)
Rs. 1 decrease in price of CPC Blue	6.72	6.42
Rs. 1 Increase in price of CPC Blue	(6.72)	(6.42)
Rs. 1 decrease in price of Ethylene Oxide	13.47	14.75
Rs. 1 Increase in price of Ethylene Oxide	(13.47)	(14.75)

43. Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total equity plus debt.

Particulars	Impact on PAT	
	As at March 31, 2020	As at March 31, 2019
Borrowings	1,275.61	1,152.57
Less: Cash & Cash Equivalents Including investment in Liquid Fund.	21.55	24.23
Net Debt (A)	1,254.06	1,128.34
Total Equity	26,531.24	24,831.82
Equity and Net Debt (B)	27,785.30	25,960.16
Gearing Ratio (A/B)	0.05	0.04

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2020, the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020.

44. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the balance sheet, if realised in the ordinary course of the business. Provision for depreciation and all known liabilities have been made in accounts.

45. In terms of Ind As 36 – Impairment of Assets issued by ICAI, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.

46. Financial Instruments - Fair Values & Risk Management

NOTES

46.1 Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

- The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
- Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
- The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.
- The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:
 - Level 1** : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2** : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

I. Figures as at March 31, 2019

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	100.11	-	100.11
Security Deposits (Non-Current)	204.51	-	204.51
Trade Receivables	3,813.23	-	3,813.23
Cash and Cash Equivalents	24.23	-	24.23
Bank Balances Other than Cash and Cash Equivalents	197.20	-	197.20
Other Current Financial Assets	16.87	-	16.87
TOTAL	4,356.16	-	4,356.16
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	1,594.65	1,594.65	-
TOTAL	1,594.65	1,594.65	-
Financial assets at fair value through other comprehensive income			
Investments (Non-Current)	403.21	403.21	-
TOTAL	403.21	403.21	-
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	-	-	-
Borrowings (Current)	1,152.57	-	1,152.57
Trade Payables	-	-	-
Other financial liabilities	57.20	-	57.20
TOTAL	1,209.77	-	1,209.77

II. Figures as at March 31, 2020

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	100.11	-	100.11
Security Deposits (Non-Current)	114.10	-	114.10
Trade Receivables	2,975.17	-	2,975.17
Cash and Cash Equivalents	21.55	-	21.55
Bank Balances Other than Cash and Cash Equivalents	139.24	-	139.24
Other Current Financial Assets	34.93	-	34.93
TOTAL	3,385.09	-	3,385.09
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	8.43	8.43	-
TOTAL	8.43	8.43	-
Financial assets at fair value through other comprehensive income			
Investments (Non-Current)	-	-	-
TOTAL	-	-	-
Financial liabilities at amortised cost:			
Borrowings (Current)	1,275.61	-	1,275.61
Trade Payables	-	-	-
Other financial liabilities	81.99	-	81.99
TOTAL	1,357.60	-	1,357.60

47 The operations of the Company were affected due to announcement of lockdown by Government of India. The manufacturing facility of the Company were suspended and have been partially functional with effect from 22nd April, 2020 with the permissions and as per operating guidelines issued by Ministry of Home Affairs (MHA). The Company has adhered to the guidelines issued by Government and complying with all safety measures to safeguard the employees from COVID-19 disease. The Company has also formulated policy for work from home for majority of the employees except for employees associated with manufacturing activity.

Further due to COVID-19 and lockdown announced by the Government, being the non-essential product, the textile market has affected and also shops and malls are shut due to this pandemic. The demand for textile has subdued which ultimately affect the business of the Company.

48 Previous year's figures have been regrouped/re-arranged/recasted, wherever necessary, so as to make them comparable with current year's figures.

As per our Report of even date attached.

For, Mahendra N. Shah & Co.
Chartered Accountants
Firm Registration No. 105775W

Amit D. Soni
Chief Financial Officer

Chirag M. Shah
(Partner)
Membership No. 045706

Meet J. Joshi
Company Secretary

Place : Ahmedabad
Date: June 30, 2020

For and on behalf of the Board of Directors
AksharChem (India) Limited

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

Munjal M. Jaykrishna
Jt. Managing Director & CEO
DIN: 00671693

Place : Indrad, Mehsana
Date: June 30, 2020

Corporate Information

Board of Directors

Mrs. Paru M. Jaykrishna
Chairperson & Mg. Director

Mr. Gautam M. Jain

Dr. Pradeep J. Jha

Mr. Jigar M. Patel

Ms. Maitri K. Mehta

Mr. Gokul M. Jaykrishna

Mr. Munjal M. Jaykrishna
Jt. Managing Director & CEO

Mr. Ashok D. Barot

Chief Financial Officer

Mr. Amit Soni

Company Secretary & Compliance Officer

Mr. Meet J. Joshi

Auditor

M/s. Mahendra N. Shah & Co.
Chartered Accountants
Ahmedabad

Registered Office

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

Works

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

Bankers

State Bank of India

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai - 400 083
Ph: 022 49186270

AksharChem[®]

AKSHARCHEM (INDIA) LIMITED
CIN: L24110GJ1989PLC012441

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