

BOARD OF DIRECTORS

Mr. Yogesh Kothari	Chairman
Mr. Amit Mehta	Vice Chairman
Mr. Girish R. Satarkar	Executive Director
Mr. G. G. Chendwankar	Director
Mr. Kirat Patel	Director
Mr. Rajendra Chhabra	Director
Mr. Dhruv Kaji	Director
Mr. G. S. Venkatachalam	Director
Dr. Ambrish Dalal	Director
Mr. Shreyas Mehta	Director

Assistant Company Secretary

Ms. Dimple Mehta

Auditors

BANSI S. MEHTA & CO.
Chartered Accountants
11-13, Botawala Building, 2nd floor,
Horniman circle, Fort, Mumbai – 400 001

Bankers

State Bank of India, Vadodara
Axis Bank Ltd., Vadodara

Registered Office & Works

Plot No. 13, PCC Area, P.O. Petrochemicals,
VADODARA - 391 346.
Tel : (91) (0265) - 2230 305 / 2230 406 / 2230 929
Fax : (91) (0265) - 2230 218
Email : info@dacl.co.in
Web Site : www.dacl.co.in

CONTENTS

Page

Financial Highlights	Inside Front Cover
Notice of Annual General Meeting	2-9
Directors' Report	10-25
Auditors' Report	26-29
Balance sheet	30
Statement of Profit and Loss	31
Cash flow statement	32
Notes on Financial Statements	33-50
Statement under Section 212	51
Consolidated Financial Statements	52-72

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting (AGM) of the members of Diamines and Chemicals Limited will be held at the Registered Office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 on Thursday, the **25th day of July, 2013 at 2:30 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend for the financial year ended 31st March 2013.
3. To appoint a Director in place of Mr. Amit Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ghanashyam Govind Chendwankar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Govindarajapuram Seshadri Venkatachalam who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Bansi S. Mehta & Co., Chartered Accountants, the retiring Auditors who are eligible for re-appointment, as Auditors of the Company from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and 311, read with Schedule XIII, Article 102, 103, 144 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and other statutory approval if any, Consent of the members of the Company be and is hereby accord to re-appoint Shri Girish R Satarkar as Executive Director of the Company for a period of three(3) years commencing from 1st April 2013 upto 31st March 2016, with a remuneration as recommended by the Remuneration Committee and approved by the Board of Directors of the Company and with such powers and duties as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Director to vary the terms and conditions of the said re-appointment, as may be agreed between the Board Members of the Company and Shri Girish R Satarkar.

RESOLVED FURTHER that the remuneration and perquisites set out in the aforesaid in the Explanatory Statement be paid to Shri Girish R Satarkar as minimum remuneration for a period of three (3) years w.e.f. 1st April 2013, notwithstanding that in any financial year of the company during the aforesaid period, the Company has made no profits or the profits made are inadequate.

RESOLVED FURTHER that the remuneration and perquisites including the monetary value thereof as specified in the Explanatory Statement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956 or any amendments thereof or re-enactments thereof between the Company and Shri Girish R Satarkar be suitably amended to give effect to the same in such manner as may be agreed between the Board and Shri Girish R Satarkar.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized, to accept and alter and vary the terms and conditions of the said re-appointment and remuneration of Mr. Girish R Satarkar or any amendments or modifications that may hereafter be suggested thereto by the members in General Meeting.”

Mumbai, Dated: May 7, 2013

REGISTERED OFFICE:

Plot No.13, PCC Area,
P.O. Petrochemicals,
Vadodara – 391 346.

By Order of the Board

Dimple Mehta
Assistant Company Secretary

NOTES:

1. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment for item no. 3 to 5, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business for item no. 7 to be transacted at the meeting, are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY GIVEN HEREUNDER, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 12-07-2013 to 25-07-2013 (both days inclusive).
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
6. Members who hold shares in dematerialization form, are requested to bring their depository account number for identification.
7. 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.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. to 1:00 p.m. up to the date of Meeting.
9. Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2013 when declared at the meeting will be paid on or after 5th August, 2013 :-
 - (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrar & Share Transfer Agent (RTA) on or before 11.07.2013, or
 - (ii) In respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 11.07.2013.
10. Members are requested to note that the final dividend for the year 2005-2006 which is not encashed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investors Education and Protection Fund after 30.07.2013. Members who have not encashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation as otherwise no claim thereafter shall lie against the Fund or the Company in respect of such unclaimed Dividend Amount.
11. Please note that pursuant to section 205 C of the Companies Act, 1956 all unclaimed / unpaid dividends upto January, 2006 has been transferred to the account of Central Government.
12. As mandated by the Securities and Exchange Board of India (SEBI), the Company will be providing NECS (National Electronic Clearing Services) facility to the shareholders whereby they will be able to receive their dividend by direct electronic credit to their bank account. In the absence of availing the option by the shareholder, the Company shall send warrants for dividends. Members are encouraged to utilise the Electronic Clearing Services / System (ECS), for receiving dividend, in case the Shares are held in dematerialized form.
13. Non-Resident Indian Shareholders are requested to inform the Company immediately:
 - (i) the change in the Residential Status on return to India for permanent settlement;
 - (ii) the particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
14. Members seeking any information or clarification on the Accounts and operation of the Company are requested to send in written queries to the Company, at least ten days before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.



15. Members are requested to immediately address their communications regarding transfer of shares, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's RTA:
M/s. MCS Limited,
1st Floor, Neelam Apartments,
88, Sampatrao Colony, Vadodara 390 007
Telephone (0265) 2339397 / 2314757
Fax: (0265) 2341639
email: mcsltbaroda@yahoo.com
16. Members holding shares in dematerialized form, may please note that while opening a depository account with participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
17. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filling Form 2B. Blank forms will be supplied by Company's RTA on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS, for consolidation into a single folio.
19. The Company has made bonus issue of equity shares at the AGM held on 12th July 2011 and has made an allotment of Bonus shares on 21.07.2011 to the shareholders, who were eligible. The Company's RTA has given three reminders from time to time to such shareholders at their latest address/es available with the Company's RTA. However, there are still such bonus shares which are unclaimed with the Company's RTA. Pursuant to Clause 5A of the Listing agreement, shares which are unclaimed after necessary reminders given to the shareholders, shall be credited to "Demat Suspense Account". The Company has already approached to the RTA for complying with Clause 5A of the listing agreement and the said matter is already under process. Hence, the Company request to such shareholders, who have not yet claimed such bonus shares, shall communicate the Company's RTA and claim such shares at their end on or before 31.10.2013.
20. As per the Circular of the Ministry of Corporate Affairs of "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Members, who hold the shares in dematerialized form are requested to register their email ids with their depository participants and the members holding the shares in physical form, are requested to register their email ids with the Company's RTA on the address given above.
21. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

Mumbai, Dated: May 7, 2013

REGISTERED OFFICE:

Plot No.13, PCC Area,
P.O. Petrochemicals,
Vadodara – 391 346.

By Order of the Board

Dimple Mehta
Assistant Company Secretary

ANNEXURE TO THE NOTICE

Explanatory statement under Corporate Governance.

ITEM NO.3:

Mr. Amit Mehta retires by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment.

Mr. Amit M. Mehta is the Vice Chairman of the Company since March 14, 2001. He is also one of the Promoters of the Company. Mr. Amit Mehta aged 59 years, is a successful businessman, having over 38 years' of experience in the business of chemicals. His skills and knowledge is of immense help to the Company in achieving desired sales target and in maintaining cordial relations with customers at large.

Mr. Amit Mehta holds 8,62,099 equity shares in the Company. Mr. Amit Mehta holds directorship in the following companies;

- | | |
|--|---|
| 1. Perfo Chem (I) Pvt. Ltd. | 2. S. Amit Speciality Chemicals Pvt. Ltd. |
| 3. Insight Health Scan Pvt. Ltd. | 4. Reaxa Chemistry Solution Pvt. Ltd. |
| 5. Topnotch Reality Pvt. Limited | 6. Hi-End Property Developers Pvt. Ltd. |
| 7. Pinami Reality Pvt. Ltd. | 8. Capelin Investment and Trading Pvt. Ltd. |
| 9. Diamines Speciality chemicals Pvt. Ltd. | 10. Finorga (I) Pvt. Ltd. |
| 11. Value Healthcare Ltd. | 12. Reaxa Ltd. |

It will be in the interest of the Company that Mr. Amit M Mehta continues as Director of the Company. Mr. Amit M. Mehta is interested in this resolution since it relates to his re-appointment.

Resolution placed at item No 3 of the accompanying notice is recommended for your approval.

ITEM NO.4:

Mr. G. G. Chendwankar retires by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment.

Mr. G. G. Chendwankar has been on the Board of the Company since, March 14, 2001. Mr. G. G. Chendwankar aged 74 years, is a post graduate in personnel management and has more than 46 years of rich experience in allied industries like textiles, engineering, chemicals and petrochemicals. He has been to his credit, of managing at senior management level, experience of about 30 years in managing affairs like HR, Administration, Industrial relations and other commercial matters and General Management. His skills and knowledge is of immense help to the Company.

Mr. G. G. Chendwankar holds 28,345 equity shares in the Company and he does not hold directorship in any other company.

It will be in the interest of the Company that Mr. G. G. Chendwankar continues as Director of the Company.

Mr. G. G. Chendwankar is interested in this resolution since it relates to his re-appointment.

Resolution placed at item No 4 of the accompanying notice is recommended for your approval.

ITEM NO. 5:

Mr. G. S. Venkatachalam retires by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment.

Mr. G. S. Venkatachalam has been on the Board of the Company since, May 12, 2008. Mr. G.S. Venkatachalam, aged 58 years, is a Chartered Accountant and has about 25 years of experience in various industries in India and abroad.

Mr. G. S. Venkatachalam holds 1,233 equity shares in the Company and he does not hold directorship in any other company.

It will be in the interest of the Company that Mr. G.S. Venkatachalam continues as Director of the Company.

Mr. G.S. Venkatachalam is interested in this resolution since it relates to his re-appointment.

Resolution placed at item No 5 of the accompanying notice is recommended for your approval.

ITEM NO. 7:

Shri Girish R Satarkar has re-appointed as Executive Director of the Company for a period of **three (3) years w.e.f. 1st April 2013** with such remuneration and other terms & condition as approved by Board of Directors at the Board Meeting held on 1st February 2013. The Remuneration Committee has considered the matter and recommended the reappointment of him to the Board, subject to the approval of members under various Sections of the Act read with Schedule- XIII of the Companies Act, 1956. He is possessing Master of Science (Technology) or M.Sc. (Tech) in Textiles Chemistry (from UDCT, now known as ICT) and Masters in Marketing Management, from Mumbai University, having more than 23 years of experience in his core area of competence, Sales & Marketing (Industrial), and has wide exposure to domestic and international markets. such as textile, engineering, chemical, petrochemical etc. He had been on various managerial and senior management positions for more than 10 years. He is with company as Executive Director of the Company since 13th April 2010. In view of the manifold increase in role and his responsibility, the Board approved the re-appointment of Shri Girish R Satarkar as a Executive Director for a period of three (3) years w.e.f. 1st April 2013. The details of the remuneration payable to Shri Girish R Satarkar, as Executive Director as contained in the Explanatory Statement are set out below:

A. Basic Salary: ₹ 1,40,000/- to ₹ 2,00,000/- Per Month

B. Perquisites/Amenities:

- (i) **HRA:** ₹ 56,000/- per month (not exceeding 40% p.m. of the Basic Salary)
- (ii) **Medical reimbursement:** Reimbursement of actual medical expenses/premium on Medclaim policy, incurred for self and family not exceeding ₹ 48,000/- per annum
- (iii) **Leave Travel Concession:** Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ₹ 54,000/- per annum.
- (iv) Company's Contribution to **Provident Fund** as per rules of the Company (not exceeding 12% p.m. of the Basic Salary) and Superannuation fund as per rules of the Company (not exceeding 8.33% [approximate] of the Basic salary)
- (v) **Gratuity** as per the rules of the Company (not exceeding 4.81% p.m. of the Basic Salary)
- (vi) **Driver Allowance** not exceeding ₹ 8,000/- per month
- (vii) Full use of Company car and driver,
- (viii) **Leave with full pay** and encashment of leave at the end of tenure.
- (ix) **Other Perquisites:**
Subject to overall ceiling on remuneration mentioned in Schedule XIII of the companies Act, 1956, he may be given any other allowances, benefits and perquisites as the Board of Directors may decide from time to time.
- (x) The Company shall pay commission on net profits at such percent to the Executive Director as determined by the Board from year to year provided that the total commission shall not exceed 0.25% of the net profits as calculated under the provisions of the Companies Act, 1956 or 25% of the annual basic salary, whichever is lower, provided that the total remuneration shall not exceed the ceiling limit mentioned in Schedule XIII of the Companies Act, 1956.

In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits.

The Executive Director shall be entitled to be reimbursed in respect of actual expenses incurred by him (including travelling and entertainment etc.) for and on behalf of the company.

Mr. Girish R Satarkar holds 675 equity shares in the Company and he does not hold directorship in any other company.

Note: For the purpose of this category 'family' means the spouse, the dependent children and dependent parents.

This statement containing following information is given as per Clause-B of section II of part II of Schedule XIII of the Companies Act, 1956.

I.	GENERAL INFORMATION:															
(1)	Nature of Industry	Manufacturing range of Ethylene amines at its factory situated at Plot. No. 13, P.C.C Area, P.O. Petrochemicals, Baroda – 391 346.														
(2)	Date of commencement of commercial production.	Existing Company and hence not applicable.														
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.														
(4)	Financial Performance based on given indicators. (As at 31st March 2013)	<table><tr><td>Particulars</td><td>₹ in Lacs</td></tr><tr><td>Turnover (Net Sales)</td><td>6411.36</td></tr><tr><td>Operating Profit</td><td>834.83</td></tr><tr><td>Net Profit Before Tax</td><td>170.04</td></tr><tr><td>Debt Equity Ratio</td><td>0.51</td></tr><tr><td>Current Ratio</td><td>1.04</td></tr><tr><td>Net Worth</td><td>3446</td></tr></table>	Particulars	₹ in Lacs	Turnover (Net Sales)	6411.36	Operating Profit	834.83	Net Profit Before Tax	170.04	Debt Equity Ratio	0.51	Current Ratio	1.04	Net Worth	3446
Particulars	₹ in Lacs															
Turnover (Net Sales)	6411.36															
Operating Profit	834.83															
Net Profit Before Tax	170.04															
Debt Equity Ratio	0.51															
Current Ratio	1.04															
Net Worth	3446															
(5)	Export Performance	The Company has achieved export Turnover FOB value of ₹ 297 Lacs for the financial year ended on 31.03.2013														
(6)	Foreign Investments or collaborators, if any	None														
II.	INFORMATION ABOUT THE APPOINTEE:															
(1)	Background Details	Shri Girish R Satarkar age 49 years, possesses Master of Science (Technology) or M.Sc. (Tech) in Textiles Chemistry (from UDCT, now known as (ICT) and Masters in Marketing Management, from Mumbai University, having more than 23 years of experience in his core area of competence, Industrial Marketing. He is with company since 15 th October, 2008. Prior to this he has worked in various companies which exposed him to different corporate cultures and thus has enriched his profile on understanding of human behavior and different business practices. With the help of his technical qualification and industrial marketing background, he has been instrumental in introducing various products and has helped in increasing the market shares and adding up capacities in various positions in different companies. He has wide experience of dealing in different industrial products such as Dyestuffs, Pigments, Textile Chemicals, Paints & Polymer Additives and specialty chemicals. Besides his core area of operations i.e. Marketing he was actively involved in other important functions such														

		as Administrator, Procurement, Vendor Development, Supply Chain Management and Logistics, Production Planning and in managing finance also. Thus, he has got insight and over view of major management functions. He is a widely-travelled person and has visited more than 14 countries giving him opportunity to enrich his experience in a variety of fields.
(2)	Past Remuneration	Remuneration paid for the Financial year 2012-13 was ₹ 24.81 Lacs.
(3)	Recognition or Awards	None
(4)	Job Profile and his suitability	Shri Girish R Satarkar as an Executive Director, is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company. He has vast experience in marketing, and effective policy formulations for efficient and smooth running of the company. He has wide knowledge of the industry and markets that the company operates in and has been instrumental in growth story of the company over the last few years.
(5)	Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with skills and experience of the appointee. Shri Girish R Satarkar has been re-appointed as Executive Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is not directly and/or indirectly related with Promoters and/or Directors of the Company.
III.	OTHER INFORMATION:	
(1)	Reasons of loss or inadequate profits.	Before acquisition of the Company, the Company was a Sick Company, having incurred huge losses. The losses or the inadequate profits presently shown in the Balance Sheet of the Company are the previous year's losses i.e. losses before acquisition of the Company by the present promoters.

	(2)	Steps taken or proposed to be taken for improvement	Since the acquisition the Company, it has been putting all its efforts, to improve its financial position. Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.
	(3)	Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
IV. DISCLOSURES:			
	(1)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable <i>has been made</i> in the Annual Report of the Company for the Financial Year 2012-13, <i>wherever applicable</i> .	

Re-appointment of Shri Girish R Satarkar as Executive Director of the company requires special majority of the members under Section 198, 269, 309, 310 and 311 read with provisions of sub-clause (B) of section II of part II of Schedule XIII of the Companies Act, 1956, for payment of remuneration. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

Consequently the said resolution for re-appointment of Shri Girish R Satarkar as Executive Director for a period of three (3) years w.e.f. 1st April 2013 on the remuneration as set out in the Explanatory Statement, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution for your approval.

As the resolution for re-appointment has been proposed for period of three (3) years w.e.f. 1st April 2013 with remuneration within the limits prescribed under Sub-Clause-B of section II of part II of Schedule XIII of the Act, calculated with reference to effective capital and hence the approval of Central Government is not required.

None of the Directors is in any way concerned or interested in the aforesaid resolution except Shri Girish R Satarkar and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 302 of the Companies Act, 1956, regarding re-appointment of Shri Girish R Satarkar as Executive Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

Mumbai, Dated: May 7, 2013

REGISTERED OFFICE:

Plot No.13, PCC Area,
P.O. Petrochemicals,
Vadodara – 391 346.

By Order of the Board

Dimple Mehta
Assistant Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors present their **37th Annual Report** together with the audited accounts for the financial year ended **31st March, 2013**.

1. FINANCIAL RESULTS:

	(₹ in Lacs)	
	Current Year 31.03.13	Previous Year 31.03.12
Total Income (Gross)	6411.36	7290.35
Operating Profit before interest and depreciation	834.83	1077.91
Interest and other financial charges	381.12	358.66
Profit before depreciation	453.71	719.25
Depreciation & Amortization	238.70	215.80
Profit after interest & depreciation	215.01	503.45
Less: Provision for taxation	44.97	143.03
Profit after Tax available for distribution	170.04	360.42
Proposed Dividend (including Dividend Tax)	57.22	113.70
Balance of P&L A/c for the year	112.82	246.72
Credit balance of P&L A/c carried forward from last year	1528.17	1281.47
Profit/ (Loss) carried to Balance Sheet.	1640.99	1528.17

2. OPERATIONS:

Your Company's total revenue for the year 2012-13 (net of excise) amounted to ₹ 5763.32 lacs as compared to ₹ 6723.86 lacs of last year. The result for the year shows net profit after tax of ₹ 170.04 lacs as compared to the net profit of ₹ 360.42 lacs in the previous year.

Further details of operations are given in the management discussion and analysis report, which forms part of this report.

3. DIVIDEND:

Considering the financial results achieved during the year under review, the Board of Directors has recommended the dividend on 97,83,240 Equity shares @ 5% {₹ 0.50 per share (5%) Previous Year ₹ 1/- per share (10%)} for the financial year 2012-13 out of the net profit available for distribution.

4. TRANSFERTO STATUTORY RESERVE

In accordance with the statutory provisions and companies (Transfer of Profit to Reserves) Rules, 1975, the Company was not required to transfer any profit to Reserves during the period under review.

5. FIXED DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under during the year.

6. CORPORATE GOVERNANCE:

As per various amendments made in clause 49 of the Listing Agreement the Company has adopted the Code of conduct which is also available on the website of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.

Pursuant to the clause 49 of the Listing Agreement, a separate section forming part of this report and titled as “Corporate Governance” is attached herewith.

7. PARTICULARS OF EMPLOYEES:

There is no employee attracting the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

8. BOARD OF DIRECTORS:

Mr. Amit Mehta, Mr. Ghanashyam Govind Chendwankar and Mr. Govindarajapuram Seshadri Venkatachalam are directors liable to retire by rotation at the ensuing AGM and being eligible, have expressed their willingness to be re-appointed as directors.

Your Directors recommend re-appointment of these Directors.

9. FINANCE:

During the year under review, your company has been sanctioned Corporate loan to the tune of ₹ 5.00 Crores on 21.01.2013 from the State Bank of India, aggregating total credit facilities to the tune of ₹ 44.35 Crores to meet its liquidity requirement.

10. DIRECTORS’ RESPONSIBILITY STATEMENT:

Pursuant to the requirement of section 217(2AA) of the Companies Act, 1956, with regard to Directors’ Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) The accounting policies selected have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2013 and of the Profit of the Company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities;
- (d) The Annual Accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

11. AUDITORS:

M/s. Bansi S. Mehta & Co., Chartered Accountants, Auditors of the Company who retire at the forthcoming AGM are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment.

12. AUDITORS’ REPORT:

In the opinion of the directors, the notes to the accounts are self-explanatory and adequately explain the matters, which are dealt with by the auditors.

13. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under subsection 1(e) of Section 217 of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in the Annexure – 1 (Form-A & B) in this report.

14. INFORMATION TECHNOLOGY:

The Company has set up an integrated on-line information system in all major operating areas. The Company has also adopted Enterprise Resource Planning (ERP) to enhance efficiency at overall organization level to improve accuracy of data generation.

15. INDUSTRIAL RELATIONS:

The Company has been regularly monitoring its policy for enhancement in the skills of its employees by providing need-based training.

Industrial Relations between the management & the employees at all levels remained healthy and cordial throughout the year, resulting in constant co – operation by all the employees in day to day work and implementing policies of your Company.

16. COMPANYS' QUALITY SYSTEM (ISO-9001:2008)

Your Company is certified for ISO 9001:2008 for "Manufacture and Sale of Amine based Industrial Chemicals". There was surveillance audit since the Company's certification by internationally reputed M/s. BVC. In terms of improvement of effectiveness of QMS and its processes, system updated as per 9001:2008. Documentation changed to 3 levels of all the departments. In the current year also M/s. BVC had conducted their audit to upgrade our existing certificate as per ISO: 9001:2008 Guidelines and had certified for certification as per ISO: 9001:2008 QMS.

The ISO 9001:2008 certification has enabled your Company to project a better image and inspire greater confidence amongst its customers & other business associates.

17. SAFETY & ENVIRONMENT:

Your Company believes in maintaining highest standards of safety. The Company is committed to operating plants with safety features in mind, using safe working procedures and practices, meeting the applicable statutory requirements in all respects, monitoring the plant and ambient environment to maintain a clean and safe environment in and around the plants and conducting periodical safety audits as well as medical check-up of employees. Safety training is imparted regularly for personnel working in the plant. This well planned training cultivates safety awareness in employees, which ultimately results in prevention of accidents. Necessary Personal Protection Equipments are available at site. The upgraded liquid effluent treatment facilities are properly maintained & liquid & air pollution standards are always maintained below the permissible level as set by the Gujarat Pollution Control Board. The Company has installed Fire Hydrant System in certain sections of its plant considering fire hazard to enhance safety and security of its plant & its workers.

18. LISTING DETAILS:

At present, your Company's securities are listed on:

Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400 001.

Code No. 500120

The Company has paid the annual listing fees to the above Stock Exchange for the financial year **2013–2014**.

19. DETAILS REGARDING DEPOSITORY:

Your Company has an Agreement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of its Equity Shares in accordance with the provisions of the Depository Act, 1996. As on date, approximately **94%** of the shares are held in the dematerialized form.

20. AGENCY FOR SHARETRANSFER / DEMAT PURPOSE:

Pursuant to SEBI Directive in respect of appointment of Common Agency for both DEMAT & Physical Share Transfer work, your Company has appointed and continued with **M/s. MCS Ltd.**, 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara 390 007, as a RTA for both DEMAT & Physical Share Transfer work w.e.f. 1st April, 2003. Accordingly, all the shareholders are requested to take note of the same and send all future correspondences / queries to the M/s. MCS Ltd., at the above mentioned address.

21. SUBSIDIARY COMPANY:

Pursuant to Accounting Standard AS 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presents by the Company include the financial information of Diamines Speciality Chemicals Pvt. Ltd. Further, the Company has decided to take benefit of MCA's circular no. 51/12/2007-CL-III dated 8th February 2011 for exemption in respect of mandatory attachment of balance sheet of subsidiary company U/s 212 of the Companies Act, 1956. The Annual Accounts of the Subsidiary company are available for inspection by any member at the registered office during business hours. The Company will send copies thereof to the shareholders who may, if required, write to the company.

22. ACKNOWLEDGEMENT:

Your Directors thank the Company's valued customers and various Government, Semi-Government and Local Authorities, Suppliers and other business associates, Vendors, as well as the various Banks for their continued support to the Company's growth and look forward to their continued support in the future also.

Your Directors place on record their appreciation of the contribution made by the employees at all levels across the Company towards the efficient working and operations of the Company. Last but not the least, the Board of Directors wish to thank the Investor Shareholders for their unstinted support, co-operation and faith in the Company.

For and on behalf of the Board

Mumbai, Dated: May 7, 2013

AMIT MEHTA
Vice Chairman

KIRAT PATEL
Director

ANNEXURE - 1 FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2012 – 13	Previous Year 2011 – 12
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased Unit	2002020	2387655
Total Amount (₹ in lacs)	132.03	146.41
Rate/Unit (₹)	6.59	6.13
b) Own Generation		
Through Diesel generator		
Units	39888	17104
Units/Ltr. of Diesel Oil	3.43	2.85
Cost/Unit (₹)	15.13	13.18
Coal		
Quantity in tonnes	3913	6403
Total Cost (₹ in lacs)	215.55	383.26
Average Rate ₹/Tonne	5508	5985
LDO & FO		
Quantity (In Tonnes)	472	576
Total cost (₹ in lacs)	202.09	227.20
Average Rate ₹ / Tonne	42815	39445
Generation through Wind Turbine Generator		
Units (KWH in thousand)	5488.02	4859.51
Total Amount (₹ in lacs)	243.92	209.93
Average Generation Rate (₹ / Unit)	4.44	4.32
B. CONSUMPTION PERTONNE OF PRODUCTION		
Production of Speciality Chemicals (MT)	1853	1587
Electricity (Unit)	1080	1504
Coal (Tonnes)	2.11	4.03
FO/LDO (Tonnes)	0.25	0.36

FORM – B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF
TECHNOLOGY, RESEARCH & DEVELOPMENT

I TECHNOLOGY ABSORPTION / DEVELOPMENT :

(A) Specific areas of significance in which R&D work was carried out by the Company :

1. Commercialization of EDC Plant.
2. Produced higher homologues of Ethyleneamines TETA and PA-M of international quality
3. Development of Piperazine derivatives in Pilot scale.
4. Development alternate routes for the synthesis of Ethyleneamines in lab scale
5. Providing Technical support to marketing department.
6. Technical support to QA department for improving the quality of products.

(B) Benefits derived from R&D:

1. Improved the quality as well as shelf life of existing products.
2. Commercialization of Technologies developed
3. Technical support provided to production, marketing, and QA department to improve the business of the company.

(C) Future plans of Action:

1. Development of Piperazine derivatives.
2. Development of Value added products from EDA.
3. To produce higher homologues of Ethyleneamines of international quality.
4. Alternate routes for the synthesis of Ethyleneamines.

(D) Expenditure on R&D:

- | | | |
|--------------------------|---|-------------------------|
| a) Capital | : | ₹ 47392 |
| b) Revenue | : | ₹ 2207610 |
| c) Total | : | ₹ 2255002 |
| d) Total R&D expenditure | : | 0.39% of total turnover |

(E) Technology absorption, adoption and innovation:

1. Efforts towards technology absorption and innovation – As stated above.
2. Benefits derived as results of the above efforts – As stated above.
3. Absorption and adoption of imported technology – Not Applicable.

II FOREIGN EXCHANGE EARNINGS AND OUTGO:

Year ended March 31	2013 (In ₹)	2012 (In ₹)
Foreign Exchange Earnings	2,97,53,664	9,44,53,391
Foreign Exchange Outgo	22,69,51,143	28,21,59,246



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

Your Company is a leading producer of Ethyleneamines in India having a plant at PCC Area, P.O. Petrochemicals, Vadodara. Our products find application in important industry segments like pharmaceuticals, agro-chemicals, dyes & pigments, etc. The day-to-day management of the Company is supervised by the Executive Director assisted by a team of competent technical & commercial professionals. Further details of the Company can be obtained by visiting the website www.dacl.co.in.

Performance:

Total revenue (net of excise) for the year 2012–2013 amounted to ₹ 5763.32 lacs compared to ₹ 6723.86 lacs of the previous year. Sales in quantity terms amounted to 2242.158 MT compared to 1876.915 MT for the year 2011–12. During the year, your Company has made exports of its products amounting to ₹ 297.53 lacs.

Opportunities, Threats, Risks and Concerns:

As is normal and prevalent for any business, the Company do face competition from large-scale imports. There can be risks inherent in meeting unforeseen situations, not uncommon in the industry. Your Company is fully aware of these challenges and is geared to meet them.

Your Company also recognizes the risks associated with business and would take adequate measures to address the associated risks and concerns. Some of these factors include competition from multinational companies, duty free imports by customers against export obligations, our pricing strategy being mainly dependent on import tariffs and dependence on imported raw material.

Financial Performance with Respect to Operational Performance:

The operating profit for the current year before depreciation, interest and tax stands at ₹ 834.83 lacs as compared to ₹ 1077.91 lacs, last year.

Internal Control Systems and their adequacy:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. The internal control systems are supplemented by an extensive programmer of internal audits, review by management, guidelines & procedures.

Company's control systems are time tested, documented and recognized under ISO Certification. On the financial side, periodic audits by Internal Auditors and External Auditors provide a means whereby weaknesses are exposed and rectified.

The Company has an independent internal audit system, covering on a continuous basis, the entire gamut of operations and services spanning major business functions. The internal audit functions include evaluation of all financial & major operating system controls. The internal audit findings and recommendations are reviewed by the Audit Committee and are then reported to the Board.

Human Resource/Industrial Relations:

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management and the employees at all levels remained healthy and cordial throughout the year. The Management and the Employees are dedicated to achieve the corporate objectives and the targets set before the Company.

Business Outlook:

The year 2013- 2014 offers a mixed picture in terms of the growth in all segments in comparison with previous years due to upheavals in the economy especially in the Chemical Industry. Your Company is preparing for the scenario in the adequate manner and hopes to see the repetition of performance. Your Company has also identified and is focusing on some of its specialty products that would add to its application areas and increase the turnover.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations are "forward looking statements". Actual results might differ materially from those anticipated because of changing ground realities.

Mumbai, Dated: May 7, 2013

For and on behalf of the Board
AMIT MEHTA **KIRAT PATEL**
Vice Chairman *Director*

CORPORATE GOVERNANCE

Your Company has always followed fair business and corporate practices. The Company believes that good Corporate Governance is a key factor in achieving long-term growth and success and helps build the confidence in the Company's integrity.

BOARD OF DIRECTORS AND ITS COMPOSITION:

The Board of Directors of the Company comprises of 9 Non-Executive Directors and 1 Executive Director and amongst them 6 are Independent Directors, who bring in a wide range of skills and experience. The Board Members consists of persons with professional expertise and experience in various fields of Chemicals, Marketing, Finance, Management, Accountancy, etc. and the composition of the Board is in conformity with the amendments in the Listing Agreement. The Board members are not inter-se related to each other.

Details of the Board of Directors are as under:

1.	Mr. Yogesh M. Kothari	Chairman
2.	Mr. Amit M. Mehta	Vice Chairman
3.	Mr. Girish R. Satarkar	Executive Director
4.	Mr. G.G.Chendwankar	Director
5.	Mr. Kirat Patel	Director
6.	Mr. Dhruv Kaji	Director
7.	Mr. Rajendra Chhabra	Director
8.	Mr. G.S. Venkatachalam	Director
9.	Dr. Ambrish Dalal	Director
10.	Mr. Shreyas Mehta	Director

RESPONSIBILITIES OF BOARD OF DIRECTORS:

The Board has a variety of matters related to the operations of the Company for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to Shareholders. During the year under review, the Board met 4 {Four} times.

The Board of Directors ensures that their other responsibilities do not materially impact their responsibility as Directors of the Company. The Company has not entered into any materially significant transactions with its Directors or their relatives, etc. which affects the interest of the Company.

ROLE OF INDEPENDENT DIRECTORS:

The Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the fields of Chemicals, Technology, Management, Finance, Accountancy, etc.

TENURE OF BOARD OF DIRECTORS:

As per the provisions under section 255 of the Companies Act, 1956, and as per article 109 of the Articles of Association of the Company, Every year one third of the total strength of the Board, liable to retire by rotation. The Directors, who are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Amit Mehta, Mr. Ghanashyam Govind Chendwankar and Mr. Govindarajapuram Seshadri Venkatachalam retire by rotation at the ensuing AGM and being eligible offer themselves for re-appointment.

BOARD MEETINGS:

The meetings of the Board of Directors are generally held at Mumbai & Vadodara. Meetings are scheduled well in advance. The Board meets at least once in three months to review the quarterly performance and the financial results of the Company. The Members of the Board have access to all information on the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management persons are also invited to attend the Board meetings and provide clarifications as and when required.

During the year under review, 4 Board Meetings were held viz: 17/05/2012, 09/08/2012, 07/11/2012 and 01/02/2013. Details of attendance at the Board Meetings and Annual General Meeting for each Director along with their other Directorships are as stated herein below:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended out of 4 held	Attended last AGM held on 09/08/2012
1	Mr. Yogesh M. Kothari	Chairman – NED / PD	4	Yes
2	Mr. Amit M. Mehta	Vice Chairman – NED/PD	4	Yes
3	Mr. G. G. Chendwankar	NED – I	4	Yes
4	Mr. Kirat Patel	NED	4	Yes
5	Mr. Dhruv Kaji	NED – I	2	Yes
6	Mr. Rajendra Chhabra	NED – I	4	Yes
7	Mr. G.S.Venkatachalam	NED – I	4	Yes
8	Dr. Ambrish Dalal	NED – I	3	No
9	Mr. Shreyas Mehta	NED – I	1	No
10	Mr. Girish R. Satarkar	ED	4	Yes

ED-Executive Director

NED-Non-Executive Director

NED-I : Non-Executive & Independent Director

PD – Promoter Director

*Mr. G. G. Chendwankar has been appointed as Independent & Non-Executive Director of the company with effect from 1st April, 2012.

The Chairman is Promoter and Non-Executive Director, and hence half of the board consists of Independent Directors.

Details of Number of Directorships in other Bodies Corporate and Chairmanship(s)/Membership(s) held in Committees of Public Limited Companies:

Name of the Director(s)	No. of Directorships in other Companies (Excluding Pvt. Cos.)*	No. of Chairmanship(s) and Membership(s) of Committees of Public Ltd. Cos. Including DACL**	
		Chairmanship in Committees in which Directors are Members	Memberships in Committees of Companies in which they hold Directorships
Mr. Yogesh M. Kothari	4	1	1
Mr. Amit M. Mehta	3	–	–
Mr. G. G. Chendwankar	–	–	2
Mr. Kirat Patel	3	–	2
Mr. Dhruv Kaji	2	–	–
Mr. Rajendra Chhabra	2	1	1
Mr. G.S.Venkatachalam	–	–	1
Dr. Ambrish Dalal	–	–	–
Mr. Shreyas Mehta	1	1	–
Mr. Girish R. Satarkar	–	–	–

* Excluding Diamines and Chemicals Limited.

** The committees mentioned above includes only Audit Committee, Shareholders /Investors' Grievance Committee.

None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Clause 49 of the Listing Agreement nor was a Chairman of more than five such committees across all companies in which he was a director.

BOARD COMMITTEES:

To enable better and more focused attention on the affairs of the Company, the Board has appointed the following Committees:

Audit Committee:

The Audit Committee was formed on 14th March, 2001. The quorum of the said Audit Committee Meetings is 2 members.

The present composition of the Committee is as stated below:

Name	Designation	Category
Mr. Rajendra Chhabra	Chairman	Non-Executive & Independent Director
Mr. G. G. Chendwankar	Member	Non-Executive & Independent Director
Mr. G. S. Venkatachalam	Member	Non-Executive & Independent Director
Mr. Kirat Patel	Member	Non-Executive Director

The terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March, 2013.

The Deputy General Manager (F&A) and Internal Auditor are permanent invitees to the Committee Meetings. The Statutory Auditors are also invited to attend the Meetings. The Company Secretary acts as the Secretary of the Committee.

The Committee members are paid a sitting fee of Rs. 10,000/- for each meeting attended by them.

Meetings and attendance during the year:

The details of attendance of the Members at these Audit Committee Meetings are as follows:

Member	Attendance at Audit Committee Meetings held on:			
	16.05.12	04.08.12	30.10.12	28.01.13
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. G.G.Chendwankar	Yes	Yes	Yes	Yes
Mr. G.S.Venkatachalam	Yes	Yes	Yes	Yes
Mr. Kirat Patel	Yes	Yes	Yes	Yes

The Minutes of Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The Chairman of the Audit Committee was present at the 36th Annual General Meeting held on 9th August, 2012.

Shareholders' / Investors' Grievance Committee of Directors:

Shareholders'/Investors' Grievance Committee comprises of 3 members who are Non-Executive Directors of the Company.

Mr. Yogesh M. Kothari who is the Chairman of the Company also chairs the Meeting. During the year under review, the Committee met 19 times.

The Shareholders' / Investors' Grievance Committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. The Committee also monitors redressal of complaints from Shareholders relating to transfer of shares, non-receipt of balance sheets, etc.

The present composition of the Committee and attendance during the year is as follows:

Name of the Director	Executive / Non-Executive	No. of Meetings Attended
Mr. Yogesh M. Kothari	Non-Executive	17
Mr. G. G. Chendwankar	Non-Executive	19
Mr. Rajendra Chhabra	Non-Executive	19

Ms. Dimple Mehta, Assistant Company Secretary is the Compliance Officer.



Relating to non-receipt of share certificate under transfer	00
Relating to de-materialisation	00
Relating to non-receipt of dividends / interest	00
Others	03

Relating to non-receipt of share certificate under transfer	None
Relating to de-materialisation	None
Relating to non-receipt of dividends / interest	None
Others	None

Remuneration Committee :

Details of remuneration paid to the Executive Director for the financial year 2012 – 2013.

Name of Director	Designation	Salary & Allowance	Perquisite	Commission	Total
Mr. Girish R. Satarkar	Executive Director	21.00	3.17	0.64	24.81

The remuneration paid to non-executive Directors for the year from 01.04.2012 to 31.03.2013 are as under:

Name	Remuneration	Sitting Fee	Commission*	Total
Mr. Yogesh Kothari	Nil	0.89	0.77	1.66
Mr. Amit M. Mehta	Nil	0.80	0.77	1.57
Mr. Kirat Patel	Nil	3.00	0.21	3.21
Mr. Rajendra Chhabra	Nil	3.10	0.21	3.31
Mr. G.G.Chendwankar	Nil	3.10	0.21	3.31
Mr. G. S.Venkatachalam	Nil	1.40	0.09	1.49
Dr. Ambrish Dalal	Nil	0.80	0.09	0.89
Mr. Dhruv Kaji	Nil	0.40	0.09	0.49
Mr. Shreyas Mehta	Nil	0.20	0.09	0.29

- 20

No. of shares held by the Non – Executive Directors of the Company :

Sr.No.	Name	No. of Equity Shares Held
1.	Mr. Yogesh Kothari	205393
2.	Mr. Amit M. Mehta	862099
3.	Mr. Kirat Patel	10800
4.	Mr. Rajendra Chhabra	7800
5.	Mr. G.G. Chendwankar	28345
6.	Mr. G. S. Venkatachalam	1233
7.	Dr. Ambrish Dalal	17767
8.	Mr. Dhruv Kaji	300
9.	Mr. Shreyas Mehta	9000

DISCLOSURES:

The Company does not have any related party transactions that may have potential conflict with the interests of the Company at large. A list of transactions with related parties as per Accounting Standard AS 18 is given in note no. 32 to the Audited Accounts. Segment Reporting as per Accounting Standard AS – 17 applicable to the Company is given in note no. 31.

REGULATORY COMPLIANCES:

The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties; strictures have been imposed against it by the Stock Exchange or SEBI.

MEANS OF COMMUNICATION:

The Company has approx. 10000 shareholders. The main source of information to the Shareholders is Annual Report of the Company, which includes *inter-alia*, the Report of the Board of Directors, Operational and Financial Review and the Audited Financial Results. Shareholders are also informed through press publication about the quarterly financial performance of the Company.

Quarterly results of the Company have been announced within a period of 45 days of the respective quarter. Whenever, the audited results are published for the fourth quarter, they are announced within 60 days of the quarter as prescribed.

Quarterly and Half yearly financial results are published in the Economics Times/ Business Standard (in English) and either in Vadodara Samachar/Economics Times (Regional Language newspaper). These results are also immediately posted on the website of the Company at www.dacl.co.in.

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date	12.07.2013 to 25.07.2013 (both days inclusive)
2. Date, Time and Venue of the 37th Annual General Meeting	25 th July, 2013 at 2:30 p.m. at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346.
3. Listing on Stock Exchange	Bombay Stock Exchange Ltd., 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001. Tel: 022 – 2272 1233 / 34. Fax: 022 – 2272 2082/3132. (Stock code: 500120)
4. Listing Fees	Paid to the above Stock Exchange for the Financial Year 2013 – 2014.
5. Registered Office /Plant location and address for correspondence	Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346. Tel: 0265 – 2230 305 / 406 / 929 Fax: 0265 – 2230 218 e-mail: info@dacl.co.in , Website: www.dacl.co.in

6.	Place where Share Transfers are to be lodged: (a) In Physical form (b) In Electronic form	In view of the SEBI circular, every listed company is required to appoint one common agency for handling both Physical & Demat related services in respect of its shares. Accordingly, your Company has continued with M/s. MCS Ltd., Vadodara since 01.04.2003. <u>Branch Manager</u> M/s. MCS Ltd. 1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 007 Telephone (0265) 2314757 / 2350490 Fax: (0265) 2341639 ———— As above —————			
7.	International Securities Identification Number (ISIN)	INE 591D01014			
8.	Compliance Officer	Ms. Dimple Mehta Tel no: 0265 2230305 /406 e-mail:secretarial@dacl.co.in			
9.	Date, Time and Venue for the last 3 A.G.M.'s.	36 th A.G.M.- 9 th August, 2012 at 3.00 p.m. held at the Registered Office of the Company. 35 th A.G.M.- 12 th July, 2011 at 9:30 a.m. held at the Registered Office of the Company. 34 th A.G.M.- 20 th July, 2010 at 3:00 p.m. held at the Registered Office of the Company. * No Postal Ballots were used/invited for voting at these meetings.			
10.	Special Resolutions passed	36 th A.G.M. – No Special Resolution was passed 35 th A.G.M. – No Special Resolution was passed 34 th A.G.M - 4 Special Resolutions were passed. * No Postal Ballots were used/invited for voting at these meetings.			
11.	Closing Price of the Company's Shares on 31 st March, 2013. - Bombay Stock Exchange Ltd. (BSE)	₹ 24.60			
12.	Financial Year	1 st April to 31 st March each year.			
13.	Dividend declared for current and earlier years		2012 - 13	2011 - 12	2010 - 11
		Interim	-	-	15%
		Final	5%	10%	45%
		Total	5%	10%	60%
14.	Trading in Shares (Electronic Form) on Stock Exchange	SEBI has made trading in the Company's Shares compulsory in electronic form for all categories of Investors.			

MARKET PRICE DATA:

High and low during each month in the last financial year:

Sr.No.	Month	The Stock Exchange, Mumbai	
		High (₹)	Low (₹)
1	April, 2012	44.70	38.40
2	May, 2012	41.70	30.60
3	June, 2012	33.45	29.05
4	July, 2012	37.00	29.30
5	August, 2012	33.25	27.05
6	September, 2012	36.40	27.00
7	October, 2012	41.00	33.15
8	November, 2012	39.50	34.00
9	December, 2012	36.00	28.45
10	January, 2013	37.00	29.00
11	February, 2013	32.45	23.10
12	March, 2013	28.00	23.35

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2013)

Shareholding of nominal value		Shareholders		Share Amount	
₹	₹	Number	% of total	₹	% of total
(1)		(2)	(3)	(4)	(5)
Upto - 5,000		9164	91.74	9828980	10.05
5,001 - 10,000		414	4.14	3045560	3.11
10,001 - 20,000		205	2.05	2963350	3.03
20,001 - 30,000		70	0.71	1824650	1.87
30,001 and above		136	1.36	80169860	81.94
TOTAL		9989	100.00	97832400	100.00

SHAREHOLDING PATTERN: (as on 31st March, 2013)

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters & persons acting in concert	63,78,777	65.20%
2	Mutual Funds/Banks & FI's/Insurance Co.	5875	0.06%
3	Other Corporate Bodies	1,39,209	1.42%
4	Public	31,62,127	32.33%
5	NRI's	97,252	0.99%
6	Any Other	0	0.00%
	TOTAL	97,83,240	100.00%



DEMATERIALIZATION OF SHARES: (as on 31st March, 2013)

Particulars	No. of Equity Shares	% to Share Capital
NSDL	8516375	87.05%
CDSL	734090	07.50%
Physical	532775	05.45%
TOTAL	9783240	100.00%

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity:

The Company has not issued any of these instruments.

FOR DIAMINES AND CHEMICALS LTD.

AMIT MEHTA
Vice Chairman

Mumbai, Dated: May 7, 2013.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that Company has adopted a Code of Conduct for its employees including Executive Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended on 31st March 2013, received from the Senior Management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Chief Financial Officer and employees in the Executive Vice President cadre as on March 31, 2013.

Place : Vadodara
Date : 07.05.2013

Sd/-
Girish R Satarkar
Executive Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
DIAMINES AND CHEMICALS LIMITED

I have examined all relevant records of **Diamines and Chemicals Limited** for the purpose of certifying compliance of conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange for the financial year ended on 31st March 2013. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

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

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with;

- a) all the mandatory conditions of the said clause 49 of the listing agreement;
- b) the following non-mandatory requirements of the said Clause 49;
 - i) The Company has set up Remuneration Committee to determine remuneration package of Executive Director.

For Sandip Sheth & Associates
Practising Company Secretary

Sandip Sheth
Membership No. FCS : 5467
COP No. 4354

Ahmedabad, Dated: May 7, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of

Diamines and Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Diamines and Chemicals Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- i. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
- e. On the basis of the written representations received from the Directors of the Company as on March 31, 2013, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of section 274(1)(g) of the Act.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : May 7, 2013.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of DIAMINES AND CHEMICALS LIMITED on the financial statements for the year ended March 31, 2013.]

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we report that:

- i. a. The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management for the first time during the year and no material discrepancies were noticed on such verification. As informed, the Company has decided to physically verify its fixed assets in a phased manner so as to cover the verification of all the fixed assets at least once in every three years. In our opinion, such programme of verification would be considered at reasonable intervals.
- c. The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern.
- ii. a. The Inventory, except materials lying with third parties for which confirmations are obtained, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- iii. a. As per the information furnished, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act;
As the Company has not granted any such loan, Clause 4(iii)(b) of the Order relating to the rate of interest and other terms and conditions, whether prima facie prejudicial to the interest of the Company, Clause 4(iii)(c) relating to regularity of the receipt of principal amount and interest and Clause 4(iii)(d) relating to steps for recovery of overdue amount of more than rupees one lakh, are not applicable.

- b. As per the information furnished, the Company had taken an unsecured inter corporate deposit from a company and an unsecured loan from a director covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 4,800,000 and the year-end balance was ₹ 4,800,000.
- c. In our opinion, the rate of interest and other terms and conditions of these deposits are not, prima facie, prejudicial to the interest of the Company.
The Company is regular in repayment of the principal amounts as stipulated as also in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods. As informed to us, the Company is not engaged in the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- v. a. According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have so been entered; and
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence, the question of complying with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under does not arise.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, Cess and other material Statutory dues applicable to it and there were no arrears of such Statutory dues as on March 31, 2013 for a period of more than six months from the date they became payable.
b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:
- | Name of the statute | Nature of the dues | Amount
₹ | Period to which the amount relates | Forum where dispute is pending |
|-----------------------|---------------------|-------------|------------------------------------|--|
| The Finance Act, 1994 | Service Tax/ Excise | 8,456,482 | Financial Year 2005-2012 | Commissioner of Central Excise (Appeals) |
- x. There are no accumulated losses of the Company as on March 31, 2013, and the Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

-
- xi. According to the information and explanations given to us and records of the Company examined by us, the Company has not defaulted in repayment of dues, if any, to a financial institution, bank or debenture holders as at the Balance Sheet date.
 - xii. According to the information and explanations given to us, the Company has not granted any loan and/or advance on the basis of security by way of pledge of shares, debentures and other securities.
 - xiii. As the Company is not a chit fund, Nidhi, mutual benefit fund or society, Clause 4(xiii) of the Order is not applicable.
 - xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
 - xv. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirements of Clause 4(xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
 - xvi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the intended use.
 - xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, the funds raised on short-term basis have not been utilised for long-term investments.
 - xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4(xviii) of the Order is not applicable.
 - xix. According to the information and explanations given to us, as the Company has not issued any debentures, the question of creating security or charges in respect thereof does not arise.
 - xx. As the Company has not raised any money by public issue during the year, Clause 4(xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
 - xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : May 7, 2013.



BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at March 31, 2013	As at March 31, 2012
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	97,832,400	97,832,400
Reserves and Surplus	3	246,799,517	236,504,505
		344,631,917	334,336,905
Non-Current Liabilities			
Long-term Borrowings	4	31,118,805	49,085,231
Deferred Tax Liabilities (Net)	5	35,419,538	34,922,280
Long-term Provisions	6	1,532,986	1,613,939
		68,071,329	85,621,450
Current Liabilities			
Short-term Borrowings	7	146,195,794	184,235,792
Trade Payables	8	55,097,970	76,296,867
Other Current Liabilities	9	35,141,066	50,762,635
Short-term Provisions	10	9,820,990	14,998,115
		246,255,820	326,293,409
TOTAL		658,959,066	746,251,764
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	332,345,326	345,015,047
Capital Work-in-progress		4,152,223	9,298,887
		336,497,549	354,313,934
Non-current Investments	12	1,467,115	1,067,115
Long-term Loans and Advances	13	65,452,075	46,353,243
Other Non-current Assets	14	288,699	288,699
		403,705,438	402,022,991
Current Assets			
Inventories	15	115,991,205	190,555,373
Trade Receivables	16	103,431,830	103,474,114
Cash and Bank Balances	17	20,885,686	20,218,050
Short-term Loans and Advances	18	13,664,216	28,663,589
Other Current Assets	19	1,280,691	1,317,647
		255,253,628	344,228,773
TOTAL		658,959,066	746,251,764

Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements 1-35

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors

Amit Mehta

Vice Chairman

Kirat Patel

Director

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

Dimple Mehta

Asst. Company Secretary

Mumbai, Dated : May 7, 2013.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	For the Year ended March 31, 2013	For the Year ended March 31, 2012
		₹	₹
Revenue From Operations	20	638,832,961	725,266,926
Less : Excise Duty on Sales		<u>(64,805,018)</u>	<u>(56,650,166)</u>
Revenue From Operations (Net)		574,027,943	668,616,760
Other Income	21	<u>2,304,062</u>	<u>3,769,692</u>
Total Revenue		<u>576,332,005</u>	<u>672,386,452</u>
Expenses			
Cost of Materials Consumed	22	292,705,871	423,292,351
Changes in Inventories of			
Finished Goods and Work-in-progress	23	65,407,404	(31,661,632)
Employee Benefits Expenses	24	32,116,397	33,074,731
Finance Costs	25	38,112,147	35,866,652
Depreciation and Amortization Expense	11	24,857,120	22,567,052
Less: Amount withdrawn from			
Revaluation Reserve		<u>986,644</u>	<u>986,644</u>
		23,870,476	21,580,408
Other Expenses	26	<u>102,617,844</u>	<u>139,888,009</u>
Total Expenses		<u>554,830,139</u>	<u>622,040,519</u>
Profit before exceptional items and Tax		<u>21,501,866</u>	<u>50,345,933</u>
Exceptional items		<u>NIL</u>	<u>NIL</u>
Profit Before Tax		<u>21,501,866</u>	<u>50,345,933</u>
Tax Expense			
Current Tax		4,000,000	10,100,000
Deferred Tax		497,259	1,794,400
Current Tax Adjustments of Earlier Years		<u>NIL</u>	<u>2,409,472</u>
		4,497,259	14,303,872
Profit for the year		<u>17,004,607</u>	<u>36,042,061</u>
Earnings Per Equity Share of ₹ 10	27		
Basic and Diluted (₹)		1.74	3.68
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-35		

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors
Amit Mehta Vice Chairman
Kirat Patel Director
Rajendra Chhabra Director
Girish Satarkar Executive Director
Dimple Mehta Asst. Company Secretary

Mumbai, Dated : May 7, 2013.



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	21,501,866	50,345,933
Adjustments for :		
Finance Costs	38,112,147	35,866,651
Unrealised Loss on Foreign Exchange	2,457,671	3,057,279
Loss on Sale of Assets discarded	348,719	NIL
Depreciation and Impairment	23,870,476	21,580,408
Interest Income	(1,728,589)	(2,940,801)
Excess Provision and Accounts written back	(414,839)	(434,333)
Dividend Income	(70,168)	(70,168)
Operating Profit before Working Capital Changes	84,077,283	107,404,969
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	60,504	5,496,404
Inventories	74,564,168	(52,099,811)
Trade Receivables and Short-term Loans and Advances	15,041,658	73,226,747
Other Current Assets	36,956	744,674
Long-term Provisions	(80,953)	201,245
Trade Payables, Other Current Liabilities and Short-term Provisions	(15,895,905)	83,285,430
Cash generated from Operations	157,803,711	16,062,516
Income-tax paid	(4,581,741)	(21,378,867)
Net Cash from Operating Activities	153,221,970	(5,316,351)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(27,349,932)	(47,592,874)
Advance given to Diamines Speciality Chemicals Private Limited	(18,800,685)	(24,633,474)
Investments	(400,000)	(100,000)
Interest Income	1,728,589	2,940,801
Dividend Income	70,168	70,168
Net Cash from Investing Activities	(44,751,860)	(45,041,905)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	NIL	13,169,930
Repayment of Long-term Borrowings	(20,280,003)	(1,304,871)
Increase/(Decrease) in Short-term Borrowings	(38,039,998)	(4,281,130)
Deposits held as Margin Money	(1,402,686)	(65,141,550)
Finance Costs Paid	(38,112,147)	(35,866,651)
Dividend Paid (Including Dividend Distribution Tax)	(11,370,326)	(34,110,978)
Net Cash from Financing Activities	(109,205,160)	47,239,688
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(735,050)	(3,118,566)
Cash and Cash Equivalents at the Beginning of the Year	3,683,537	6,802,103
Cash and Cash Equivalents at the End of the Year	2,948,487	3,683,537
Components of Cash and Cash Equivalents		
Cash on hand	44,469	48,417
Other Bank Balances		
On Current Accounts	2,904,018	3,635,120
	2,948,487	3,683,537

Note:

The Statement of Cash Flow has been prepared under the indirect method as set out in Accounting Standard - 3 issued under the Companies (Accounting Standard) Rules, 2006.

As per our report of even date attached

For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors
Amit Mehta Vice Chairman
Kirat Patel Director
Rajendra Chhabra Director
Girish Satarkar Executive Director
Dimple Mehta Asst. Company Secretary

Mumbai, Dated : May 7, 2013.

NOTES FORMING PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION:

The accounts are prepared on a going concern basis under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.

1.2 USE OF ESTIMATES:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Examples of such estimates include useful life of Fixed Assets, provision for doubtful debts / advances, deferred tax, etc. Actual results could differ from those estimates. Such difference is recognised in the year/s in which the results are known / materialised.

1.3 FIXED ASSETS AND DEPRECIATION:

- i. Fixed Assets are stated at historical cost net of CENVAT/value added tax less accumulated depreciation except Land and Buildings which were revalued. Costs include all costs incurred to bring the assets to their present location and condition.
- ii. Depreciation on fixed assets is provided on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended. Depreciation on additions to Fixed Assets is charged on pro rata basis.
- iii. Revalued amount of leasehold land is amortised over its remaining lease period of 72 years commencing from the year 2002-03.

1.4 INVESTMENTS:

Investments, being for long-term, are stated at cost, except where there is a diminution in value other than temporary in which case the carrying value is reduced to recognise the decline.

1.5 INVENTORIES:

Inventories are valued as under:

- i. Raw materials: At lower of cost and net realisable value on first-in-first out basis;
- ii. Finished Goods and Process Stock: At lower of cost and net realisable value;
- iii. Fuel, Stores and Spares: At lower of cost and net realisable value on first-in-first out basis.

Cost of inventories comprises of costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

By-products are valued at net realisable value.

1.6 REVENUE RECOGNITION:

- i. Sales are recognised in accordance with Accounting Standard 9 on "Revenue Recognition", that is, when the seller has transferred to the buyer the property in goods for a price or all significant risks and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods and no uncertainty exists regarding the amount of consideration from the sale of goods.

- ii. Dividend income from investments is recognised when the company's right to receive the dividend is established.

1.7 FOREIGN CURRENCY TRANSACTIONS:

- i. Transactions in foreign currencies are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii. Monetary items which are denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and profit/loss on translation thereon is credited/ charged to the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency which are carried at:

- fair value / net realisable value are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - historical cost, are reported at the exchange rate prevalent at the date of transaction.
- iii. Exchange Differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed asset are recognised in the Statement of Profit and Loss.
 - iv. In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract.
 - v. As required by the Announcement of the Institute of Chartered Accountants of India on positions of derivatives, keeping in view the principle of prudence as per Accounting Standard 1 on "Disclosure of Accounting Policies", outstanding forward contracts at the Balance Sheet date are reflected by marking them to market and accordingly, the resulting mark to market losses are provided in the Statement of Profit and Loss.

1.8 EMPLOYEE BENEFITS:

i. Defined Contribution Plan

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

ii. Defined Benefit Plan

Gratuity - In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date carried out by an independent actuary. Actuarial gain or loss is recognised immediately in the statement of profit and loss as income or expense. The Company has an employee's gratuity fund managed by the Life Insurance Corporation of India ("LIC").

Compensated Absences - The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

1.9 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs comprise of interest and other costs incurred in connection with the borrowing of funds.

1.10 TAXES ON INCOME:

- i. Income tax expense comprises of current tax and deferred tax charge/credit.
- ii. Provision for current tax is made on basis of the assessable income under the Income-tax Act, 1961.
- iii. Deferred tax is recognised, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the year end based on tax rates and laws enacted or substantially enacted as of the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

1.11 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- ii. Contingent liabilities are not recognised but are disclosed in the notes.
- iii. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.12 IMPAIRMENT OF ASSETS:

If internal/ external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset / cash generating unit is determined on the balance sheet date and if it is less than its carrying amount, the carrying amount of asset/ cash generating unit is reduced to the said recoverable amount. Subsequently, if there is a change in the indication, since the last impairment was recognised, so that recoverable amount of an asset exceeds its carrying amount, an impairment recognised for an asset in prior accounting period is reversed. The recoverable amount is measured as the higher of the net selling price and value in use of such assets/ cash generating unit, which is determined by the present value of the estimated future cash flows.

	As at March 31, 2013	As at March 31, 2012
	₹	₹
2. Share Capital		
Authorised		
17,500,000 (March 31, 2012: 17,500,000)		
Equity Shares, of ₹ 10 par value	175,000,000	175,000,000
	175,000,000	175,000,000
Issued, Subscribed and Paid up		
9,783,240 (March 31, 2012: 9,783,240)		
Equity Shares, of ₹ 10 par value	97,832,400	97,832,400
	97,832,400	97,832,400

2.1 Reconciliation of the number of shares outstanding and amount of share capital

	As At March 31, 2013		As At March 31, 2012	
Equity shares, of ₹ 10 par value	No. of shares	₹	No. of shares	₹
At the beginning	9,783,240	97,832,400	6,522,160	65,221,600
Add: Issued during the year - by way of Bonus Shares	NIL	NIL	3,261,080	32,610,800
At the end	9,783,240	97,832,400	9,783,240	97,832,400

2.2 Rights, preferences and restrictions

- The Company has only one class of shares referred to as equity shares having par value of ₹ 10. Each holder of equity shares is 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 in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 7, 2013, proposed a final dividend of ₹ 0.5 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 5,722,951 including corporate dividend tax of ₹ 831,331.

During the year ended March 31, 2012, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 11,370,326 including corporate dividend tax of ₹ 1,587,086.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Details of shareholders holding more than 5% of the aggregate equity shares in the Company

	As At March 31, 2013		As At March 31, 2012	
Name of the Shareholder	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	695,178	7.11

		As at March 31, 2013	As at March 31, 2012
	₹	₹	₹
2.4 Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceeding March 31, 2013)			
			No. of shares
Equity Shares allotted as fully paid up Bonus Shares during the year 2011-12 by capitalisation of the following amounts:			3,261,080
			₹
Capital Reserve			3,441,635
Capital Redemption Reserve			1,407,000
Securities Premium			18,857,360
General Reserve			8,904,805
			32,610,800
3. Reserves and Surplus			
Capital Reserve			
As per last Balance Sheet	NIL		3,441,635
Less: Capitalised for issue of Bonus Shares	NIL		3,441,635
		NIL	NIL
Capital Redemption Reserve			
As per last Balance Sheet	NIL		1,407,000
Less: Capitalised for issue of Bonus Shares	NIL		1,407,000
		NIL	NIL
Securities Premium Account			
As per last Balance Sheet	NIL		18,857,360
Less : Capitalised for issue of Bonus Shares	NIL		18,857,360
		NIL	NIL
Revaluation Reserve (Refer Note 3.1)			
As per last Balance Sheet	31,594,564		32,581,208
Less: Transfer to the Statement of Profit and Loss	986,644		986,644
		30,607,920	31,594,564
General Reserve			
As per last Balance Sheet	52,092,444		60,997,249
Less : Capitalised for issue of Bonus Shares	NIL		8,904,805
		52,092,444	52,092,444
Surplus in the Statement of Profit and Loss			
As per last Balance Sheet	152,817,497		128,145,762
Add: Net Profit after Tax transferred from Statement of Profit and Loss	17,004,607		36,042,061
Less: Appropriations			
Proposed Dividend	4,891,620		9,783,240
Dividend Distribution Tax	831,331		1,587,086
		164,099,153	152,817,497
TOTAL		246,799,517	236,504,505

3.1 Amount withdrawn on account of depreciation on revaluation during the year is ₹ 986,644 (March 31, 2012: ₹ 986,644)

		As at March 31, 2013	As at March 31, 2012
	₹	₹	₹
4. Long-term borrowings			
Term Loans (Refer Note 4.1)			
Secured			
From Banks		31,118,805	48,348,114
From Other Party		NIL	737,117
		31,118,805	49,085,231
4.1 Nature of Security and Terms of repayment of Long-term Borrowings			
Nature of Security	Rate of Interest	March 31, 2013	March 31, 2012
I. Loan from Banks:			
i. Term loans of ₹ 44,200,000 repayable in 24 equal quarterly instalments from September 1, 2007, of ₹ 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ₹ 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra.	Ranging from 12.40% p.a. to 13.65% p.a.	46,300,000	67,166,629
ii. Term loans of ₹ 43,750,000 repayable in 24 quarterly instalments from December 28, 2005 is secured by way of exclusive equitable mortgage of the Land and Windmill financed and exclusive first hypothecation charge on the receivables arising out of the operation of the windmill. Second equitable mortgage charge on remaining fixed assets of the Company, both, present and future, and second hypothecation charge on all movable fixed assets of the Company, both, present and future.	Ranging from 12.25% p.a. to 13.25% p.a.	NIL	7,235,959
iii. Vehicle Loan of ₹ 600,000 repayable in 36 monthly instalments from January 1, 2010 is secured against hypothecation of specified vehicles	9.12% p.a.	NIL	165,662
iv. Vehicle Loan of ₹ 3,950,000 repayable in 60 monthly instalments from August 10, 2010 is secured against hypothecation of specified vehicles	8.35% p.a.	2,048,114	2,811,196
		48,348,114	77,379,446
Less : Current Maturities of Long-term debt (Refer Note 9)		17,229,309	29,031,332
		31,118,805	48,348,114
II. Loan from Other Party:			
Vehicle Loan of ₹ 3,483,623 repayable in 35 monthly instalments from December 10, 2010 is secured against hypothecation of specified vehicles	9.14% p.a.	756,794	1,965,576
		756,794	1,965,576
Less : Current Maturities of Long-term debt (Refer Note 9)		756,794	1,228,459
		NIL	737,117

	As at March 31, 2013	As at March 31, 2012
	₹	₹
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	43,519,060	44,006,157
Deferred Tax Assets		
Contested Disallowances	5,871,000	6,311,325
Provision for doubtful debts, loans and advances	541,405	585,332
Others	1,687,117	2,187,220
	<u>8,099,522</u>	<u>9,083,877</u>
Net deferred Tax (Assets)/ Liabilities	35,419,538	34,922,280
6. Long-term Provisions		
For Employee Benefits		
Leave Encashment	1,330,754	1,613,939
Gratuity	202,232	NIL
	<u>1,532,986</u>	<u>1,613,939</u>
7. Short-term Borrowings		
Loans repayable on demand (Refer Note 7.1)		
Secured		
From Banks	141,395,794	179,435,792
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 32)	2,300,000	2,300,000
Other loans and advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>146,195,794</u>	<u>184,235,792</u>
7.1 Working Capital facilities from a bank are secured by hypothecation of the entire current assets including stock of raw materials, stock-in-process, finished goods, stores and spares, etc. bills/book-debts/ receivables and other current assets.		
8. Trade Payables		
Micro and Small Enterprises (Refer Note 8.1)	NIL	NIL
Others	55,097,970	76,296,867
	<u>55,097,970</u>	<u>76,296,867</u>
8.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.		
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks [Refer Note 4.1 (I)]	17,229,309	29,031,332
From Other Party [(Refer Note 4.1 (II)]	756,794	1,228,459
	<u>17,986,103</u>	<u>30,259,791</u>
Interest accrued but not due on Borrowings	569,606	966,431
Unclaimed Dividends	2,044,915	2,267,895
Other Payables		
For Capital Expenses	572,242	555,624
Advance from Customers	941,744	97,095
Others (Refer Note 9.1)	13,026,456	16,615,799
	<u>14,540,442</u>	<u>17,268,518</u>
	35,141,066	50,762,635
9.1 Others include Statutory Dues and other year end liabilities provided.		
10. Short Term Provisions		
For Employee Benefits		
Gratuity	1,452,125	1,081,915
Leave Encashment	419,587	327,242
	<u>1,871,712</u>	<u>1,409,157</u>
Others		
For Proposed Dividend	4,891,620	9,783,240
For Tax on Dividend	831,331	1,587,086
For Contingencies	1,000,000	1,000,000
For Wealth Tax	29,216	21,521
	<u>6,752,167</u>	<u>12,391,847</u>
Provision for Taxes	8,400,000	8,400,000
Less : Taxes paid	7,202,889	7,202,889
	<u>1,197,111</u>	<u>1,197,111</u>
	9,820,990	14,998,115

11. FIXED ASSETS



(Amounts in ₹)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As At April 01, 2012	During the Year Additions	For Sale / Adjustments	As At March 31, 2013	Upto March 31, 2012	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2013
Tangible Assets								
Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL
Freehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL
Leasehold Land	23,585,328	NIL	NIL	23,585,328	3,275,740	327,574	NIL	3,603,314
Buildings	23,585,328	NIL	NIL	23,585,328	2,948,166	327,574	NIL	3,275,740
Plant and Equipments	32,169,972	NIL	NIL	32,169,972	14,602,712	915,870	NIL	15,518,582
Furniture and Fixtures	535,135,140	12,379,373	416,500	547,098,013	248,950,196	21,280,296	67,781	270,162,711
Office Equipments	21,452,837	137,870	NIL	21,590,707	15,439,229	888,154	NIL	16,327,383
Vehicles	20,845,193	607,644	NIL	21,452,837	14,590,179	849,050	NIL	15,439,229
	5,110,522	18,876	NIL	5,129,398	3,253,686	242,949	NIL	3,496,635
	4,798,923	311,599	NIL	5,110,522	3,017,722	235,964	NIL	3,253,686
	12,765,082	NIL	NIL	12,765,082	2,836,325	1,202,277	NIL	4,038,602
	633,372,935	12,536,119	416,500	645,492,554	288,357,888	24,857,120	67,781	313,147,227
Current year								
Previous year	578,202,346	54,908,201	NIL	633,372,936	265,790,836	22,567,052	NIL	288,357,888
Capital Work in progress								
Current year	9,298,887	15,036,903	20,183,567	4,152,223	NIL	NIL	NIL	NIL
Previous year	18,436,852	57,564,214	66,702,179	9,298,887	NIL	NIL	NIL	NIL

11.1.Above Assets include Research and Development Assets as mentioned below:

(Amounts in ₹)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As At April 01, 2012	During the Year Additions	For Sale / Adjustments	As At March 31, 2013	Upto March 31, 2012	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2013
Tangible Assets								
Buildings	51,221	NIL	NIL	51,221	270	1,105	NIL	1,375
Plant and Equipments	3,211,664	47,392	NIL	3,259,056	767,448	152,869	NIL	920,317
	1,823,061	1,388,603	NIL	3,211,664	683,441	104,007	NIL	767,448
Current year								
Previous year	3,211,664	47,392	NIL	3,310,277	767,448	153,974	NIL	921,692
	1,823,061	1,439,824	NIL	3,262,885	683,441	104,277	NIL	767,718

11.2. Plant and Machinery includes Borrowing Costs of ₹ NIL (March 31, 2012: ₹ 4,06,813) capitalised during the year.

		As at March 31, 2013	As at March 31, 2012
	₹	₹	₹
12. Non-current Investments			
Long-term Investments - valued at cost less provision for diminution in value other than temporary			
Other than Trade			
In Equity Instruments of Subsidiary			
Unquoted			
Diamines Speciality Chemicals Private Limited			
50,000 (March 31, 2012: 10,000) Equity Shares of ₹ 10 par value of Diamines Speciality Chemicals Private Limited	500,000		100,000
In Equity Instruments of Other Companies			
Quoted			
Sintex Industries Limited			
107,950 (March 31, 2012: 107,950) Equity Shares of ₹ 1 par value of Sintex Industries Limited	967,115		967,115
	1,467,115		1,067,115
	Cost	Market Value	Cost
			Market value
Aggregated amount of Quoted Investments	967,115	4,976,495	967,115
Aggregated amount of Unquoted Investments	500,000	Not Applicable	100,000
			Not Applicable
13. Long-term Loans and Advances			
Unsecured and considered good			
Capital Advances		NIL	223,090
Security Deposits	10,902,164		10,962,668
Loans and Advances to Related Party (Refer Note 32)			
From Subsidiary Company			
Diamines Speciality Chemicals Private Limited	43,434,159		24,633,474
		54,336,323	35,819,232
Taxes Paid	46,910,965		42,329,224
Less: Provision for Taxes	35,795,213		31,795,213
		11,115,752	10,534,011
		65,452,075	46,353,243
14. Other Non-current Assets			
Trade Receivables			
Considered Doubtful			
Outstanding for a period exceeding six months from the date they are due for payment	1,752,119		1,752,119
Less: Provision for Bad and Doubtful Debts	1,752,119		1,752,119
		NIL	NIL
Other Loans and Advances			
Advances recoverable in cash or in kind for value to be received			
Considered Good		288,699	288,699
		288,699	288,699
15. Inventories			
Raw Materials	10,738,951		37,119,534
Raw Materials - Goods-in-transit	36,365,856		15,771,928
Work-in-process	25,312,001		81,220,860
Finished Goods	38,175,505		50,626,846
Fuel	938,474		1,313,033
Stores and Spares	4,460,418		4,503,172
	115,991,205		190,555,373

	As at March 31, 2013	As at March 31, 2012
₹	₹	₹
15.1 Details of Inventories :		
a. Work-in-Progress		
Piperazine Anhydrous	1,168,612	3,963,050
Piperazine-Technical-68%	3,342,045	36,312,714
Ethylene Diamine	13,553,136	26,815,026
Other Products	7,248,208	14,130,070
	25,312,001	81,220,860
b. Finished Goods		
Piperazine Anhydrous	20,995,030	22,711,813
Piperazine-Technical-68%	4,433,500	6,116,947
Ethylene Diamine	2,995,267	3,748,984
Other Products	9,751,709	18,049,102
	38,175,506	50,626,846
16. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	592,358	8,732,986
Others	102,839,472	94,741,128
	103,431,830	103,474,114
17. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	44,469	48,417
Balances with Banks		
- On Current Accounts	2,904,018	3,635,120
Other Bank Balances		
- On Fixed Deposit Accounts	17,937,199	16,534,513
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	20,885,686	20,218,050
18. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	4,442,922	4,064,946
Considered Doubtful	NIL	10,200
	4,442,922	4,075,146
Less : Provision for Doubtful Advances	NIL	10,200
	4,442,922	4,064,946
Balance with Central Excise and Customs	9,221,294	24,598,643
	13,664,216	28,663,589
19. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	628,568	482,821
Deferred Premium on Forward Contracts	652,123	834,826
	1,280,691	1,317,647

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹
20. Revenue From Operations		
Sale of products		
Manufactured Goods	616,866,986	706,577,803
Windmill Power Generated	19,627,173	16,321,735
	636,494,159	722,899,538
Other Operating Revenues		
Duty Drawback	592,666	NIL
Sale of Scrap	1,746,136	2,367,388
	638,832,961	725,266,926
Less: Excise Duty on Sales	(64,805,018)	(56,650,166)
	574,027,943	668,616,760
20.1 Details of Products Sold		
Sale of Manufactured Goods		
Piperazine Anhydrous	447,449,834	498,715,221
Piperazine-Technical-68%	11,259,136	64,403,524
Ethylene Diamine	48,842,269	49,541,567
Other Products	109,315,747	93,917,491
	616,866,986	706,577,803
21. Other Income		
Interest on Margin Money	1,728,589	2,940,801
Dividend from Long-term Investment	70,168	70,168
Accounts Written Back	414,839	434,333
Miscellaneous Income (Refer Note 21.1)	90,466	324,390
	2,304,062	3,769,692
21.1 Other Income includes income for prior period as under:		
Miscellaneous Income		
Interest on Security Deposit	NIL	231,699
Interest on Fixed Deposit	5,314	NIL
	5,314	231,699
22. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	52,041,967	35,110,887
Add : Purchases	275,259,731	428,893,772
Less : Closing Stock of Raw Materials	46,418,363	52,041,967
	280,883,335	411,962,692
Packing Materials		
Opening Stock of Packing Materials	849,495	1,053,049
Add : Purchases	11,659,485	11,126,105
Less : Closing Stock of Packing Materials	686,444	849,495
	11,822,536	11,329,659
	292,705,871	423,292,351
22.1 Details of Raw Materials Consumed		
Piperazine 68 %	103,936,414	296,457,287
Crude Piperazine Amine Mixture(CPA)	124,728,073	57,859,762
Ethylene Di Chloride (EDC)	18,890,292	30,205,554
Others	33,328,556	27,440,089
	280,883,335	411,962,692

		For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹	₹
23. Changes in Inventories of Finished Goods and Work-in-progress			
Stocks at the end			
Finished Goods	38,175,505		50,626,846
Work-in-progress	<u>25,312,001</u>		<u>81,220,860</u>
		63,487,506	131,847,706
Less: Stocks at the beginning			
Finished Goods	50,626,846		36,606,792
Work-in-progress	<u>81,220,860</u>		<u>59,169,999</u>
		131,847,706	95,776,791
		<u>(68,360,200)</u>	<u>36,070,915</u>
Increase / (Decrease) in Excise Duty on Stocks		2,952,796	(4,409,283)
		<u>65,407,404</u>	<u>(31,661,632)</u>
24. Employee Benefit Expenses			
Salaries, Wages and Bonus		24,309,567	25,549,167
Contributions to Provident and Other Funds		2,270,315	2,307,885
Gratuity Expenses		1,243,709	992,069
Staff Welfare Expenses		<u>4,292,806</u>	<u>4,225,610</u>
		<u>32,116,397</u>	<u>33,074,731</u>
25. Finance Costs			
Interest Expense			
On Borrowings	23,609,193		27,053,221
On Others (Refer Note 26.2)	<u>6,919,684</u>		<u>2,193,683</u>
		30,528,877	29,246,904
Other Borrowing Costs			
Processing Fees		2,060,904	1,561,135
Other Finance Charges		<u>5,522,366</u>	<u>5,058,613</u>
		<u>38,112,147</u>	<u>35,866,652</u>

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹
26. Other Expenses		
Stores and Spares Consumed	6,401,615	8,883,605
Power and Fuel	50,728,243	71,339,595
Rent	NIL	43,600
Repairs and Maintenance		
Building	460,813	814,809
Machinery (Refer Note 26.1)	4,618,439	8,385,669
Others	971,447	875,337
	6,050,699	10,075,815
Insurance	2,365,199	1,684,810
Rates and Taxes (Refer Note 26.1 and 26.2)	1,621,846	550,156
Job Work Charges	7,448,492	10,174,814
Travelling and Conveyance	3,552,154	6,664,553
Director's Fees	1,367,500	1,430,000
Commission to Directors	321,150	965,919
Legal and Professional Charges	2,466,044	4,206,805
Net loss on Foreign Currency Transactions and Translations	3,141,598	10,104,743
Auditors' Remuneration		
Audit Fees	300,000	300,000
Tax Audit Fees	80,000	80,000
Certification Work	215,000	215,000
	595,000	595,000
Miscellaneous Expenses	16,558,304	13,168,594
	102,617,844	139,888,009
 26.1 Other Expenses include expenses incurred on Windmill Power generation as under:		
Repairs and Maintenance - Machinery	3,547,707	3,416,100
Rates and Taxes	220,832	48,885
	3,768,539	3,464,985
 26.2 Rates and Taxes include ₹ 1,275,292 (March 31, 2012: NIL) and Interest of ₹ 3,607,422 (March 31, 2012: NIL) thereon shown under Interest Expense - Others (in Note 25). Demand in this regard was raised during the year.		
 26.3 Expenses incurred on Research and Development during the year are included in the Statement of Profit and Loss as under:		
Employee Benefit Expenses (In Note 24)		
Salaries, Wages and Bonus	881,479	1,438,921
Contributions to Provident and Other Funds	100,419	100,688
Staff Welfare Expenses	765	4,500
	982,663	1,544,109
Cost of Materials Consumed (In Note 22)	60,527	285,591
Depreciation (In Note 11)	153,974	104,277
Other Expenses (In Note 26)		
Stores and Spares Consumed	1,010,446	673,624
	2,207,610	2,607,601

27. Earnings Per Share as per Accounting Standard - 20:

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year (a)	₹ 17,004,609	₹ 36,042,061
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares (b)	9,783,240	9,783,240
Basic and Diluted Earnings per Share [(a) / (b)]	₹ 1.74	₹ 3.68
Face value per Share	₹ 10	₹ 10

28. Contingent Liabilities and Commitments :

	As At March 31, 2013 ₹	As At March 31, 2012 ₹
28.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	1,436,000	1,267,000
ii. Guarantees issued by the bankers on behalf of the Company	1,046,934	1,046,934
iii. In respect of the various advance licenses issued to the Company for the purposes of fulfilling the export and other related customs formalities, the Company has filed appeals and matters are pending before the Directorate General of Foreign trade (DGFT)	6,472,696	11,355,410
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ₹ 1,000,000 (March 31, 2012 : ₹ 1,000,000)]	2,350,000	21,50,000
v. Matters under disputes/appeals :		
a. Income-tax	NIL	1,618,523
b. Service Tax/ Excise	8,456,482	4,151,104
28.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	NIL	1,317,374
Less : Advances	NIL	223,091
Net Estimated Amount	19,762,112	22,673,254
ii. Other Commitments	NIL	NIL

29. Credit balances remaining unclaimed beyond the limitation period are written back except where obligations are perceived by management to be reasonably confirmed. Balances of creditors/advances from customers are subject to confirmation and consequent adjustments, if any.

30. "Employee Benefits" as per Accounting Standard 15:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the	For the	For the	For the
	Year ended on March 31, 2013 ₹	Year ended on March 31, 2012 ₹	Year ended on March 31, 2013 ₹	Year ended on March 31, 2012 ₹
Obligation at period beginning (April 1, 2012)	7,907,512	6,937,017	1,941,181	1,654,673
Current Service cost	464,672	519,675	247,098	453,438
Interest cost	691,907	572,304	169,853	136,511
Actuarial (gain) / loss	722,562	460,230	(323,647)	(39,740)
Benefits paid	(299,043)	(581,714)	(284,144)	(263,701)
Obligations at the year end (March 31, 2013)	9,487,610	7,907,512	1,750,341	1,941,181
Change in plan assets				
Plan assets at period beginning, at fair value	6,825,597	6,247,804	NIL	NIL
Expected return on plan assets	597,240	515,444	NIL	NIL
Actuarial gain / (loss)	38,192	44,696	NIL	NIL
Contributions	671,267	599,367	NIL	263,701
Benefits paid	(299,043)	(581,714)	(284,144)	(263,701)
Plan assets at the year end, at fair value	7,833,253	6,825,597	(284,144)	NIL
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	7,833,253	6,825,597	NIL	NIL
Present value of the defined benefit obligations at the end of the year	9,487,610	7,907,512	1,750,341	1,941,181
Liability/(Asset) recognized in the Balance Sheet (Notes 6 and 10)	1,654,357	1,081,915	1,750,341	1,941,181
Cost for the year				
Current service cost	464,672	519,675	247,098	453,438
Interest cost	691,907	572,304	169,853	136,511
Expected return on plan assets	(597,240)	(515,444)	Nil	Nil
Actuarial (gain) / loss	684,370	415,534	(323,647)	(39,740)
Net Cost recognized in the Statement of Profit and Loss (Note 24)	1,243,709	992,069	93,304	550,209
Category of assets				
Insurer managed funds	7,833,253	6,825,597	N.A.	N.A.
Total	7,833,253	6,825,597	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	8.75%	8.75%	8.75%	8.75%
Estimated rate of return on plan assets	8.75%	8.75%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	635,432	560,140	N.A.	N.A.

The estimate of future salary increases considered in actuarial valuation takes into account the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical results of the return on plan assets.

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Experience adjustment					
On plan liability (gain)/ loss (*)	427,149	675,611	267,052	—	—
On plan assets gain/ (loss) (*)	38,192	44,696	58,710	—	—
Present value of benefit obligation	9,487,610	7,907,512	6,937,017	5,826,689	5,078,851
Fair value of plan assets	7,833,253	6,825,597	6,247,804	5,280,705	4,572,781
Excess of obligation over plan assets (net)	1,654,357	1,081,915	689,213	545,984	506,070

(*) To the extent information available from reports of Actuary

31. Segment Reporting:

The Company has two reportable segments, Speciality Chemicals and Power Generation. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system.

PARTICULARS	For the Year ended March 31, 2013	For the Year ended March 31, 2012
₹	₹	₹
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	616,866,986	706,577,803
Less: Excise Duty on Sales	64,805,018	56,650,166
	552,061,968	649,927,637
b. Power Generation		
Total Power generated	24,392,066	20,993,665
Less: Captive Power used for Speciality Chemicals	4,764,893	4,671,930
Net as per the Statement of Profit and Loss	19,627,173	16,321,735
Total	571,689,141	666,249,372
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ₹ 4,764,893 (Previous Year ₹ 4,671,930)]	39,968,653	69,290,917
b. Power Generation		
Total	12,363,622	9,412,783
Less: Of Captive Power	2,100,286	2,121,832
Net as per the Statement of Profit and Loss	10,263,336	7,290,951
Total	50,231,989	76,581,868
Less: a. Interest Expense	30,528,877	29,246,904
b. Exceptional Items	NIL	NIL
Add: Interest and Dividend Income	1,798,756	3,010,969
	28,730,121	26,235,935
Profit before Tax	21,501,868	50,345,933
Net Current Tax	4,000,000	10,100,000
Deferred Tax	497,259	1,794,400
Adjustments relating to Prior Years	NIL	2,409,472
	4,497,259	14,303,872
Profit after Tax	17,004,609	36,042,061
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	549,955,795	630,031,422
b. Power Generation	107,536,157	115,153,223
c. Others – Unallocated	1,467,115	1,067,115
Total	658,959,067	746,251,760

PARTICULARS	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹
Segment Liabilities		
a. Speciality Chemicals	305,403,744	396,885,256
b. Power Generation	3,200,453	15,029,602
c. Others – Unallocated	NIL	NIL
Total	308,604,197	411,914,858
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets	16,688,341	64,719,477
– Capital Advances	NIL	223,091
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	16,688,341	64,942,568
Depreciation during the year		
a. Speciality Chemicals	16,024,135	13,734,067
b. Power Generation	7,846,341	7,846,341
c. Others – Unallocated	NIL	NIL
Total	23,870,476	21,580,408

32. Disclosure as per Accounting Standard 18 on “Related Party Disclosures”:

- a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below. There were no amounts written off or written back from such parties during the year. The related parties included in the various categories above, where transactions have taken place are given below:

Particulars	Subsidiary Companies		Associate		Key Managerial Personal		Subsidiary of Associate [As in 4(i) below]	
	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹	₹	₹	₹	₹	₹	₹
Remuneration	NIL	NIL	NIL	NIL	2,417,025	2,185,560	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/ Packing materials	NIL	NIL	399,7054	185,409	NIL	NIL	NIL	NIL
Sales	NIL	NIL	14,355	100,411	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	NIL	NIL	279,466	281,750
Dividend paid	NIL	NIL	2,977,996	2,977,996	NIL	NIL	NIL	NIL
Transaction on behalf:								
Cenvat Credit Paid for	NIL	NIL	NIL	470,932	NIL	NIL	NIL	NIL
Cenvat Credit Availed for	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Reimbursed to	NIL	NIL	114,340	77,437	NIL	NIL	NIL	NIL
Expenses Recovered from	NIL	NIL	NIL	130,658	NIL	NIL	NIL	NIL
Advance given to	18,800,685	24,633,474	NIL	NIL	NIL	NIL	NIL	NIL
Investment in shares of	400,000	100,000	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date								
Amounts due from	4,34,34,159	24,633,474	190,486	NIL	NIL	NIL	NIL	NIL
Amounts due to	NIL	NIL	NIL	805,887	NIL	NIL	2,300,000	2,300,000
Investments:								
Equity shares of Diamines Speciality Chemicals Private Limited	500,000	100,000	NIL	NIL	NIL	NIL	NIL	NIL

b.

S.No.	Relation	Name of Related Party
1	Associate	Alkyl Amines and Chemicals Limited.
2	Key Management Personnel	Executive Director - Mr. Girish R. Satarkar
3	Enterprises over which key management personnel exercise significant influence	None
4	Enterprises over which Associate exercises significant influence	i. Alkyl Speciality Chemicals Limited
	- Subsidiary of Associate	ii. Alkyl Amines Europe SPRL
5	Subsidiary	Diamines Speciality Chemicals Private Limited

	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
33. a. Value of imports calculated on CIF basis:		
Raw Materials	223,899,906	277,463,036
b. Expenditure in foreign currency:		
Traveling Expenses	9,16,485	3,202,858
Subscription	28,756	32,927
Interest and Bank Charges	2,105,996	1,460,425
Total	3,051,237	4,696,210
c. Earnings in foreign currency :		
Export of goods on FOB basis	29,753,664	94,453,391

d. Consumption of Imported / Indigenous Materials

Particulars	For the Year ended March 31, 2013		For the Year ended March 31, 2012	
	Percentage	₹	Percentage	₹
Raw Materials				
Imported	89.22%	261,098,493	83.70%	354,317,049
Indigenous	10.78%	315,46,851	16.30%	68,975,302
TOTAL	100.00%	292,645,344	100.00%	423,292,351
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	6,401,615	100.00%	8,883,605
TOTAL	100.00%	6,401,615	100.00%	8,883,605

34. Foreign currency exposure that is not hedged by derivative instruments as on March 31, 2013:

	Amount in US Dollar		Amount in ₹	
	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Advance received from/ other payable to customer	16,300	NIL	886,545	NIL
Supply against usance	NIL	127,071	NIL	6,500,507
TOTAL	16,300	127,071	886,545	6,500,507

35. The previous year's figures, wherever necessary, have been regrouped/ reclassified to conform to the current year's presentation.

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors

Amit Mehta

Vice Chairman

Kirat Patel

Director

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

Dimple Mehta

Asst. Company Secretary

Mumbai, Dated : May 7, 2013.

Consolidated Financial Statements
Financial Highlights - Year 2012-2013

Information under section 212 of the Companies Act, 1956 relating to the Subsidiary Company.

₹ in Lacs

PARTICULARS	Diamines and Chemicals Ltd.	Diamines Speciality Chemicals Pvt. Ltd.
Status of Investee	-	Subsidiary Company
% of Holding of DACL	-	100%
Share Capital	978.32	5.00
RESERVES & SURPLUS (excluding revaluation reserve)	2161.92	-
Debit Balance of Profit & Loss A/c.	-	(43.36)
Total Assets	6589.59	495.73
Total Liabilities	6589.59	495.73
Investments	14.67	-
Gross Turnover/Other Income	6411.37	-
Operating Profit/(Loss) (PBIDT)	834.83	(35.25)
Profit/(Loss) Before Tax	215.01	(35.25)
Provision for Taxation	44.97	-
Profit /(Loss) After Tax	170.04	(35.25)
Proposed Dividend	5%	-

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Diamines and Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Diamines and Chemicals Limited** ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Place : MUMBAI

Dated : May 7, 2013.



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at March 31, 2013	As at March 31, 2012
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	97,832,400	97,832,400
Reserves and Surplus	4	242,462,757	235,693,536
		340,295,157	333,525,936
Non-Current Liabilities			
Long-term Borrowings	5	31,118,805	49,085,231
Deferred Tax Liabilities (Net)	6	35,419,538	34,922,280
Long-term Provisions	7	1,532,986	1,613,939
		68,071,329	85,621,450
Current Liabilities			
Short-term Borrowings	8	146,195,794	184,235,792
Trade Payables	9	55,097,968	76,296,866
Other Current Liabilities	10	45,117,069	50,775,870
Short-term Provisions	11	9,820,990	14,998,115
		256,231,821	326,306,643
TOTAL		664,598,307	745,454,029
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	332,345,326	345,015,046
Capital Work-in-progress		15,108,321	11,341,782
		347,453,647	356,356,828
Non-current Investments	13	967,115	967,115
Long-term Loans and Advances	14	60,153,196	43,512,802
Other Non-current Assets	15	288,699	288,699
		408,862,657	401,125,444
Current Assets			
Inventories	16	115,991,205	190,555,373
Trade Receivables	17	103,431,830	103,474,114
Cash and Bank Balances	18	21,367,708	20,317,862
Short-term Loans and Advances	19	13,664,216	28,663,589
Other Current Assets	20	1,280,691	1,317,647
		255,735,650	344,328,585
TOTAL		664,598,307	745,454,029

Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements 1-36

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors
Amit Mehta Vice Chairman
Kirat Patel Director
Rajendra Chhabra Director
Girish Satarkar Executive Director
Dimple Mehta Asst. Company Secretary

Mumbai, Dated : May 7, 2013.

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2013**

	Note	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
Revenue From Operations	21	638,832,961	725,266,926
Less : Excise Duty on Sales		(64,805,018)	(56,650,166)
Revenue From Operations (Net)		574,027,943	668,616,760
Other Income	22	2,304,062	3,769,691
Total Revenue		576,332,005	672,386,451
Expenses			
Cost of Materials Consumed	23	292,705,871	423,292,351
Changes in Inventories of Finished Goods and Work-in-progress	24	65,407,404	(31,661,632)
Employee Benefits Expenses	25	32,116,397	33,074,731
Finance Costs	26	38,112,147	35,866,651
Depreciation and Amortization Expense	12	24,857,120	22,567,052
Less: Amount withdrawn from Revaluation Reserve		986,644	986,644
		23,870,476	21,580,408
Other Expenses	27	106,143,635	140,698,978
Total Expenses		558,355,930	622,851,487
Profit before exceptional items and Tax		17,976,075	49,534,964
Exceptional items		NIL	NIL
Profit Before Tax		17,976,075	49,534,964
Tax Expense			
Current Tax		4,000,000	10,100,000
Deferred Tax		497,259	1,794,400
Current Tax Adjustments of Earlier Years		NIL	2,409,472
		4,497,259	14,303,872
Profit for the year		13,478,816	35,231,092
Earnings Per Equity Share of ₹ 10 Basic and Diluted (₹)	28	1.38	3.60
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-36		

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors
Amit Mehta Vice Chairman
Kirat Patel Director
Rajendra Chhabra Director
Girish Satarkar Executive Director
Dimple Mehta Asst. Company Secretary

Mumbai, Dated : May 7, 2013.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	17,976,075	49,534,964
Adjustments for :		
Finance Costs	38,112,147	35,866,651
Unrealised Loss on Foreign Exchange	2,457,671	3,057,279
Loss on Sale of Assets discarded	348,719	NIL
Depreciation and Impairment	23,870,476	21,580,408
Interest Income	(1,728,589)	(2,940,801)
Excess Provision and Accounts written back	(414,839)	(434,333)
Dividend Income	(70,168)	(70,168)
Operating Profit before Working Capital Changes	80,551,492	106,594,000
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	60,503	29,232,333
Inventories	74,564,168	(52,099,811)
Trade Receivables and Short-term Loans and Advances	15,041,658	73,226,747
Other Current Assets	36,956	744,674
Long-term Provisions	(80,953)	201,245
Trade Payables, Other Current Liabilities and Short-term Provisions	(5,478,278)	83,285,430
Cash generated from Operations	164,695,546	16,162,328
Income-tax paid	(4,581,741)	(21,378,867)
Net Cash from Operating Activities	160,113,805	(5,216,539)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(54,648,276)	(47,592,874)
Investments	NIL	(100,000)
Interest Income	1,728,589	2,940,801
Dividend Income	70,168	70,168
Net Cash from Investing Activities	(52,849,519)	(45,041,905)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	NIL	13,169,930
Repayment of Long-term Borrowings	(18,592,157)	(1,304,871)
Increase/(Decrease) in Short-term Borrowings	(38,039,998)	(4,281,130)
Deposits held as Margin Money	(1,402,686)	(65,141,550)
Finance Costs Paid	(38,112,147)	(35,866,651)
Dividend Paid (Including Dividend Distribution Tax)	(11,370,326)	(34,110,978)
Net Cash from Financing Activities	(107,517,314)	47,239,688
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(253,028)	(3,018,754)
Cash and Cash Equivalents at the Beginning of the Year	3,683,537	6,802,103
Cash and Cash Equivalents at the End of the Year	3,430,509	3,783,349
Components of Cash and Cash Equivalents		
Cash on hand	44,469	148,229
Other Bank Balances	3,386,040	3,635,120
On Current Accounts	3,430,509	3,783,349

Note:

The Statement of Cash Flow has been prepared under the indirect method as set out in Accounting Standard - 3 issued under the Companies (Accounting Standard) Rules, 2006.

As per our report of even date attached

For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors
Amit Mehta Vice Chairman
Kirat Patel Director
Rajendra Chhabra Director
Girish Satarkar Executive Director
Dimple Mehta Asst. Company Secretary

Mumbai, Dated : May 7, 2013.

NOTES ON CONSOLIDATION FINANCIAL STATEMENTS

1. BASIS OF CONSOLIDATION

1.1. Basis of Preparation

The Consolidated Financial Statements ("CFS") are prepared in accordance with Accounting Standard - 21 (AS-21) – "Consolidated Financial Statements" as referred to in Section 211 (3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006.

1.2. Principles of Consolidation

- a. The CFS relate to Diamines and Chemicals Limited ("the Company") and its subsidiary Diamines Speciality Chemicals Private Limited. The financial statements of the subsidiary company used in consolidation are drawn/prepared for consolidation upto the same reporting date as the Company.

The consolidated statements are prepared on the following basis:

The financial statements of the subsidiary company have been combined on line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions and the unrealised profits/losses, if any, as per AS-21.

- b. The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

1.3. Companies included in Consolidation

The following company is considered for the CFS:

Name of Company	Subsidiary / Associate	Country of incorporation	% of holding
Diamines Speciality Chemicals Private Limited	Subsidiary	India	100.00

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. ACCOUNTING CONVENTION:

The accounts are prepared on the basis of going concern under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have notified by the Companies (Accounting Standards) Rules, 2006, and in accordance with the requirements of the Companies Act, 1956.

2.2. USE OF ESTIMATES:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts/advances, deferred tax etc. Actual results could differ from those estimates. Such difference is recognised in the period/s in which the results are known/ materialised.

2.3. OTHER SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION:

The other Significant Accounting Policies are set out in Significant Accounting Policies as given in the Standalone Financial Statements of the Holding Company, Diamines and Chemicals Limited and its subsidiary Diamines Speciality Chemicals Private Limited. Additional information not impacted by the Consolidation of financial statements is also set out in the related Notes forming part of the financial statements of the Holding Company and Subsidiary Company, respectively.

	As at March 31, 2013	As at March 31, 2012
	₹	₹
3. Share Capital		
Authorised		
17,500,000 (March 31, 2012: 17,500,000)		
Equity Shares, of ₹ 10 par value	175,000,000	175,000,000
	175,000,000	175,000,000
Issued, Subscribed and Paid up		
9,783,240 (March 31, 2012: 9,783,240)		
Equity Shares, of ₹ 10 par value	97,832,400	97,832,400
	97,832,400	97,832,400

3.1 Reconciliation of the number of shares outstanding and amount of share capital

	As At March 31, 2013		As At March 31, 2012	
	No. of shares	₹	No. of shares	₹
Equity shares, of ₹ 10 par value				
At the beginning	9,783,240	97,832,400	6,522,160	65,221,600
Add: Issued during the year - by way of Bonus Shares	NIL	NIL	3,261,080	32,610,800
At the end	9,783,240	97,832,400	9,783,240	97,832,400

3.2 Rights, preferences and restrictions

- The Company has only one class of shares referred to as equity shares having par value of ₹ 10. Each holder of equity shares is 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 in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 7, 2013, proposed a final dividend of ₹ 0.5 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 5,722,951 including corporate dividend tax of ₹ 831,331.

During the year ended March 31, 2012, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 11,370,326 including corporate dividend tax of ₹ 1,587,086.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shareholders holding more than 5% of the aggregate equity shares in the Company

	As At March 31, 2013		As At March 31, 2012	
Name of the Shareholder	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	695,178	7.11

		As at March 31, 2013	As at March 31, 2012
	₹	₹	₹
3.4 Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceeding March 31, 2013)			
			No. of shares
Equity Shares allotted as fully paid up Bonus Shares			3,261,080
during the year 2011-12 by capitalisation of the following amounts:			₹
Capital Reserve			3,441,635
Capital Redemption Reserve			1,407,000
Securities Premium			18,857,360
General Reserve			8,904,805
			32,610,800
4. Reserves and Surplus			
Capital Reserve			
As per last Balance Sheet	NIL		3,441,635
Less: Capitalised for issue of Bonus Shares	NIL		3,441,635
		NIL	NIL
Capital Redemption Reserve			
As per last Balance Sheet	NIL		1,407,000
Less: Capitalised for issue of Bonus Shares	NIL		1,407,000
		NIL	NIL
Securities Premium Account			
As per last Balance Sheet	NIL		18,857,360
Less : Capitalised for issue of Bonus Shares	NIL		18,857,360
		NIL	NIL
Revaluation Reserve (Refer Note 4.1)			
As per last Balance Sheet	31,594,564		32,581,208
Less: Transfer to the Statement of Profit and Loss	986,644		986,644
		30,607,920	31,594,564
General Reserve			
As per last Balance Sheet	52,092,444		60,997,249
Less : Capitalised for issue of Bonus Shares	NIL		8,904,805
		52,092,444	52,092,444
Surplus in the Statement of Profit and Loss			
As per last Balance Sheet	152,006,528		128,145,762
Add: Net Profit after Tax transferred from Statement of Profit and Loss	13,478,816		35,231,092
Less: Appropriations			
Proposed Dividend	4,891,620		9,783,240
Dividend Distribution Tax	831,331		1,587,086
		159,762,393	152,006,528
TOTAL		242,462,757	235,693,536

4.1 Amount withdrawn on account of depreciation on revaluation during the year is ₹ 986,644 (March 31, 2012: ₹ 986,644)

		As at March 31, 2013	As at March 31, 2012
	₹	₹	₹
5. Long-term borrowings			
Term Loans (Refer Note 5.1)			
Secured			
From Banks		31,118,805	48,348,114
From Other Party		NIL	737,117
		31,118,805	49,085,231
5.1 Nature of Security and Terms of repayment of Long-term Borrowings			
Nature of Security	Rate of Interest	March 31, 2013	March 31, 2012
I. Loan from Banks:			
i. Term loans of ₹ 44,200,000 repayable in 24 equal quarterly instalments from September 1, 2007, of ₹ 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ₹ 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra.	Ranging from 12.40% p.a. to 13.65% p.a.	46,300,000	67,166,629
ii. Term loans of ₹ 43,750,000 repayable in 24 quarterly instalments from December 28, 2005 is secured by way of exclusive equitable mortgage of the Land and Windmill financed and exclusive first hypothecation charge on the receivables arising out of the operation of the windmill. Second equitable mortgage charge on remaining fixed assets of the Company, both, present and future, and second hypothecation charge on all movable fixed assets of the Company, both, present and future.	Ranging from 12.25% p.a. to 13.25% p.a.	NIL	7,235,959
iii. Vehicle Loan of ₹ 600,000 repayable in 36 monthly instalments from January 1, 2010 is secured against hypothecation of specified vehicles	9.12% p.a.	NIL	165,662
iv. Vehicle Loan of ₹ 3,950,000 repayable in 60 monthly instalments from August 10, 2010 is secured against hypothecation of specified vehicles	8.35% p.a.	2,048,114	2,811,196
		48,348,114	77,379,446
Less : Current Maturities of Long-term debt (Refer Note 10)		17,229,309	29,031,332
		31,118,805	48,348,114
II. Loan from Other Party:			
Vehicle Loan of ₹ 3,483,623 repayable in 35 monthly instalments from December 10, 2010 is secured against hypothecation of specified vehicles	9.14% p.a.	756,794	1,965,576
		756,794	1,965,576
Less : Current Maturities of Long-term debt (Refer Note 10)		756,794	1,228,459
		NIL	737,117

	As at March 31, 2013	As at March 31, 2012
	₹	₹
6. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	43,519,060	44,006,157
Deferred Tax Assets		
Contested Disallowances	5,871,000	6,311,325
Provision for doubtful debts, loans and advances	541,405	585,332
Others	1,687,117	2,187,220
	<u>8,099,522</u>	<u>9,083,877</u>
Net deferred Tax (Assets)/ Liabilities	35,419,538	34,922,280
7. Long-term Provisions		
For Employee Benefits		
Leave Encashment	1,330,754	1,613,939
Gratuity	202,232	NIL
	<u>1,532,986</u>	<u>1,613,939</u>
8. Short-term Borrowings		
Loans repayable on demand (Refer Note 8.1)		
Secured		
From Banks	141,395,794	179,435,792
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 33)	2,300,000	2,300,000
Other loans and advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>146,195,794</u>	<u>184,235,792</u>
8.1 Working Capital facilities from a bank are secured by hypothecation of the entire current assets including stock of raw materials, stock-in-process, finished goods, stores and spares, etc. bills/book-debts/ receivables and other current assets.		
9. Trade Payables		
Micro and Small Enterprises (Refer Note 9.1)	NIL	NIL
Others	55,097,968	76,296,866
	<u>55,097,968</u>	<u>76,296,866</u>
9.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.		
10. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks [Refer Note 5.1 (I)]	17,229,309	29,031,332
From Other Party [(Refer Note 5.1 (II)]	756,794	1,228,459
	<u>17,986,103</u>	<u>30,259,791</u>
Interest accrued but not due on Borrowings	569,606	966,431
Unclaimed Dividends	2,044,915	2,267,895
Other Payables		
For Capital Expenses	572,242	555,624
Advance from Customers	941,744	97,095
Others (Refer Note 10.1)	23,002,459	16,629,034
	<u>24,516,445</u>	<u>17,281,753</u>
	45,117,069	50,775,870
10.1 Others include Statutory Dues and other year end liabilities provided.		
11. Short Term Provisions		
For Employee Benefits		
Gratuity	1,452,125	1,081,915
Leave Encashment	419,587	327,242
	<u>1,871,712</u>	<u>1,409,157</u>
Other Provisions		
For Proposed Dividend	4,891,620	9,783,240
For Tax on Dividend	831,331	1,587,086
For Contingencies	1,000,000	1,000,000
For Wealth Tax	29,216	21,521
	<u>6,752,167</u>	<u>12,391,847</u>
Provision for Taxes	8,400,000	8,400,000
Less : Taxes paid	7,202,889	7,202,889
	<u>1,197,111</u>	<u>1,197,111</u>
	9,820,990	14,998,115

12. FIXED ASSETS



(Amounts in ₹)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2012	During the Year Additions	For Sale / Adjustments	As At March 31, 2013	Upto March 31, 2012	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2013	As At March 31, 2012
Tangible Assets									
Land									
Freehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055
Leasehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055
Buildings	23,585,328	NIL	NIL	23,585,328	3,275,740	327,574	NIL	3,603,314	20,309,588
Plant and Equipments	23,585,328	NIL	NIL	23,585,328	2,948,166	327,574	NIL	3,275,740	20,309,588
Furniture and Fixtures	32,169,972	NIL	NIL	32,169,972	14,602,712	915,870	NIL	15,518,582	17,567,259
Office Equipments	31,907,583	NIL	NIL	32,169,972	13,689,111	913,601	NIL	14,602,712	18,218,472
Vehicles	535,135,140	12,379,373	416,500	547,098,013	248,950,196	21,280,296	67,781	270,162,711	286,288,951
Current year	481,146,182	53,988,958	NIL	535,135,140	229,911,610	19,038,586	NIL	248,950,196	251,234,572
Previous year	21,452,837	137,870	NIL	21,590,707	15,439,229	888,154	NIL	16,327,383	5,263,324
Capital Work in progress	20,845,193	607,644	NIL	21,452,837	14,590,179	849,050	NIL	15,439,229	5,909,601
Current year	5,110,522	18,876	NIL	5,129,398	3,253,686	242,949	NIL	3,496,635	1,856,836
Previous year	4,798,923	311,599	NIL	5,110,522	3,017,722	235,964	NIL	3,253,686	1,781,200
	12,765,082	NIL	NIL	12,765,082	2,836,325	1,202,277	NIL	4,038,602	9,928,757
	12,765,082	NIL	NIL	12,765,082	1,634,048	1,202,277	NIL	2,836,325	9,928,757
	633,372,935	12,536,119	416,500	645,492,554	288,357,888	24,857,120	67,781	313,147,227	345,015,047
	578,202,346	54,908,201	NIL	633,372,936	265,790,836	22,567,052	NIL	288,357,888	312,411,509
	9,298,887	25,993,001	20,183,567	15,108,321	NIL	NIL	NIL	NIL	9,298,887
	18,436,852	59,607,109	66,702,179	11,341,782	NIL	NIL	NIL	NIL	18,436,852
	9,298,887	25,993,001	20,183,567	15,108,321	NIL	NIL	NIL	NIL	9,298,887
	18,436,852	59,607,109	66,702,179	11,341,782	NIL	NIL	NIL	NIL	18,436,852

Above Assets include Research and Development Assets as mentioned below:

(Amounts in ₹)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2012	During the Year Additions	For Sale / Adjustments	As At March 31, 2013	Upto March 31, 2012	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2013	As At March 31, 2012
Tangible Assets									
Buildings	51,221	NIL	NIL	51,221	270	1,105	NIL	1,375	50,951
Plant and Equipments	3,211,664	51,221	NIL	3,262,885	NIL	270	NIL	270	3,262,885
Current year	1,823,061	47,392	NIL	1,870,453	767,448	152,869	NIL	920,317	2,444,216
Previous year	3,211,664	1,388,603	NIL	3,211,664	663,441	104,007	NIL	767,448	1,159,620
	3,211,664	47,392	NIL	3,310,277	767,448	153,974	NIL	921,692	2,444,216
	1,823,061	1,439,824	NIL	3,262,885	663,441	104,277	NIL	767,718	1,159,620

Plant and Machinery includes Borrowing Costs of ₹ NIL (March 31, 2012: ₹ 4,06,813) capitalised during the year.

		As at March 31, 2013	As at March 31, 2012
	₹	₹	₹
13. Non-current Investments			
Long-term Investments - valued at cost less provision for diminution in value other than temporary			
Other than Trade			
In Equity Instruments of Other Companies			
Quoted			
Sintex Industries Limited			
107,950 (March 31, 2012: 107,950) Equity Shares of ₹ 1 par value of Sintex Industries Limited		967,115	967,115
		967,115	967,115
	Cost	Market Value	Cost
			Market value
Aggregated amount of Quoted Investments	967,115	4,976,495	967,115
			9,310,688
14. Long-term Loans and Advances			
Unsecured and considered good			
Capital Advances	38,135,280		22,016,124
Security Deposits	10,902,164		10,962,667
		49,037,444	32,978,791
Taxes Paid	46,910,965		42,329,224
Less: Provision for Taxes	35,795,213		31,795,213
		11,115,752	10,534,011
		60,153,196	43,512,802
15. Other Non-current Assets			
Trade Receivables			
Considered Doubtful			
Outstanding for a period exceeding six months from the date they are due for payment	1,752,119		1,752,119
Less: Provision for Bad and Doubtful Debts	1,752,119		1,752,119
		NIL	NIL
Other Loans and Advances			
Advances recoverable in cash or in kind for value to be received			
Considered Good		288,699	288,699
		288,699	288,699
16. Inventories			
Raw Materials		10,738,951	37,119,534
Raw Materials - Goods-in-transit		36,365,856	15,771,928
Work-in-process		25,312,001	81,220,860
Finished Goods		38,175,505	50,626,846
Fuel		938,474	1,313,033
Stores and Spares		4,460,418	4,503,172
		115,991,205	190,555,373

	As at March 31, 2013	As at March 31, 2012
	₹	₹
16.1 Details of Inventories :		
a. Work-in-Progress		
Piperazine Anhydrous	1,168,612	3,963,050
Piperazine-Technical-68%	3,342,045	36,312,714
Ethylene Diamine	13,553,136	26,815,026
Other Products	7,248,208	14,130,070
	25,312,001	81,220,860
b. Finished Goods		
Piperazine Anhydrous	20,995,030	22,711,813
Piperazine-Technical-68%	4,433,500	6,116,947
Ethylene Diamine	2,995,267	3,748,984
Other Products	9,751,709	18,049,102
	38,175,506	50,626,846
17. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	592,358	8,732,986
Others	102,839,472	94,741,128
	103,431,830	103,474,114
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	44,469	48,417
Balances with Banks		
- On Current Accounts	3,386,040	3,734,932
Other Bank Balances		
- On Fixed Deposit Accounts	17,937,199	16,534,513
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	21,367,708	20,317,862
19. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	4,442,922	4,064,946
Considered Doubtful	NIL	10,200
	4,442,922	4,075,146
Less : Provision for Doubtful Advances	NIL	10,200
	4,442,922	4,064,946
Balance with Central Excise and Customs	9,221,294	24,598,643
	13,664,216	28,663,589
20. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	628,568	482,821
Deferred Premium on Forward Contracts	652,123	834,826
	1,280,691	1,317,647

	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
21. Revenue From Operations		
Sale of products		
Manufactured Goods	616,866,986	706,577,803
Windmill Power Generated	19,627,173	16,321,735
	<u>636,494,159</u>	<u>722,899,538</u>
Other Operating Revenues		
Duty Drawback	592,666	NIL
Sale of Scrap	1,746,136	2,367,388
	<u>638,832,961</u>	<u>725,266,926</u>
Less: Excise Duty on Sales	(64,805,018)	(56,650,166)
	<u>574,027,943</u>	<u>668,616,759</u>
21.1 Details of Products Sold		
Sale of Manufactured Goods		
Piperazine Anhydrous	447,449,834	498,715,221
Piperazine-Technical-68%	11,259,136	64,403,524
Ethylene Diamine	48,842,269	49,541,567
Other Products	109,315,747	93,917,491
	<u>616,866,986</u>	<u>706,577,803</u>
22. Other Income		
Interest on Margin Money	1,728,589	2,940,801
Dividend from Long-term Investment	70,168	70,168
Accounts Written Back	414,839	434,333
Miscellaneous Income (Refer Note 22.1)	90,466	324,390
	<u>2,304,062</u>	<u>3,769,691</u>
22.1 Other Income includes income for prior period as under:		
Miscellaneous Income		
Interest on Security Deposit	NIL	231,699
Interest on Fixed Deposit	5,314	NIL
	<u>5,314</u>	<u>231,699</u>
23. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	36,270,039	35,110,887
Add : Purchases	254,665,803	428,893,772
Less : Closing Stock of Raw Materials	10,052,507	52,041,967
	<u>280,883,335</u>	<u>411,962,692</u>
Packing Materials		
Opening Stock of Packing Materials	849,495	1,053,049
Add : Purchases	11,659,485	11,126,105
Less : Closing Stock of Packing Materials	686,444	849,495
	<u>11,822,536</u>	<u>11,329,659</u>
	<u>292,705,871</u>	<u>423,292,351</u>
23.1 Details of Raw Materials Consumed		
Piperazine 68 %	103,936,414	296,457,287
Crude Piperazine Amine Mixture(CPA)	124,728,073	57,859,762
Ethylene Di Chloride (EDC)	18,890,292	30,205,554
Others	33,328,556	27,440,089
	<u>280,883,335</u>	<u>411,962,692</u>

		For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹	₹
24. Changes in Inventories of Finished Goods and Work-in-progress			
Stocks at the end			
Finished Goods	38,175,505		50,626,846
Work-in-progress	25,312,001		81,220,860
		63,487,506	131,847,706
Less: Stocks at the beginning			
Finished Goods	50,626,846		36,606,792
Work-in-progress	81,220,860		59,169,999
		131,847,706	95,776,791
		(68,360,200)	36,070,915
Increase / (Decrease) in Excise Duty on Stocks		2,952,796	(4,409,283)
		65,407,404	(31,661,632)
25. Employee Benefit Expenses			
Salaries, Wages and Bonus		24,309,567	25,549,167
Contributions to Provident and Other Funds		2,270,315	2,307,885
Gratuity Expenses		1,243,709	992,069
Staff Welfare Expenses		4,292,806	4,225,610
		32,116,397	33,074,731
26. Finance Costs			
Interest Expense			
On Borrowings	23,609,193		27,053,221
On Others (Refer Note 26.2)	6,919,684		2,193,683
		30,528,877	29,246,904
Other Borrowing Costs			
Processing Fees		2,060,904	1,561,135
Other Finance Charges		5,522,366	5,058,612
		38,112,147	35,866,651

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹
27. Other Expenses		
Stores and Spares Consumed	6,401,615	8,883,605
Power and Fuel	50,728,243	71,339,595
Rent	NIL	43,600
Repairs and Maintenance		
Building	460,813	814,809
Machinery (Refer Note 26.1)	4,618,439	8,385,669
Others	971,447	875,337
	<u>6,050,699</u>	<u>10,075,815</u>
Insurance	2,365,199	1,684,810
Rates and Taxes (Refer Note 27.1 and 27.2)	1,637,148	550,156
Job Work Charges	7,448,492	10,174,814
Travelling and Conveyance	3,552,154	6,664,553
Director's Fees	1,367,500	1,430,000
Commission to Directors	321,150	965,919
Legal and Professional Charges	2,865,304	4,206,805
Net loss on Foreign Currency Transactions and Translations	3,141,598	10,104,743
Auditors' Remuneration		
Audit Fees	313,730	313,236
Tax Audit Fees	80,000	80,000
Certification Work	215,000	215,000
	<u>608,730</u>	<u>608,236</u>
Delay charges for the payment for allotment of Land	3,039,075	779,176
Preliminary Expenses	NIL	18,557
Miscellaneous Expenses	16,616,729	13,168,594
	<u>106,143,635</u>	<u>140,698,978</u>
27.1 Other Expenses include expenses incurred on		
Windmill Power generation as under:		
Repairs and Maintenance - Machinery	3,547,707	3,416,100
Rates and Taxes	220,832	48,885
	<u>3,768,539</u>	<u>3,464,985</u>
27.2 Rates and Taxes include ₹ 1,275,292 (March 31, 2012: NIL) and Interest of ₹ 3,607,422 (March 31, 2012: NIL) thereon shown under Interest Expense - Others (in Note 26). Demand in this regard was raised during the year.		
27.3 Expenses incurred on Research and Development during the year are included in the Statement of Profit and Loss as under:		
Employee Benefit Expenses (In Note 25)		
Salaries, Wages and Bonus	881,479	1,438,921
Contributions to Provident and Other Funds	100,419	100,688
Staff Welfare Expenses	765	4,500
	<u>982,663</u>	<u>1,544,109</u>
Cost of Materials Consumed (In Note 23)	60,527	285,591
Depreciation (In Note 12)	153,974	104,277
Other Expenses (In Note 27)		
Stores and Spares Consumed	1,010,446	673,624
	<u>2,207,610</u>	<u>2,607,601</u>

28. Earnings Per Share as per Accounting Standard - 20:

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year (a)	₹ 13,478,816	₹ 35,231,092
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares (b)	9,783,240	9,783,240
Basic and Diluted Earnings per Share [(a) / (b)]	₹ 1.38	₹ 3.60
Face value per Share	₹ 10	₹ 10

29. Contingent Liabilities and Commitments :

	As At March 31, 2013 ₹	As At March 31, 2012 ₹
29.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	1,436,000	1,267,000
ii. Guarantees issued by the bankers on behalf of the Company	1,046,934	1,046,934
iii. In respect of the various advance licenses issued to the Company for the purposes of fulfilling the export and other related customs formalities, the Company has filed appeals and matters are pending before the Directorate General of Foreign trade (DGFT)	6,472,696	11,355,410
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ₹ 1,000,000 (March 31, 2012 : ₹ 1,000,000)]	2,350,000	21,50,000
v. Matters under disputes/appeals :		
a. Income-tax	NIL	1,618,523
b. Service Tax/ Excise	8,456,482	4,151,104
29.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	74,174,820	74,686,343
Less : Advances	38,135,280	21,793,034
Net Estimated Amount	36,039,540	52,893,309
ii. Other Commitments	NIL	NIL

30. Credit balances remaining unclaimed beyond the limitation period are written back except where obligations are perceived by management to be reasonably confirmed. Balances of creditors/advances from customers are subject to confirmation and consequent adjustments, if any. Credit balances remaining unclaimed beyond the limitation period are written back except where obligations are perceived by management to be reasonably confirmed. Balances of creditors/advances from customers are subject to confirmation and consequent adjustments, if any.

31. "Employee Benefits" as per Accounting Standard 15:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the Year ended on March 31, 2013 ₹	For the Year ended on March 31, 2012 ₹	For the Year ended on March 31, 2013 ₹	For the Year ended on March 31, 2012 ₹
Obligation at period beginning (April 1, 2012)	7,907,512	6,937,017	1,941,181	1,654,673
Current Service cost	464,672	519,675	247,098	453,438
Interest cost	691,907	572,304	169,853	136,511
Actuarial (gain) / loss	722,562	460,230	(323,647)	(39,740)
Benefits paid	(299,043)	(581,714)	(284,144)	(263,701)
Obligations at the year end (March 31, 2013)	9,487,610	7,907,512	1,750,341	1,941,181
Change in plan assets				
Plan assets at period beginning, at fair value	6,825,597	6,247,804	NIL	NIL
Expected return on plan assets	597,240	515,444	NIL	NIL
Actuarial gain / (loss)	38,192	44,696	NIL	NIL
Contributions	671,267	599,367	NIL	263,701
Benefits paid	(299,043)	(581,714)	(284,144)	(263,701)
Plan assets at the year end, at fair value	7,833,253	6,825,597	(284,144)	NIL
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	7,833,253	6,825,597	NIL	NIL
Present value of the defined benefit obligations at the end of the year	9,487,610	7,907,512	1,750,341	1,941,181
Liability/(Asset) recognized in the Balance Sheet (Notes 7 and 11)	1,654,357	1,081,915	1,750,341	1,941,181
Cost for the year				
Current service cost	464,672	519,675	247,098	453,438
Interest cost	691,907	572,304	169,853	136,511
Expected return on plan assets	(597,240)	(515,444)	Nil	Nil
Actuarial (gain) / loss	684,370	415,534	(323,647)	(39,740)
Net Cost recognized in the Statement of Profit and Loss (Note 25)	1,243,709	992,069	93,304	550,209
Category of assets				
Insurer managed funds	7,833,253	6,825,597	N.A.	N.A.
Total	7,833,253	6,825,597	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	8.75%	8.75%	8.75%	8.75%
Estimated rate of return on plan assets	8.75%	8.75%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	635,432	560,140	N.A.	N.A.

The estimate of future salary increases considered in actuarial valuation takes into account the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical results of the return on plan assets.

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Experience adjustment					
On plan liability (gain)/ loss (*)	427,149	675,611	267,052	—	—
On plan assets gain/ (loss) (*)	38,192	44,696	58,710	—	—
Present value of benefit obligation	9,487,610	7,907,512	6,937,017	5,826,689	5,078,851
Fair value of plan assets	7,833,253	6,825,597	6,247,804	5,280,705	4,572,781
Excess of obligation over plan assets (net)	1,654,357	1,081,915	689,213	545,984	506,070

(*) To the extent information available from reports of Actuary

32. Disclosure as per Accounting Standard 17 on “Segment Reporting”:

The Company and its subsidiary has two reportable segments, Speciality Chemicals and Power Generation. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system.

PARTICULARS	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	616,866,986	706,577,803
Less: Excise Duty on Sales	64,805,018	56,650,166
	552,061,968	649,927,637
b. Power Generation		
Total Power generated	24,392,066	20,993,665
Less: Captive Power used for Speciality Chemicals	4,764,893	4,671,930
Net as per the Statement of Profit and Loss	19,627,173	16,321,735
Total	571,689,141	666,249,372
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ₹ 4,764,893 (Previous Year ₹ 4,671,930)]	36,442,860	68,479,949
b. Power Generation		
Total	12,363,622	9,412,783
Less: Of Captive Power	2,100,286	2,121,832
Net as per the Statement of Profit and Loss	10,263,336	7,290,951
Total	46,706,196	75,770,900
Less: a. Interest Expense	30,528,877	29,246,904
b. Exceptional Items	NIL	NIL
Add: Interest and Dividend Income	1,798,756	3,010,969
	28,730,121	26,235,935
Profit before Tax	17,976,075	49,534,965
Net Current Tax	4,000,000	10,100,000
Deferred Tax	497,259	1,794,400
Adjustments relating to Prior Years	NIL	2,409,472
	4,497,259	14,303,872
Profit after Tax	13,478,816	35,231,093
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	556,095,035	629,333,693
b. Power Generation	107,536,157	115,153,223
c. Others – Unallocated	967,115	967,115
Total	664,598,307	745,454,031

PARTICULARS

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹	₹
Segment Liabilities		
a. Speciality Chemicals	315,379,746	396,898,492
b. Power Generation	3,200,453	15,029,602
c. Others – Unallocated	NIL	NIL
Total	318,580,199	411,928,094
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets	27,644,439	66,762,372
– Capital Advances	38,135,280	22,016,125
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	65,779,719	88,778,497
Depreciation during the year		
a. Speciality Chemicals	16,024,135	13,734,067
b. Power Generation	7,846,341	7,846,341
c. Others – Unallocated	NIL	NIL
Total	23,870,476	21,580,408

33. Disclosure as per Accounting Standard 18 on “Related Party Disclosures”:

- a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below. There were no amounts written off or written back from such parties during the year. The related parties included in the various categories above, where transactions have taken place are given below:

Particulars	Associate		Key Managerial Personal		Subsidiary of Associate [As in 4(i) below]	
	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
Remuneration	NIL	NIL	2,417,025	2,185,560	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/Packing materials	3,997,054	185,409	NIL	NIL	NIL	NIL
Sales	14,355	100,411	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	279,466	281,750
Dividend paid	2,977,996	2,977,996	NIL	NIL	NIL	NIL
Transaction on behalf:						
Cenvat Credit Paid for	NIL	470,932	NIL	NIL	NIL	NIL
Cenvat Credit Availied for	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Reimbursed to	114,340	77,437	NIL	NIL	NIL	NIL
Expenses Recovered from	NIL	130,658	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date						
Amounts due from	190,486	NIL	NIL	NIL	NIL	NIL
Amounts due to	NIL	805,887	NIL	NIL	2,300,000	2,300,000

b.

S.No. Relation

- Associate
- Key Management Personnel
- Enterprises over which key management personnel exercise significant influence
- Enterprises over which Associate exercises significant influence
- Subsidiary of Associate

Name of Related Party

- Alkyl Amines and Chemicals Limited.
Executive Director-Mr. Girish R. Satarkar
None
i. Alkyl Speciality Chemicals Limited
ii. Alkyl Amines Europe SPRL

	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
34. a. Value of imports calculated on CIF basis:		
Raw Materials	223,899,906	277,463,036
b. Expenditure in foreign currency:		
Traveling Expenses	9,16,485	3,202,858
Subscription	28,756	32,927
Interest and Bank Charges	2,105,996	1,460,425
Total	3,051,237	4,696,210
c. Earnings in foreign currency :		
Export of goods on FOB basis	29,753,664	94,453,391

d. Consumption of Imported / Indigenous Materials

Particulars	For the Year ended March 31, 2013		For the Year ended March 31, 2012	
	Percentage	₹	Percentage	₹
Raw Materials				
Imported	89.22%	261,098,493	83.70%	354,317,049
Indigenous	10.78%	315,46,851	16.30%	68,975,302
TOTAL	100.00%	292,645,344	100.00%	423,292,351
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	6,401,615	100.00%	8,883,605
TOTAL	100.00%	6,401,615	100.00%	8,883,605

35. Foreign currency exposure that is not hedged by derivative instruments as on March 31, 2013:

	Amount in US Dollar		Amount In ₹	
	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Advance received from/ other payable to customer Supply against usance	16,300 NIL	NIL 127,071	886,545 NIL	NIL 6,500,507
TOTAL	16,300	127,071	886,545	6,500,507

36. The previous year's figures, wherever necessary, have been regrouped/ reclassified to conform to the current year's presentation.

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 7, 2013.

For and on behalf of the Board of Directors
Amit Mehta Vice Chairman
Kirat Patel Director
Rajendra Chhabra Director
Girish Satarkar Executive Director
Dimple Mehta Asst. Company Secretary

Mumbai, Dated : May 7, 2013.

**ATTENDANCE SLIP****DIAMINES AND CHEMICALS LTD.**

Regd. Off: Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.
I/We hereby record my/our presence at the 37th Annual General Meeting held at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346, at 2:30 p.m. on Thursday, the 25th July, 2013.

DP ID No.* :	L.F No. :
Client ID No.* :	No. of shares held :

Name and address of the shareholder(s)

If Shareholder(s), Please sign here

If Proxy, Please sign here

**FORM OF PROXY****DIAMINES AND CHEMICALS LTD.**

Regd. Off: Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346.

DP ID No.* :	L.F No. :
Client ID No.* :	No. of shares held :

I/We _____ of _____
being a Member / Members of the above named Company hereby appoint _____
of _____ or failing him/her _____
of _____ as my/our proxy/proxies to vote for me/us on my/our behalf at the 37th
Annual General Meeting of the Company to be held on Thursday, the 25th July, 2013 at 2:30 p.m. and at any
adjournment thereof.

Signed this day of2013.

Signature

Affix a 1 Re. Revenue Stamp

Notes:

1. The form should be signed across the stamp as per specimen signature (s) registered with the Company.
2. The Proxy Form must be deposited at the Registered office of the company not less than 48 (Forty-Eight) hours before the time fixed for holding the Meeting.
3. A proxy need not be a Member.

* Applicable for investors holding shares in electronic form.

Book - Post

To

If undelivered, please return to



Diamines and Chemicals Limited

Regd Office :

Plot No. 13, PCC Area, P.O. Petrochemicals,
Vadodara - 391 346.

Pratiksha
98252 62512

FINANCIAL HIGHLIGHTS OF THE LAST DECADE

(₹ in Lacs)

FINANCIAL YEAR ENDING	31.03.2004	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012	31.03.2013
GROSS SALES (BASIC + EXCISE)	2345.53	1988.27	2373.60	2325.97	1931.41	3173.97	4686.21	8864.80	7090.85	6168.66
OPERATING PROFIT(LOSS)(PBITD)	854.27	847.68	890.06	1045.97	599.83	531.03	1867.79	2552.17	1077.91	834.83
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	657.73	726.75	781.77	801.33	277.56	209.59	1446.93	2028.43	503.45	215.01
PROFIT (LOSS) AFTER INCOME TAX (As per Note 2)	419.61	455.55	611.43	688.38	170.89	136.32	935.42	1470.99	360.42	170.04
GROSS FIXED ASSETS (As per Note 3)	2921.38	3244.11	3839.68	4530.78	4566.49	4614.17	5461.06	5782.02	6333.72	6454.92
NET FIXED ASSETS	1238.81	1450.94	1955.51	2485.36	2364.11	2319.15	3002.75	3124.11	3450.15	3323.45
NET CURRENT ASSETS	(485.02)	(300.96)	(407.96)	57.55	793.54	708.93	1298.07	63.80	179.35	89.98
EQUITY SHARE CAPITAL	652.22	652.22	652.22	652.22	652.22	652.22	652.22	652.22	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	776.62	822.18	883.32	952.17	966.23	966.23	1449.15	2128.49	2049.10	2161.92
BOOK VALUE (₹)	4.17	8.30	11.95	17.85	19.29	20.21	32.22	42.63	30.94	32.10
EARNING PER SHARE (₹)	6.54	6.97	9.36	10.54	2.61	2.09	14.34	22.55	3.68	1.74
EQUITY DIVIDEND (%)	20%	25%	50%	40%	10%	10%	20%	60%	10%	5%

Notes:

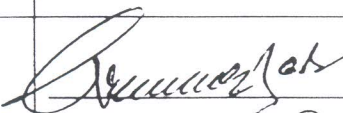
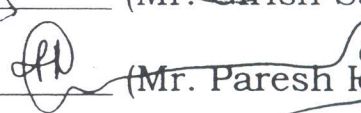
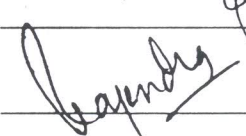
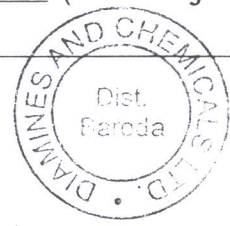


- Figures are rupees in lacs except book value and earning per share which are absolute rupee value per equity share and proposed dividend which is in percentage on equity share nominal value.
- Income Tax includes, both current and deferred tax.
- Includes revaluation effected on 1.3.97 to Lease hold land & buildings.
- Book value has been computed considering the networth i.e share capital plus reserves and surplus less accumulated losses and miscellaneous expenditure.

**37th
ANNUAL REPORT
2012-2013**



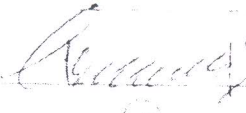


Diamines and Chemicals Limited

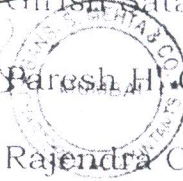
FORM-A

1.	Name of the Company	Diamines and Chemicals Ltd.
2.	Annual Financial Statement for the year ended	March 31, 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be Signed by • CEO/Managing Director • Auditor of the Company • Audit Committee Chairman	<div style="display: flex; flex-direction: column; align-items: flex-start;"><div> (Mr. Girish Satar)</div><div> (Mr. Paresh K. Chaudhary)</div><div> (Mr. Rajendra Chaudhary)</div></div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"></div>

Dated: June 18, 2013

FORM-A

1.	Name of the Company	Diamines and Chemicals Ltd. (Consolidated)
2.	Annual Financial Statement for the year ended	March 31, 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be Signed by	
	• CEO/Managing Director	 (Mr. Girish Satarkar)
	• Auditor of the Company	 (Mr. Paresh H. Clerk)
	• Audit Committee Chairman	 (Mr. Rajendra Chhabra)



Dated: June 18, 2013