



AksharChem

AksharChem (India) Ltd.

[Formerly Known as Audichem (India) Ltd.]

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



BOARD OF DIRECTORS

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

AUDITORS

M/s. TRUSHIT CHOKSHI & ASSOCIATES

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE & WORKS

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

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NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

By order of the Board of Directors

Place : Indrad, Mehsana

Date : 07/07/2011

Registered Office :

166-169, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 727 (India)

Mrs. Paru M. Jaykrishna

Chairperson and Managing Director

NOTES

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

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

ANNEXURE TO THE NOTICE

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

Name of Director	Mr. Param J. Shah	Prof. Pradeep Jha	Mr. Gurcharan Singh	Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna
Designation	Independent Director	Independent Director	Independent Director	Executive Director	Executive Director
Date of Birth	30/12/1980	28/11/1945	03/12/1949	05/08/1943	24/10/1968
Date of Appointment	13/08/2010	28/05/2002	07/07/2011	04/07/1989	01/01/1994
Expertise in specific functional areas	Academician with over 11 years experience. He has wide knowledge in Finance and Law.	Academician with over 34 years experience. He is senior Professor of Mathematics.	Retd IAS Officer, worked as additional chief secretary of the Government of Gujarat	Experience of more than 39 years in the business of travel and chemicals.	He possesses rich experience of more than 22 years in Finance and Marketing
Qualification and Experience	MBA, M. Com, LLB	M. Sc (Maths)	B.Sc. LLB	MA, LLB	Major in Finance and Marketing
No of Equity Shares held as on 31.03.2011	Nil	Nil	Nil	853271	431843
List of outside Company Directorship held	Nil	Asahi Songwon Colors Limited	Nil	Nil	Nil
Chairman / Member of Committees of the Board of Directors of the Company	<ul style="list-style-type: none"> - Audit committee. - Remuneration committee. - Shareholders / Investors Grievances Committee. 	<ul style="list-style-type: none"> - Audit committee. - Remuneration committee. - Shareholders / Investors Grievances Committee. 	Nil	Nil	Nil
Chairman / Member of Committees of Directors of Companies in which he/she is a Director					
a) Audit Committee	Nil	Asahi Songwon Colors Ltd	Nil	Nil	Nil
b) Shareholders/ Investors Grievance Committee	Nil	Asahi Songwon Colors Ltd	Nil	Asahi Songwon Colors Ltd	Nil

ANNEXURE TO THE NOTICE

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

Item No. 5

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

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

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

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

Item No. 6

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

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

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

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

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

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

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

Category "A"

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

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Explanation :

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

b. Medical Reimbursement :

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

c. Leave Travel Concession :

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

d. Insurance :

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

e. Club Fees :

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

f. Entertainment Expenses :

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

Explanation:

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

Category "B" :

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

Category "C" :

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

4. Overall Remuneration:

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

5. Minimum Remuneration:

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

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

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

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

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

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

Item No. 7

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

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

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

Explanation :

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

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

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d. Insurance :

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

e. Club Fees :

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

f. Entertainment Expenses :

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

Explanation :

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

Category "B" :

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

Category "C" :

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

4. Overall Remuneration:

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

5. Minimum Remuneration:

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

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

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

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

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

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

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

By order of the Board of Directors

Place : Indrad, Mehsana

Date : 07/07/2011

Registered Office :

166-169, Village Indrad

Kadi – Kalol Road, Dist : Mehsana

Gujarat – 382 727 (India)

Mrs. Paru M. Jaykrishna

Chairperson and Managing Director