

August 9, 2017

Bombay Stock Exchange Limited,
25, P. J. Towers,
Dalal Street,
MUMBAI – 400 001

Dear Sir,

Stock Code: 500120

Sub. Submission of Annual Report 2016-17

Ref. Intimation under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

With reference to the above stated subject, please find enclosed herewith **one copy** of the Annual Report 2016-17 as applicable to our company.

Kindly take the same on record.

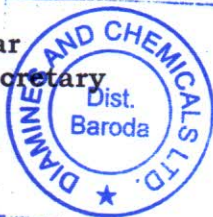
Thanking You,

Yours Faithfully,

For DIAMINES AND CHEMICALS LTD


Sanjay Parmar
Company Secretary

ENCL: A/a



**41st
ANNUAL REPORT
2016-2017**



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

FINANCIAL HIGHLIGHTS OF THE LAST DECADE
(₹ in Lacs)

FINANCIAL YEAR ENDING	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017
TOTAL REVENUE (INCLUDING EXCISE DUTY)	2678.80	2193.81	3374.46	5883.13	9119.77	7315.43	6411.36	4947.08	4338.38	3984.76	3884.19
OPERATING PROFIT (LOSS)(PBIT)	1045.97	599.83	531.03	1867.79	2515.40	1077.91	834.83	620.22	514.09	482.18	936.55
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	801.33	277.56	209.59	1446.93	2028.43	503.45	215.01	79.31	(29.75)	8.52	579.01
PROFIT (LOSS) AFTER INCOME TAX (As per Note 2)	688.38	170.89	136.32	935.42	1470.99	360.42	170.04	75.04	(155.36)	25.33	427.69
GROSS FIXED ASSETS (As per Note 3)	4530.78	4566.49	4614.17	5461.06	5782.02	6333.72	6454.92	6535.36	6536.99	6532.37	6082.59
NET FIXED ASSETS	2485.36	2364.11	2319.15	3002.75	3124.11	3450.15	3323.45	3151.35	2929.99	2733.10	2275.76
NET CURRENT ASSETS	57.55	793.54	708.93	1298.07	63.80	179.35	89.98	235.96	387.80	304.52	1601.12
EQUITY SHARE CAPITAL	652.22	652.22	652.22	652.22	652.22	978.32	978.32	978.32	978.32	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	952.17	966.23	966.23	1449.15	2128.49	2049.10	2161.92	2236.96	2070.24	2103.10	2448.55
BOOK VALUE (Rs.)	17.85	19.29	20.21	32.22	42.63	30.94	32.10	32.87	31.16	31.50	35.03
EARNING PER SHARE (Rs.)	10.54	2.61	2.09	14.34	22.55	3.68	1.74	0.77	(1.59)	0.26	4.37
EQUITY DIVIDEND (%)	40%	10%	10%	20%	60%	10%	5%	-	-	-	15%

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.

BOARD OF DIRECTORS

Mr. Yogesh Kothari	Chairman
Mr. Amit Mehta	Vice Chairman
Mr. G. S. Venkatachalam	Executive Director
Mr. Kirat Patel	Director
Mr. Rajendra Chhabra	Independent Director
Mr. Dhruv Kaji	Independent Director
Dr. Ambrish Dalal	Independent Director
Mr. Shreyas Mehta	Independent Director
Mrs. Darshana Mankad	Independent Director

Company Secretary

Ms. Scany Parmar

Chief Financial Officer

Mr. A. R. Chaturmutha

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

Registered Office & WorksPlot No. 13, PCC Area, P. O. Petrochemicals,
VADODARA - 391 346.

Tel : (91) (0265) - 3920200

Fax : (91) (0265) - 2230 218

Email : info@dacl.co.in Web Site : www.dacl.co.in

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NOTICE

NOTICE is hereby given that the **41st (Forty-First)** Annual General Meeting (AGM) of the members of M/s. 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 **20th Day of July, 2017 at 12:00 Noon** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2017 together with the Reports of the Board of Directors' and Auditors' thereon including the audited financial statements of the Company for the year ended on March 31, 2017.
2. To appoint a Director in place of **Mr. Yogesh Mathradas Kothari (DIN: 00010015)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr. Amit Mahendra Mehta (DIN: 00073907)**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare dividend of ` 1.50 per Ordinary (Equity) share of ` 10/- each for the financial year 2016-17.
5. To ratify the appointment of Statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed on August 12, 2014, the appointment of M/s. Banshi S. Mehta, Chartered Accountants (Firm Registration Number: 100991W) as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018, as may be determined by the Audit Committee in consultation with the auditors, and as may be agreed upon between the auditors and the Board of Directors."

6. SPECIAL BUSINESS:

To consider and determine the fees for delivery of any document through a particular mode of delivery to a member

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance ` 100 per document/equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week advance of the dispatch of the document by the Company and that no such request shall be entertained by the Company to post the despatch of such document by the Company to the shareholder.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member ten days in advance to the Company, before dispatch of such document and that no such request shall be entertained by the company post the dispatch of such document by the company to the Member.

Mumbai, Dated: April 28, 2017

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Scany Parmar

Company Secretary
Membership No.: A43651

NOTES:

1. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the particulars with brief resume of Directors seeking re-appointment for Item No. 2 & 3 forms part of the notice calling Annual General Meeting.
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 (FOURTY-EIGHT) HOURS BEFORE THE TIME FOR HOLDING THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative together with specimen signatures of their authorized representatives to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **12th July, 2017 to 20th July, 2017** (both days inclusive).
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. Members, who hold shares in dematerialization form, are requested to bring their depository account number for identification.
6. 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.
7. Relevant documents, reports, orders, notice or other papers 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. and 1:00 p.m. up to the date of Annual General Meeting.
8. Pursuant to applicable provisions of the Companies Act, 2013, as applicable from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund established by the Central Government. The Company during the year has transferred the unclaimed dividend amount for the financial year 2008-09 to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their Final dividend for the financial year 2009-10 are requested to claim their unclaimed dividend before August 28, 2017 and members who have not claimed their Interim dividend for the financial year 2010-11 are requested to claim their unclaimed dividend before November 30, 2017. Members who have not encashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation. The Company shall thereafter as mentioned above; process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred.
9. 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.
10. 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 annual general meeting. Replies will be provided in respect of such written queries received only at the meeting.



11. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
12. Members are requested to address their communications regarding transfer of shares, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:
M/s. MCS Share Transfer Agent Limited
10, Aram Apartments,
12, Sampatrao Colony, B/h. Laxmi Hall,
Alkapuri, Vadodara - 390 007
Tel. (0265) 2339397 / 2314757
Fax: (0265) 2341639
email: mcsitdbaroda@gmail.com
13. **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.**
14. 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. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
15. 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 Share Transfer Agent Limited, for consolidation into a single folio.
16. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
17. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in Demat form; the nomination form may be filed with the respective Depository Participant.
18. 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. Pursuant to Clause 5(A) of the erstwhile Listing agreement, shares which are unclaimed after necessary reminders given to the shareholders, have already been credited to "Demat Suspense Account". Hence, the Company requests such shareholders, who have not yet claimed such bonus shares, that they communicate the Company's RTA and claim such shares at their end.
19. As per sub clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company shall disclose the following details in its Annual Report, as long as there are shares in the suspense account:
 - (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; **941 Shareholders & 26,281 shares**
 - (ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year: **NIL**
 - (iii) Number of shareholders to whom shares were transferred from suspense account during the year: **NIL**
 - (iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **941 Shareholders & 26,281 shares**

- (v) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
20. In line with the measures of Green Initiative, Companies Act, 2013, provides for sending notice of the meeting along with annual report to the Members through electronic mode. Members holding shares in physical mode are requested to register their e-mail Id's with the Company/RTA. Members holding shares in dematerialised mode are requested to register their e-mail id's with their respective DPs. If there is any change in the e-mail id already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
21. The notice of AGM along with the Annual report 2016-17 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
22. Members are requested to bring their copy of the Annual Report to the Annual General Meeting as an austerity measure.

In compliance with the provisions of Section 108 of the Companies Act, 2013, and in accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has fixed 14th July, 2017 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 41st Annual General Meeting (AGM) and the business at the 41st AGM may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.

The facility for voting, either through electronic voting system or ballot/polling paper shall also be made available at the venue of the AGM, apart from the remote e-voting facility provided prior to the date of AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company have appointed M/s. Sandip Sheth & Associates, Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than three days of conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.

1. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. Instructions for Demat folios:

In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):

- (i) The voting period begins on <16th July, 2017 at 9:00 a.m.> and ends on <19th July, 2017 at 5:00 p.m.>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of <14th July, 2017>, may



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For members holding shares in Demat Form and Physical Form

User ID	For Demat: <u>For NSDL: 8 Character DP ID followed by 8 Digits Client ID</u> <u>For CDSL: 16 digits beneficiary ID</u> For Physical Form: Folio Number registered with the Company.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number printed in address slip.
Dividend Bank Details	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format or Enter the Dividend Bank Details as recorded with your DP/RTA. · Please note – In respect of physical shareholding and whose DOB and dividend bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut-off date i.e., “14 th July, 2017”

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <DIAMINES AND CHEMICALS LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy:

- i. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- ii. The voting period begins on 16th July, 2017, at 9.00 a.m. and ends on 19th July, 2017, at 5.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

- i. The e-voting period commences on Sunday, 16th July, 2017 (9.00 a.m. IST) and ends on Wednesday, 19th July, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 14th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 14th July, 2017.



Diamines And Chemicals Limited

CIN NO: L24110GJ1976PLC002905

- iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice and holding shares as on the cut-off date i.e. Friday, 14th July, 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User details/ password" option available on CDSL www.evotingindia.co.in or contact CDSL at the toll free number: 18002005533 or you can write to the Company Secretary / compliance officer of the Company – M/s. Scany Parmar on the office number: 0091-265-3920200 or you can write an e- mail to secretarial@dacl.co.in.
- iv. M/s. Sandip Sheth & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- v. The Scrutinizer shall, after scrutinizing the votes cast at the AGM (poll) and through remote e-voting not later than three days of conclusion of the AGM, make and submit a consolidated Scrutinizer's report and submit to the Chairman. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company and CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.
- vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Sandip Sheth, Practicing Company Secretary, (Membership No. FCS 5467), at the Registered Office of the Company not later than Saturday, 15th July, 2017 (5.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@dacl.co.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Wednesday, 19th July, 2017 (5.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

Route Map to the venue of Annual General Meeting is attached herewith this notice.

Mumbai, Dated: April 28, 2017

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Scany Parmar
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory statement under Corporate Governance and pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 2:

Mr. Yogesh Kothari retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for re-appointment.

Mr. Yogesh Kothari is the Chairman of the Company since March 14, 2001. Mr. Yogesh M Kothari aged 68 years is a Chemical Engineer from Institute of Chemical Technology, Mumbai. He is also Master of Management Science and Master of Science-Chemical Engineering, from the University of Massachusetts, Lowell, U.S.A. He has more than 39 years' experience in Chemical industry.

Mr. Yogesh Kothari is Chairman of Stakeholders relationship Committee of this company and a member of Stakeholders Relationship Committee & Corporate Social Responsibility committee of M/s Alkyl Amines Chemicals Limited.

He is Chairman and Managing Director of M/s. Alkyl Amines Chemicals Ltd, (one of the Promoter Companies) & is Chairman of Alkyl Specialty Chemicals Limited (Subsidiary of Alkyl Amines Chemicals Limited). He is ex-President of Indian Chemical Council.

He is also on the Board of the following Companies:

Anjyko Investment Pvt. Ltd.

In 1998, he was awarded the prestigious LalitDoshi Memorial Award being promoter of the best SICOM assisted Company for the year 1996-97 in Chemicals and Plastics set up by a first generation entrepreneur.

He holds 2,05,393 Equity Shares in the Company.

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

Resolution placed at item no. 2 of the notice is recommended for approval of the Shareholders as ordinary resolution.

None of the Directors, key managerial personnel or their relatives, except Mr. Yogesh M Kothari, to whom the resolution relates, is interested or concerned, either financially or otherwise, in the Resolution.

ITEM NO. 3:

Mr. Amit Mehta retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

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 63 years, is a successful businessman, having over 40 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 (India) Pvt. Ltd.
2. S. Amit Speciality Chemicals Pvt. Ltd.
3. Insight Health Scan Pvt. Ltd.
4. Topnotch Realty Pvt. Ltd.
5. Pinami Realty Pvt. Ltd.



6. Finorga (India) Pvt. Ltd.
7. Value E-Healthcare Ltd.
8. Global Local Lifestyle Services Private Limited

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

Resolution placed at item no. 3 of the notice is recommended for approval of the Shareholders as ordinary resolution.

None of the Directors, key managerial personnel or their relatives, except Mr. Amit Mehta, to whom the resolution relates, is interested or concerned, either financially or otherwise, in the Resolution.

ITEM NO. 6:

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is desirable to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Ordinary Resolution at item no. 6 of the accompanying notice, for the approval of the members of the Company. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the accompanying Notice.

Mumbai, Dated: April 28, 2017

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Scany Parmar
Company Secretary

BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 41st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS:

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

Particulars	(₹ in Lacs)	
	2016-17	2015-16
Total Revenue (including Excise & Sales tax)	3884.19	3984.76
Total Revenue (net of taxes)	3496.77	3593.59
Profit before interest, depreciation & taxation	936.55	482.18
Interest & financial expenses	172.77	275.11
Depreciation	184.77	198.55
Profit/(Loss) before tax	579.01	8.52
Provision for tax	151.32	(16.81)
Net Profit/(Loss) after tax	427.69	25.33
Add: balance profit brought forward	1585.98	1560.65
Profit available for appropriation	1929.59	1585.98
Transfer to General Reserve	-	-
Equity Dividend	-	-
Tax on dividends	-	-
Balance profit carried to balance sheet	1929.59	1585.98

2. DIVIDEND:

The Board of Directors **recommended** a dividend of ₹ 1.50 per Ordinary share on 9783240 Ordinary shares of ₹ 10/- each for the year ended on March 31, 2017. The Company has not declared any dividend in the previous financial year.

3. TRANSFER TO RESERVES:

Pursuant to provisions of Section 134(3)(j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

4. REVIEW OF BUSINESS OPERATIONS, PERFORMANCE HIGHLIGHTS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

The period under review was a favorable year for your Company which also reflects in its performance.

Total income for the year 2016-17 was registered at ₹ 3884.19 (Gross) lacs as compared to income of ₹ 3984.80 lacs (Gross) for the year 2015-16.

While net profit/(Loss) after tax reported at ₹ 427.69 lacs as compared to ₹ 25.33 lacs of previous financial year.

Sales volumes for the year 2016-17 were at 1746.962 MT as compared to 1402.282 MT for the year 2015-16.

**5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

In terms of Section 124 and Section 125 of the Companies Act, 2013, unclaimed or unpaid Final Dividend relating to the financial year 2009-10 is due for remittance on 28th August, 2017 and Interim Dividend relating to the financial year 2010-11 is due for remittance on 30th November, 2017, which has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Company's RTA, MCS Share Transfer Agent Limited for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.dacl.co.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

6. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year, pursuant to Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 forms part of the Annual Report, attached herewith as “**ANNEXURE-A**”.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is furnished in **ANNEXURE – B** and is attached to this report.

Your Company understands and appreciates the responsibility and importance of conservation of energy and continues to put efforts in reducing or optimizing energy consumption for its operations.

The Company has taken various measures for conservation of energy such as:

- Reduction in steam consumptions, electricity and cooling water by debottlenecking of various operations
- Improvement in the yields and planned increase in throughput
- Improved steam condensate recovery by installing new designs of traps and monitoring trap performance
- Utilization of by-products steams
- Modification in coal fired boiler to improve efficiency by increasing coal to steam ratio

9. SAFETY, HEALTH AND ENVIRONMENT:**a) Safety:**

The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analysed in the safety committee meetings and corrective actions are taken immediately. Employees are trained in safe practices to be followed at work place.

The Company is active member of local Crisis group such as Offsite Industrial Emergency Control Room (OIECR). External safety audits are carried out from time to time and audit recommendations are implemented.

Safety promotional activities such as celebration of National Safety day, arranging poster competition, slogan competition and prize distribution are conducted every year to encourage safety culture.

Company also conducts Mock drill regularly on quarterly basis and outcome of Mock drill is analyzed and necessary improvements are implemented regularly. Company also makes continuous efforts to increase Safety awareness with regular and contractual employees and workers.

b) Health:

Your Company attaches utmost importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Company also has Occupational Health Center open for 24 hours, and Ambulance facility at its Manufacturing site. Health related issues if any are discussed with visiting Medical Officer. Company also has a tie up with one hospital in the City to provide timely medical assistance to the employees/workers in case of emergencies.

c) Environment:

Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company. The Company is also signatory to "Responsible Care", a voluntary initiative of International Council of Chemical association (ICC) being implemented by Indian Chemical Council to safely handle the products from inception in research laboratory through manufacturing and distribution to utilization, reuse, recycle and finally their disposal.

d) Renewable Source of Energy:

Your Company is also contributing in reducing Carbon foot printing from the Environment by generating power through renewable sources and by harnessing wind Energy. The Company has installed 3 (three) Wind Turbine Generators (WTG) of total 3.50 MW Capacity and are always ensured in full operational mode.

10. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND POLICY:

The Company has not implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Act and Rules made there under governing Corporate Social Responsibility are not applicable for the financial year under review. The same shall be applicable to the Company for financial year 2017-18, as the Net Profit as on 31st March, 2017 exceeds the prescribed limits.

11. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

The particulars of Loans, guarantees or investments made under Section 186 are furnished in ANNEXURE-C and are attached to this report.

12. MATERIAL ORDERS PASSED BY REGULATORY/COURT:

During the year under review, The Hon'ble High Court of Gujarat, Ahmedabad passed an order for Amalgamation of Diamines Speciality Chemicals Limited, a wholly-owned Subsidiary Company (Transferor Company) with Diamines and Chemicals Limited (Transferee Company) dated 16th September, 2016, pursuant to which, all the Assets and liabilities of the Transferor Company were transferred to Diamines and Chemicals Limited with effect from 30th September, 2016.

13. INTERNAL FINANCIAL CONTROLS:

The Board of Directors of the Company has laid down adequate internal financial controls which are operating effectively. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year, policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records and the timely preparations of reliable financial information. The scope of Internal Audit is well defined in the organization. The Internal Audit report regularly placed before the Audit Committee of the Board. The Management monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthening the controls continuously. Significant audit



observations, if any, and corrective actions suggested and taken are presented to the Audit Committee of the Board.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 read with Regulation 23 of the SEBI, (Listing Obligations And Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

All other Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on materiality of related party transactions and dealing with related party transactions is uploaded on the Company's website "www.dacl.co.in".

Since, there were no materially significant Related Party transaction during the year under review, the details, required in AOC-2 is not applicable to the Company.

15. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Practicing Company Secretary in their respective reports.

16. EXTRACTS OF ANNUAL RETURN:

In accordance with Section 134 (3) (a) of the Companies Act, 2013, the extracts of Annual Return pursuant to the provisions of Section 92 (3) in prescribed form MGT-9 is furnished in **ANNEXURE-C** and forms part of this report.

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Company had 5 (Five) Board meetings during the financial year. During the year under review, Board Meetings were held respectively on 12th May, 2016, 11th August, 2016, 8th September, 2016, 8th November, 2016 and 25th January, 2017. 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	No. of Board Meetings attended out of 6 held
1.	Mr. Yogesh M. Kothari	5
2.	Mr. Amit M. Mehta	5
3.	Mr. Kirat Patel	5
4.	Mr. DhruvKaji	1
5.	Mr. Rajendra Chhabra	5
6.	Mr. G.S. Venkatachalam	5
7.	Dr. Ambrish Dalal	1
8.	Mr. Shreyas Mehta	1
9.	Mrs. Darshana Mankad	2

18. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:—

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.-and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. SUBSIDIARY COMPANY, IT'S PERFORMANCE & FINANCIAL POSITION:

During the year under review, with effect from 16th September, 2016, vide an order passed by The Hon'ble High Court of Gujarat, Ahmedabad, M/s. Diamines Speciality Chemicals Limited, a wholly-owned Subsidiary Company is amalgamated with M/s. Diamines and Chemicals Limited, pursuant to which, as on the date of this report, there is no subsidiary or associate company of M/s. Diamines and Chemicals Limited.

20. DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

21. DIRECTORS:

Mr. Yogesh Kothari (DIN: 00010015) and Mr. Amit Mahendra Mehta (DIN:00073907), directors of the company retires at this Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their/his re-appointment.

None of the Directors is disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report. The composition of the Board, meetings of the Board held during the year and the attendance of the Directors there at have been mentioned in the Report on Corporate Governance in the Annual Report.

22. DECLARATIONS OF INDEPENDENT DIRECTORS:

All the Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

23. Familiarization Programmes:

The Company has adopted a familiarization policy for independent directors. The policy as well as the details with regard to no. of hours and details of imparting the training to the independent directors of the Company are available on the Company's website "www.dacl.co.in"

24. BOARD EVALUATION:

Regulation 17(10) of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV, of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was



conducted based on the criteria and frame work adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee. None of the independent directors are due for re-appointment.

25. PARTICULARS REGARDING EMPLOYEES REMUNERATION:

The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as “**ANNEXURE-D.**”

26. KEY MANAGERIAL PERSONNEL:

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. G. S. Venkatachalam, Executive Director of the Company, Mr. A. R. Chaturmutha, Chief Financial Officer and Ms. Scany Parmar, Company Secretary are the Key Managerial Personnel of the Company.

During the period under review, Ms. Scany Parmar, an associate member of the Institute of Company Secretaries of India has been appointed as a Company Secretary of the Company with effect from 12th May, 2016.

27. AUDITORS:**a. STATUTORY AUDITOR**

M/s. Bansi S. Mehta & Co., Chartered Accountants, was appointed as Statutory Auditors in the Annual General Meeting held on 12.08.2014. Their continuance of appointment and payment of remuneration are to be ratified in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

b. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sandip Sheth & Associates., Company Secretaries, as secretarial auditors of the Company, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as “**ANNEXURE-E.**”

28. INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

29. RISK MANAGEMENT POLICY:

The Company has a risk management policy which from time to time is reviewed by the Audit Committee of the Directors as well as by the Board of Directors. The policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The policy is designed to provide the categorization of this into threats and its cause, impact, treatment and control measures. As part of the risk management policy, the relevant parameters for manufacturing sites are analyzed to minimize risk associated with protection of environment, safety of operations and health of people at work and monitor regularly with reference to statutory regulations and guidelines defined by the company. The company fulfills its legal requirement concerning ambient air, waste water and waste disposal. Improving work place safety continued top priority at manufacturing site.

30. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Company has in place an Audit Committee in terms of requirements of the applicable provisions of the Companies Act, 2013, Rules made there under and Listing (Obligations and Disclosure Requirements) Regulations, 2015. The details of the composition of the Audit Committee, terms of reference and meetings held are provided in the Corporate Governance Report which forms part of this Report.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

The Company has disclosed information about establishment of the Whistleblower Policy on its website (Link: http://www.dacl.co.in/investors/Whistle_blower_policy-DACL.pdf).

31. SHARES:**a. SHARE CAPITAL**

During the year under review the Total Authorized Share Capital is ` 17,55,00,000/- (Rupees Seventeen Crore Fifty-Five Lacs Only) and paid-up, issued and subscribed share capital of the company is ` 9,78,32,400/- (Rupees Nine Crore Seventy-Eight Lacs Thirty-Two Thousand Four Hundred Only).

b. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

c. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

d. BONUS SHARES

No Bonus Shares were issued during the year under review.

e. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

32. INSURANCE:

All the properties and assets of the Company are adequately insured.

33. CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior management which is available on Company's website. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

34. INSIDER TRADING POLICY:

As required under the new Insider Trading Policy Regulations of SEBI, your Directors have framed new Insider Trading Regulations and Code of Internal Procedures and Conducts for Regulating, Monitoring and Reporting of Trading by Insider. For details please refer to the company's website.

Web link is http://www.dacl.co.in/investors/SEBI_Disc.pdf

35. NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The policy is available on our website at following link <http://www.dacl.co.in/investors/Remuneration%20policy%20DACL.pdf>

36. CORPORATE GOVERNANCE:

Pursuant to the Regulation 27 of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section forming part of this report and titled as "Corporate Governance" is attached herewith as "ANNEXURE-F".



37. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2016-17. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

38. ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Mumbai, Dated: April 28, 2017

For and on behalf of the Board of Directors
Yogesh M. Kothari
Chairman

ANNEXURE – A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company is the only producer of Ethylene amines based in India having its plant at PCC Area, P.O. Petrochemicals; Vadodara. The Products Ethylene Amines find their application in various industry segments such as Pharmaceuticals, Agro-chemicals, Resin and Coating, Water treatment chemicals, Oilfield chemicals and so many others. The plant facility is equipped with up to date manufacturing equipment and supported by R & D Center and quality assurance department which are equipped with advanced equipment and analytical instruments. The site also has a dedicated pilot plant to conduct trials. The Company has an excellent team of experienced and qualified professional to manage day to day operations efficiently. For more details please visit www.dacl.co.in.

PERFORMANCE:

Total revenue (net of excise and taxes) for the year 2016-17 amounted to ` 3486.77 Lacs compared to ` 3593.59 Lacs of the previous year 2015-16. The operating profit/(Loss) before tax amounted to ` 579.01 lacs compared to ` 8.52 lacs in the year 2015-16..

SEGMENT-WISE PERFORMANCE

The Company has identified and working in two reportable primary segments. Thus, the disclosure particulars as per AS-17 on Segment Reporting are made part of this Annual Report in Note 30 of Financial Statements.

STRENGTHS & OPPORTUNITIES:

Your company is the sole manufacturer of ethylene amines in India which is a growth market. This offers regular opportunities & helps company to cater to market needs very effectively. Over the years the company has developed robust Systems which help to maintain and sustain the operations despite sever challenges it faces & able to enjoy the market leadership position in one of the segments it operates. Its geographical position & the vicinity to customers also offer added advantage in servicing the customers.

Ethylene Amines are building blocks for many industries & hence your company believes that this fact will continue to offer potential to grow by exploring manufacturing possibilities of derivatives based on homologues of Ethylene Amines .

CONCERNS & THREATS:

Since company's core business is Ethylene amines, any negative Development or upheavals taking place in the market place may affect the performance of the company. Fluctuating prices of certain key raw materials also has potential to impact the performance in short term.

Company also has to compete with competitors who are either forward or backward integrated & has the advantage of scale of economies & thus can swamp the markets with excess & lower priced or even duty free products .

Your company recognizes & understands these challenges very well and always braces itself to compete effectively by providing superior, reliable and timely customer support to the end users.

OUTLOOK:

For the year 2017 the Company's focus will continue on sustaining and maintaining the market share in certain industry segment where company enjoys market leadership position. This will be achieved by forging stronger relationship with customers and by negotiating and entering in to beneficial contracts with the suppliers of raw materials.



The Ethylene amines business is going through demand-supply imbalance on global level and excess supply is expected to be a reality in the year 2017-18 also. Your company is well aware of the challenging scenario lying ahead and taking necessary steps by planning activities properly at operational stages.

HUMAN RESOURCE:

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 & the employees at all levels remained healthy & cordial throughout the year. The Management and the Employees are dedicated to achieve the corporate objectives and the targets set before the Company. The Company has been regularly monitoring its policy for enhancement in the skills of its employees by providing need-based training.

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 program 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.

WHISTLE BLOWER POLICY

The Company has a Whistle Blower policy in place to deal with instances of fraud and mismanagement, if any. The details of the policy are explained in the Corporate Governance Report and the said whistle blower policy is posted on the website of the Company.

CAUTIONARY STATEMENT:

The statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations are "forward looking statements". The forward looking statements made in the Management Discussion and Analysis Report are based on certain assumptions and expectations of future events. Actual results might differ materially from those anticipated because of changing ground realities. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

For and on behalf of the Board
Yogesh M. Kothari

Mumbai, Dated: April 28, 2017

Chairman

ANNEXURE - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2016 – 17	Previous Year 2015 – 16
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased Unit	1477455	1253910
Total Amount (` in lacs)	68.15	69.02
Rate/Unit (`)	4.61	5.50
b) Own Generation		
Through Diesel generator		
Units	27344	18048
Units/Ltr. of Diesel Oil	2.71	2.26
Cost/Unit (`)	21.73	18.30
Coal		
Quantity in tonnes	2578	2321
Total Cost (` in lacs)	155.50	110.68
Average Rate ` /Tonne	6032	4768
LDO & FO		
Quantity (In Tonnes)	362	323
Total cost (` in lacs)	89.73	76.72
Average Rate ` / Tonne	24787	23752
Generation through Wind Turbine Generator		
Units (KWH in thousand)	4351.64	3523.80
Total Amount (` in lacs)	232.08	182.37
Average Generation Rate (` / Unit)	5.33	5.18
B. CONSUMPTION PER TONNE OF PRODUCTION:		
Production of Speciality Chemicals (MT)	1755	1499
Electricity (Unit)	842	836
Coal (Tonnes)	1.47	1.55
FO/LDO (Tonnes)	0.21	0.22

ANNEXURE-C

PARTICULARS OF LOANS/ADVANCE, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Sr. No	Company Name	Date of Making Advance/ Loan	Amount of Advance/ Loan	Date of Board Approval	Nature of Advance/ Loan/ Investment
1	Sintex Industries Ltd.	19.10.2005	87,950	19.07.2005	Investment



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. Providing Technical support to Marketing department.
2. Technical support to QA and Production department for continuous improving the quality of products.

(B) Benefits derived from R&D:

1. 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.
3. To produce higher homologues of Ethylene amines of international quality.
4. Alternate routes for the synthesis of Ethyleneamines.

(D) Expenditure on R&D:

- | | | |
|--------------------------|---|-------------------------|
| a) Capital | : | ₹ 70,800/- |
| b) Revenue | : | ₹ 9,27,674/- |
| c) Total | : | ₹ 9,98,474/- |
| d) Total R&D expenditure | : | 0.29% of total turnover |

(E) Technology absorption, adoption and innovation:

1. Efforts towards technology development 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	2017 (In ₹)	2016 (In ₹)
Foreign Exchange Earnings	80,60,923	1,34,08,857
Foreign Exchange Outgo	10,70,02,105	14,98,50,664

ANNEXURE - D

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1. CIN	L24110GJ1976PLC002905
2. Registration Date	12/05/1976
3. Name of the Company	DIAMINES AND CHEMICALS LIMITED
4. Category/Sub-category of the Company	PUBLIC COMPANY
5. Address of the Registered office & contact details	PLOT NO. 13, PCC AREA, P.O. PETROCHEMICALS, VADODARA-391346, Gujarat Tel : (91) (0265) - 3920200
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. MCS Share Transfer Agent Limited 10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, VADODARA – 390 007 Tel No:-0265-2339397

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Organic Chemicals Compounds	20119	94.97%
2	Electric Power Generation using other non-Conventional Sources (Windmill)	35106	5.03 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate of the Company	% of Shares held	Applicable Section
NIL	NIL	NIL	NIL	NIL



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2382214	0	2382214	24.35	2382214	0	2382214	24.35	NA
b) Central Govt.	0	0	0	0	0	0	0	0	NA
c) State Govt. (s)	0	0	0	0	0	0	0	0	NA
d) Bodies Corp.	3996563	0	3996563	40.85	3996563	0	3996563	40.85	NA
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	6378777	0	6378777	65.20	6378777	0	6378777	65.20	NA
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	50	3076	3126	0.03	50	3076	3126	0.03	0
b) Banks / FI	136	375	511	0.01	136	375	511	0.01	NA
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	100	200	300	0.00	100	200	300	0.00	NA
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	286	3651	3937	0.04	286	3651	3937	0.04	0
2. Non-Institutions									
a) Bodies Corp.	156955	20507	177462	1.81	192747	20290	213037	2.18	0.36
i) Indian	0	0	0	0	0	0	0	0	NA
ii) Overseas	0	0	0	0	0	0	0	0	NA
b) Individuals	0	0	0	0	0	0	0	0	NA
i) Individual shareholders holding nominal share capital upto ` 1 lakh	1558030	435290	1993320	20.37	1612880	426467	2039347	20.85	0.48
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1125106	0	1125106	11.50	875702	0	875702	8.95	(2.55)
c) Others (specify)	104004	634	104638	1.07	107074	634	107708	1.10	0.03
Non-Resident Indians	0	0	0	0	0	0	0	0	NA
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	NA
Foreign Nationals	0	0	0	0	0	0	0	0	NA
Clearing Members	0	0	0	0	0	0	0	0	NA
Trusts	0	0	0	0	0	0	0	0	NA
Foreign Bodies - D R	0	0	0	0	0	0	0	0	NA
Sub-total (B)(2):-	2944095	456463	3400558	34.76	2953135	447391	3400526	34.76	NA
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2926009	478454	3404463	34.80	2953421	451042	3404463	34.80	NA
C. Shares held by Custodian for GDRs & ADRs	9323158	460082	9783240	100	9332198	451042	9783240	100	NA
Grand Total (A+B+C)									

Diamines And Chemicals Limited

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B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ALKYL AMINES CHEMICALS LTD	2977996	30.44		2977996	30.44		NA
2	PERFOCHEM (INDIA) PVT. LTD.	840000	8.59	300000	840000	8.59	300000	NA
3	S. AMIT SPECIALITY CHEMICALS PVT. LTD	128100	1.31		128100	1.31		NA
4	FINORGA (INDIA) PVT. LTD.	44467	0.45		44467	0.45		NA
5	SYK TRADING AND CONSULTANCY LLP	6000	0.06		6000	0.06		NA
6	AMIT MAHENDRA MEHTA	862099	8.81		862099	8.81		NA
7	CHERRY AMIT MEHTA	695178	7.11		695178	7.11		NA
8	MOHAK AMIT MEHTA	237154	2.42		237154	2.42		NA
9	HARSH AMIT MEHTA	237000	2.42		237000	2.42		NA
10	YOGESH MATHRADAS KOTHARI	205393	1.92		205393	1.92		NA
11	KOKILA MAHENDRA MEHTA	95178	0.97		95178	0.97		NA
12	PINAKIN KANTILAL PATEL	50212	0.51		50212	0.51		NA

C) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Shareholding of the Promoter Group.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
Sharad Kanayalal Shah	151500	1.55	7000	0	158500	1.62
Dipak Kanayalal Shah	105000	1.07	0	0	105000	1.07
Pradeep R Datar	96225	0.98	0	5000	91225	0.93
Madan Bhagchand Melwani	59095	0.60	0	0	59095	0.60
Vikram Mohandeep Chandiramani	51563	0.53	0	0	51568	0.53
Dhiresbhai T Shah	48232	0.49	0	0	48232	0.49
Jigna Kanayalal Shah	47000	0.48	0	0	47000	0.48
Pravin Kantilal Vakil	48890	0.50	0	5000	43890	0.44
Varsha Sharad Shah	41000	0.42	0	0	41000	0.42
Padma Jitendra Parekh	35541	0.36	0	0	35541	0.36

Note: Top ten (10) shareholders as on 31st March, 2017 have been considered for the above disclosure.



Diamines And Chemicals Limited

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E) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
Mr. Yogesh M. Kothari	205393	2.10	0	0	205393	2.10
Mr. Amit M. Mehta	862099	8.81	0	0	862099	8.81
Mr. Kirat Patel	10800	0.11	0	0	10800	0.11
Mr. Rajendra Chhabra	7800	0.08	0	0	7800	0.08
Mr. DhruvKaji	300	0.00	0	0	300	0.00
Mr. Shreyas Mehta	9000	0.09	0	0	9000	0.09
Dr. Ambrish Dalal	200	0.00	0	0	200	0.00
Mrs. Darshana Mankad	200	0.00	0	0	200	0.00
For EACH OF THE KMP						
Mr. G S Venkatachalam (CEO)	2269	0.02	2573	0.02	4842	0.04
Ms. Scany Parmar (CS)	0	0	2	0.00	2	0.00
Mr. A. R. Chaturmutha (CFO)	10	0.00	0	0	10	0.00

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,30,87,514	25,00,000	-	15,55,87,514
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,09,688	-	-	8,09,688
Total (i+ii+iii)	15,38,97,202	25,00,000		15,63,97,202
Change in Indebtedness during the financial year				
* Addition	-	50,00,000	-	50,00,000
* Reduction	9,13,81,107			9,13,81,107
Net Change	9,13,81,107	50,00,000		8,63,81,107
Indebtedness at the end of the financial year				
i) Principal Amount	6,20,62,835	75,00,000		6,95,62,835
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,53,260			4,53,260
Total (i+ii+iii)	6,25,16,095			7,00,16,095

Diamines And Chemicals Limited

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. G. S. Venkatachalam	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,20,000	25,20,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,16,761	1,16,761
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	9,200	9,200
	- as % of profit		
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	26,45,961	26,45,961

B. Remuneration to other directors: (` In Lacs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Rajendra Chhabra	Dhruv Kaji	Ambrish Dalal	Darshana Mankad	Shreyas Mehta	
1	Independent Directors						
	Fee for attending board/ committee meetings	2.56	0.20	0.30	0.80	0.20	4.06
	Commission	0.03	0.01	0.01	0.03	0.01	0.09
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	2.59	0.21	0.31	0.83	0.21	4.15
2	Other Non-Executive Directors	Yogesh M Kothari	Amit M Mehta	Kirat Patel			
	Fee for attending board/ committee meetings	1.06	1.04	2.50	-	-	4.60
	Commission	0.11	0.11	0.03	-	-	0.25
	Others, please specify	NIL	NIL	NIL	-	-	NIL
	Total (2)	1.17	1.15	2.53	-	-	4.85
	Total (B)=(1+2)						9.00



Diamines And Chemicals Limited

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	Mr. G. S. Venkatachalam	Ms. Scany Parmar	Mr. A. R. Chaturmutha	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,20,000	2,26,490	7,34,820	34,81,310
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,16,761	-	-	1,16,761
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission	9,200	NA	NA	9,200
	- as % of profit	NA	NA	NA	NA
	others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	26,45,961	2,26,490	7,34,820	36,07,271

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA
B.	DIRECTORS					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA

ANNEXURE-E
PARTICULARS REGARDING EMPLOYEES REMUNERATION
{Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016}

SR.NO.	REQUIRMENTS	DISCLOSURE
I	The ratio of remuneration of each director to the median remuneration of the employees for the financial year.	Mr. G. S. Venkatachalam : 12.28 x
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mr. G. S. Venkatachalam (CEO/ED): 34.60% Mr. A. R. Chaturmutha (CFO) : 9.75% Ms. Scany Parmar (CS) : NIL
III	The percentage increase in the median remuneration of the employees in the financial year.	The median remuneration of the employees in FY 2016 was increased by 3.41%.
IV	The number of permanent employees on the rolls of the Company	92 as on March 31, 2017
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with bench mark study and the performance of the company over a period of time. There is no exceptional increase in the managerial remuneration
VI	Affirmation that the remuneration is as per the remuneration policy of the company	We confirm



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

TOP TEN EMPLOYEES IN TERMS OF REMUNERATION:

Sr. No	Name	Designation	Remuneration	Qualification/ Experience	Date of commencement of employment	age	Last Employment	% of Equity shares held	Whether relative of any Director/ Manager
1	Mr. G.S. Venkatachalam	Executive Director	26,45,961	C.A.	07/02/2015	62	-	0.04	NA
2	Kanaiyalal A. Patel	G.M.Works	14,23,800	BE (Chemicals)	18/01/2010	53	H.K. Finechem Ltd., Ahmedabad	0.00	NA
3	A.R. Chaturmutha	Chief Financial Officer	7,34,820	B.Com., ACA	19/07/2004	51	Dolphin Laboratories Ltd. Ahmedabad	0.00	NA
4	Nimish H. Gandhi	Dy.Gen. Manager (Production)	6,66,600	BE (Chemicals)	15/09/1989	54	Kanoria Chemicals & Industries Ltd, Ankleshwar	0.06	NA
5	Bharat C. Shivaneekar	Dy.Gen. Manager (Marketing)	6,46,092	Bsc., MBA	18/02/2008	54	Rajeev Chlorides & Carbonics Pvt.Ltd., Ankleshwar	0.00	NA
6	Ashok K. Tahiliani	Manager- (Maintenance)	4,18,560	BE (Mech.)	12/01/2000	48	Topack Industries (I) Ltd., Baroda	0.00	NA
7	Saurabh D.Pandya	Manager (Commercial)	4,10,280	B.Com., Diploma in MKTG	20/07/1990	52	S.R. Intermediates pvt.ltd., Ahmedabad	0.00	NA
8	Manish G Patel	Asst. Manager – (Marketing)	3,43,320	T.Y.B.sc	01/01/2016	46	Bajaj Superpack Limited, Ahmedabad	0.00	NA
9	Ashok K. Patel	Manager (Quality Assurance)	3,31,380	B.sc.	01/09/1984	55	-	0.00	NA
10	Ashvin M. Patel	Asst. Manager (Instrumentation)	3,24,360	Diploma Electircal	01/08/1981	57	Everest Chemicals, Baroda	0.00	NA

ANNEXURE-F

FORM NO. MR 3

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2017

To,
The Members,
Diamines and Chemicals Limited
CIN: L24110GJ1976PLC002905
Plot No. 13, PCC Area, P.O. Petrochemicals,
Vadodara – 391346, Gujarat

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Diamines and Chemicals Limited (hereinafter referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 (hereinafter referred to as “Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i.) The Companies Act, 2013 and/or The Companies Act, 1956 (severally referred to as the Act) and the rules made thereunder;
- (ii.) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv.) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(Not applicable to the Company during Audit Period)*
- (v.) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that, there were no actions/events in pursuance of;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; requiring compliance thereof by the Company during the financial year under review.



- (vi.) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations of the Company.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, and also on the review of quarterly compliance reports by respective department heads/Company Secretary/Chief Financial Officer/Executive Director taken on record by the Board of Directors of the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company;

- (a) The Air (Prevention and Control of Pollution) Act, 1981;
 - (b) The Water (Prevention and Control of Pollution) Act, 1974;
 - (c) The Environment Protection Act, 1986;
 - (d) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
 - (e) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- We have also examined compliance with the applicable clauses/regulations of the following, to the extent applicable to the Company during the audit period:

- (i.) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii.) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory auditor/tax auditor and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except the amalgamation of Diamines Speciality Chemicals Limited, a wholly owned Subsidiary Company with the Company under section 391/394 of the Companies Act, 1956 pursuant to the order of Hon'ble High Court of Gujarat , Ahmedabad dated 16th September, 2016

Sandip Sheth & Associates
Practicing Company Secretaries

Sandip Sheth
(Partner)

FCS: 5467

CP No.: 4354

Place : Ahmedabad

Date : April 28, 2017

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



“Annexure – A”

To,
The Members,
Diamines and Chemicals Limited
CIN: L24110GJ1976PLC002905
Plot No. 13, PCC Area, P.O. Petrochemicals,
Vadodara – 391346, Gujarat

Our report of even date is to be read along with this letter.

1. Maintenance of records, documents, papers maintained pursuant to Companies Act, 2013 and other applicable laws as reported in our report is the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, as the same are being verified by the statutory/tax/internal auditors from time to time.
4. Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
6. The Secretarial Audit 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.
7. We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

Sandip Sheth & Associates
Practicing Company Secretaries

Sandip Sheth
(Partner)

FCS: 5467

CP No.: 4354

Place : Ahmedabad
Date : April 28, 2017



ANNEXURE-F

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:

As on 31st March, 2017, the Board of Directors of the Company comprises of Eight (8) Non-Executive Directors and One (1) Executive Director and amongst them Five (5) are Independent Directors, who brings 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations, 2015"). The Board members are not inter-se related to each other.

The Chairman of the Board is a non-executive promoter Director.

Details of the Composition of the Board of Directors as on 31st March, 2017, are as under:

- | | | |
|----|-----------------------|---------------------------------------|
| 1. | Mr. Yogesh M. Kothari | Chairman, Non-Executive Director |
| 2. | Mr. Amit M. Mehta | Vice Chairman, Non-Executive Director |
| 3. | Mr. G.S.Venkatachalam | Executive Director |
| 4. | Mrs. Darshana Mankad | Non-Executive Independent Director |
| 5. | Mr. Kirat Patel | Non-Executive Director |
| 6. | Mr. Dhruv Kaji | Non-Executive Independent Director |
| 7. | Mr. Rajendra Chhabra | Non-Executive Independent Director |
| 8. | Dr. Ambrish Dalal | Non-Executive Independent Director |
| 9. | Mr. Shreyas Mehta | Non-Executive Independent 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 Six (6) times. The maximum gap between any two meetings was not more than one hundred and twenty (120) days.

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.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on Wednesday 25th January, 2017 without the attendance of non-independent Directors and members of management, inter alia to:

- Review the performance of the non-independent Directors and the Board as a whole;

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- b. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors of the Company;
- c. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting was attended by all independent directors. Mr. Rajendra Chhabra, who is an Independent Director, was the Chairman of the meeting of Independent Directors. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Managing Director for appropriate action.

TENURE OF BOARD OF DIRECTORS:

As per the provisions under section 152 of the Companies Act, 2013 and the Companies (Appointment and qualifications of Directors) Rules, 2014 as amended from time to time, every year one third (1/3) of the total strength of the Board, is liable to retire by rotation. The Directors, who are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Yogesh Kothari and Mr. Amit Mehta, Directors of the Company, retiring by rotation at the ensuing Annual General Meeting 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 regular intervals 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, Five (5) Board Meetings were held respectively on 12th May, 2016, 11th August, 2016, 8th September, 2016, 8th November, 2016 and 25th January, 2017. 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 5 held	Attended last AGM held on 19/09/2016
1	Mr. Yogesh M. Kothari	Chairman – NED / PD	5	Yes
2	Mr. Amit M. Mehta	Vice Chairman – NED/PD	5	Yes
3	Mr. Kirat Patel	NED	5	Yes
4	Mr. Dhruv Kaji	NED-I	1	No
5.	Mr. Rajendra Chhabra	NED-I	5	Yes
6.	Mr. G.S. Venkatachalam	ED	5	Yes
7.	Dr. Ambrish Dalal	NED-I	1	Yes
8.	Mr. Shreyas Mehta	NED-I	1	Yes
9.	Mrs. Darshana Mankad	NED-I	2	Yes

ED-Executive Director

NED–Non-Executive Director

NED-I–Non-Executive & Independent Director

PD–Promoter Director

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



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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	03	01	02
Mr. Amit M. Mehta	02	-	01
Mr. Kirat Patel	03	01	03
Mr. DhruvKaji	02	-	-
Mr. Rajendra Chhabra	01	01	01
Mr. G.S. Venkatachalam	-	-	-
Dr. AmbrishDalal	-	01	-
Mr. Shreyas Mehta	01	01	-
Mrs. Darshana Mankad	-	-	01

* Excluding Diamines and Chemicals Limited.

** The committees mentioned above include only Audit Committee, Stakeholders Relationship Committee.

None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Regulation 26(1) of the SEBI (LOADR), Regulations, 2015 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 Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015. The Audit Committee was formed on 14th March, 2001. The quorum of the said Audit Committee Meetings is 2 (Two) members or one third (1/3) of the members of the Audit Committee, whichever is greater, with at least two independent directors.

The present composition of the Committee is as stated below:

Name	Designation	Category
Mr. Rajendra Chhabra	Chairman	Non-Executive & Independent Director
Mr. Kirat Patel	Member	Non-Executive Director
Mrs. Darshana Mankad	Member	Non-Executive & Independent 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 as amended from time to time.

The Executive Director, Chief Financial officer (CFO) 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.

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**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:			
	11.05.2016	03.08.2016	04.11.2016	19.01.2017
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. Kirat Patel	Yes	Yes	Yes	Yes
Mrs. Darshana Mankad	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 (Mr. Rajendra Chhabra) was present at the 40th Annual General Meeting held on 19th September 2016.

Company Secretary of the Company acts as a Secretary to the Audit Committee.

Stakeholders Relationship Committee of Directors:

Stakeholders Relationship Committee comprises of Three (3) members who are Non-Executive Directors among them One (1) is Non-Executive & Independent Director 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 as and when required.

A summary of various complaints received and cleared by the Company during the year is given below:

Nature of Complaint	Received	Cleared
Non-receipt of Dividend Warrant	Nil	Nil
Non-receipt of Share Certificates	Nil	Nil
SEBI/Stock Exchange Letter/ROC	1	1
Miscellaneous	Nil	Nil
Total	Nil	Nil

Normally all complaints/queries are disposed-off expeditiously. The Company had no complaint pending at the close of the financial year.

The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends. The Committee attends to share-transfer formalities every fortnight. The present composition of the Committee is as follows:

Name of the Director	Executive / Non-Executive
Mr. Yogesh M. Kothari	Non-Executive
Mr. Amit M. Mehta	Non-Executive
Mr. Rajendra Chhabra	Non-Executive & Independent Director

Company Secretary of the Company acts as a Secretary to the Committee.

Nomination and Remuneration Committee:

The erstwhile Remuneration Committee is reconstituted as Nomination and Remuneration Committee, as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board. The Nomination and Remuneration Committee consists of Dr. Ambrish Dalal, Chairman, Mr. Rajendra Chhabra and Mr. Kirat Patel, whose function is to approve remuneration policy of Directors. The nomination and remuneration committee meeting was held on 04-05-2016 to recommend the appointment of

**Diamines And Chemicals Limited**

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Company Secretary and to consider and approve the remuneration to be paid to Mr. G. S. Venkatachalam, Executive Director of the Company.

Details of remuneration paid to the Executive Director(s) for the financial year 2016 – 2017.

(₹ In Lacs.)

Name of Director	Designation	Salary & Allowance	Perquisite	Commission	Total
Mr. G. S. Venkatachalam	Executive Director	25.20	1.16	0.09	26.45

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS :

The remuneration paid to non-executive Directors for the year from 01.04.2016 to 31.03.2017 is as under:

(₹ in lacs)

Name	Remuneration	Sitting Fee	Commission*	Total
Mr. Yogesh Kothari	Nil	1.06	0.11	1.17
Mr. Amit M. Mehta	Nil	1.04	0.11	1.15
Mr. Kirat Patel	Nil	2.50	0.03	2.53
Mr. Rajendra Chhabra	Nil	2.56	0.03	2.59
Dr. Ambrish Dalal	Nil	0.30	0.01	0.31
Mr. Dhruv Kaji	Nil	0.20	0.01	0.21
Mr. Shreyas Mehta	Nil	0.20	0.01	0.21
Mrs. Darshana Mankad	Nil	0.80	0.03	0.83

- Remuneration includes salary & perquisites. The Company does not have any stock option scheme.
- *The company has passed resolution u/s 197, 198 of the Companies Act, (2013), in its 40th Annual General Meeting held on 19th September, 2016 for payment of Commission based on net profit of the Company for a period of Five years to the Non-Executive Directors of the Company, who are not in full time employment of the Company.

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

Sr.No.	Name	No. of Equity Shares Held
01.	Mr. Yogesh Kothari	2,05,393
02.	Mr. Amit M. Mehta	8,62,099
03.	Mr. Kirat Patel	10,800
04.	Mr. Rajendra Chhabra	7,800
05.	Dr. Ambrish Dalal	200
06.	Mr. Dhruv Kaji	300
07.	Mr. Shreyas Mehta	9,000
08.	Mrs. Darshana Mankad	200

DISCLOSURES:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year that may have potential conflict with the interests of the Company at large. Related party transactions have been disclosed in Note 31 to the financial statements. A statement in summary form of transactions with related parties in the

Diamines And Chemicals Limited

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ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review. Segment Reporting as per Accounting Standard AS-17 applicable to the Company is given in note No.30.

Material Subsidiaries: The Company does not have a material subsidiary as defined under Regulation 16(1)(c) SEBI (LODR) Regulations, 2015.

CEO/CFO Certification: A certification from the CEO and CFO in terms of Regulation 33(2) (a) of SEBI (LODR) Regulations, 2015 was placed before the Board Meeting held on 28th April, 2017 to approve the Audited Annual Accounts for the year ended 31st March, 2017.

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 or any other regulatory authorities for the time being in force.

POLICES:

Related party Transaction policy

Your company has formulated Related Party Transaction policy (RPT) to disclose materiality of related party transactions and dealing with related party transactions to be entered into by individual or taken together with previous transaction during a financial year.

The detail of establishment of such policy is disclosed on the company's website <http://www.dacl.co.in/investors/discl.htm#discl>.

MEANS OF COMMUNICATION:

The Company has approx. Ten Thousand (10,000) 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 Forty five (45) days of the respective quarter. Whenever, the audited results are published for the fourth quarter, they are announced within Sixty (60) days of the quarter as prescribed.

Quarterly and Half yearly financial results are published in the Business Standard (in English) or The Indian times (in English) and in Vadodara Samachar (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 th July, 2017 to 20 th July, 2017 (both days inclusive)
2. Date, Time and Venue of the 41 st Annual General Meeting	20 th July, 2017 at 12.00 Noon at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346.
3. Listing on Stock Exchange	Bombay Stock Exchange Ltd., 25 th 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 2017 – 2018
5. Registered Office /Plant location and address for correspondence	Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346. Tel: 0265 – 3920200 Fax: 0265 – 2230 218 e-mail: info@dacl.co.in , Website: www.dacl.co.in



Diamines And Chemicals Limited

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6. Place where Share Transfers are to be lodged:
- (a) In Physical form
- (b) In Electronic form
7. International Securities Identification Number (ISIN)
8. Compliance Officer
- 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 and appointed M/s. MCS Share Transfer Agent Ltd., Vadodara for the same w.e.f. 01.04.2003.
- Branch Manager**
M/s. MCS Share Transfer Agent Ltd.
10, Aram Apartment,
12, Sampatrao Colony, Vadodara 390 007
Telephone (0265) **2339397**
Fax: (0265) 2341639
— As above —
- INE 591D01014
- Ms. Scany Parmar
Tel no: 0265 3920200
e-mail: secretarial@dacl.co.in

9. Date, Time and Venue for the last 3 (Three) A.G.M.'s.	40 th A.G.M.-19 th September, 2016 at 12.00 noon held at the Registered office of the Company 39 th A.G.M.- 11 th August, 2015 at 12.00 noon held at the Registered Office of the Company. 38 th A.G.M.- 12 th August, 2014 at 12.00 noon held at the Registered Office of the Company. * No Postal Ballots were used/invited for voting at these meetings.			
10. Special Resolutions passed	40 th A.G.M. – 2 Special Resolutions were passed 39 th A.G.M- 3 Special Resolutions were passed 38 th A.G.M- 2 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, 2017. Bombay Stock Exchange Ltd. (BSE)	₹ 55.35/-			
12. Financial Year	1 st April to 31 st March each year.			
13. Dividend declared for current and earlier years		2016-17	2015-16	2014-15
		15%	Nil	Nil
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.			

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**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, 2016	43.80	32.55
2	May, 2016	42.50	34.00
3	June, 2016	43.00	35.50
4	July, 2016	44.95	35.10
5	August, 2016	43.80	34.00
6	September, 2016	50.00	35.70
7	October, 2016	54.90	41.00
8	November, 2016	61.70	46.05
9	December, 2016	64.80	51.50
10	January, 2017	73.00	51.65
11	February, 2017	59.80	50.40
12	March, 2017	60.00	53.00

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2017)

Shareholding of nominal value	Shareholders		Share Amount	
	Number	% of total		% of total
(1)	(2)	(3)	(4)	(5)
Upto - 500	8626	91.30	8929140	9.13
501 - 1,000	398	4.21	3074780	3.14
1,001 - 2,000	193	2.04	2889960	2.95
2,001 - 3,000	64	0.68	1637290	1.67
3,001 - 4,000	39	0.41	1373760	1.40
4,001 - 5000	31	0.33	1427330	1.46
5,001 - 10,000	46	0.49	3288630	3.36
10,001 - 50,000	36	0.38	8274140	8.46
50,001 - 100,000	5	0.05	3472780	3.55
100,001 - Above	10	0.10	63464590	64.88
TOTAL	9448	100.00	97832400	100.00

**Diamines And Chemicals Limited**

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SHAREHOLDING PATTERN: (as on 31st March, 2017)

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters & Persons acting in concert	6378777	65.20
2	Mutual Funds/Banks & FI's/ Insurance Co.	3937	0.04
3	Other Corporate Bodies	377769	3.86
4	Public	2915049	29.8
5	NRI's	107708	1.10
6	Any Other	0	0.00
	TOTAL	9783240	100.00

DEMATERIALISATION OF SHARES: (as on 31st March, 2017)

Particulars	No. of Equity Shares	% to Share Capital
NSDL	84,91,613	86.80%
CDSL	8,40,585	8.59%
Physical	4,51,042	4.61%
TOTAL	97,83,240	100%

Details of Plant Locations/Address of Correspondence:

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

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

The Company has not issued any of these instruments.

Non-mandatory disclosures/requirements:

Reporting of Internal Auditor: Internal Auditor of the Company is reporting directly to the Audit Committee on quarterly basis.

FOR DIAMINES AND CHEMICALS LTD.
CIN : L24110GJ1976PLC002905

Yogesh M Kothari
Chairman

Mumbai, Dated: April 28, 2017.



**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, 2017, 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, 2017.

Place : Mumbai
Date : 28.04.2017

Sd/-
G. S. Venkatachalam
Executive Director



Diamines And Chemicals Limited

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CIN: - L24110GJ1976PLC002905

Nominal Capital: - 1,75,500,000/-

Paid-up Capital: - 97,832,400/-

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
M/s. DIAMINES AND CHEMICALS LIMITED
Plot No. 13, PCC Area,
P. O. Petrochemicals,
Vadodara - 391346

We have examined all relevant records of Diamines and Chemicals Limited for the purpose of certifying compliance of conditions of Corporate Governance, under para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, from 1st April, 2016 till the financial year ended on 31st March, 2017. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our 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 our examination of the records produced, explanation and information furnished, We certify that the Company has complied with all the mandatory conditions of the said para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, from 1st April, 2016 till the financial year ended on 31st March, 2017.

For Sandip Sheth & Associates
Practicing Company Secretaries

Sandip Sheth
(Partner)

FCS : 5467

COP No.: 4354

Ahmedabad, Dated: April 28, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of

Diamines and Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Diamines and Chemical Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

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, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



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- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified in Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March, 31, 2017 on its financial position in its financial statements - Refer Note 27 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017;
 - iv. The Company has provided requisite disclosure in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedure and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 17.1 of the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Place : MUMBAI

Dated : April 28, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date to the members of the Company on the financial statements for the year ended March 31, 2017.

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

We have audited the internal financial controls over financial reporting of **Diamines and Chemicals Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations



of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : April 28, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the financial statements for the year ended March 31, 2017

Report on the Companies (Auditor's Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Diamines and Chemicals Limited ("the Company")

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management according to a phased programme designed to cover all the fixed assets over a period of three years, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Pursuant to the programme, all the fixed assets have been verified by the management during the preceding year, and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as included in Note 11 on Fixed Assets to the financial statements, are held in the name of the Company, except in the case of a building, located at Ahmedabad, title deed of which is not available with the Company. Details of the aforesaid building are as follows:

Gross Block as at March 31, 2017	Net Block as at March 31, 2017
₹ 948,579	₹ 500,000

- ii. Inventories, other than stock-in-transit, have been physically verified by the management during the year and at the year end. For stock-in-transit at the year end, the necessary documentary evidences have been obtained. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
- iii. a. As per the information furnished, in an earlier year, the Company had granted interest-free advances to its wholly-owned subsidiary covered in the register maintained under Section 189 of the Act. The Company has not granted any other loans, secured or unsecured, to firms, limited liability partnerships or other parties covered under Section 189 of the Act.
- b. As regards interest-free advances granted to the subsidiary in an earlier year, no other terms and conditions, including repayment thereof have been stipulated and accordingly, the question of making any comment for the regularity of the receipt of the principal or the recovery of overdue amounts does not arise. Considering the amount involved and the fact that it was given to a subsidiary and for the purpose for which it is given, in our opinion the same is not, *prima facie*, prejudicial to the interest of the Company.
- During the year, with effect from April 1, 2015 the said subsidiary merged with the Company and accordingly, the said advance got set off with the amounts payable as appeared in the books of the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has compiled with the provisions of section 185 and 186 of the Act, in respect of investments made and also in respect of Advances given to its wholly-owned subsidiary in an earlier year. The Company has not given any loan or guarantee or provided any security in connection with a loan to any person or other body corporate and accordingly, the question of commencing on compliance with the provisions in respect thereof does not arise.

During the year, with effect from April 1, 2015 the said subsidiary merged with the Company and accordingly, the said advance got set off with the amounts payable as appeared in the books of the Company.



- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3(v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148(1) of the Act in respect of its products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities and there are no arrears of outstanding statutory dues on the last day of the financial year, for a period of more than six months from the date they become payable.
- b. According to the information and explanations given to us and on the basis of the books and records examined by us, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, 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 Income-tax Act, 1961	Income-tax	16,034,720	Financial Year 2008-2009	Commissioner of Income-tax (Appeals)
The Income-tax Act, 1961	Income-tax	8,065,190	Financial Year 2009-2010	Commissioner of Income-tax (Appeals)
The Income-tax Act, 1961	Income-tax	1,010,960	Financial Year 2011-2012	Commissioner of Income-tax (Appeals)
The Finance Act, 1994	Service Tax / Excise	9,576,326	Financial Year 2005-06 to 2015-16	Commissioner of Central Excise (Appeals)
The Foreign Trade (Development and Regulation) Act, 1992	Custom Duty	5,364,604	Financial Year 1993-94 to 1997-98	Additional Director General of Foreign Trade(Appeals)

- viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in the repayment of dues, if any, to financial institutions, banks, Government or debenture holders.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order in respect thereof is not applicable. Moneys raised by way of term loans were applied for the purposes for which those are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.

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- xi. According to the information and explanations given to us and on the basis of books and records examined by us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act, wherever applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made a preferential allotment or private placement of shares fully paid or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and on the basis of books and records examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Place : MUMBAI

Dated : April 28, 2017



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

BALANCE SHEET AS AT MARCH 31, 2017

	Note	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	97,832,400	97,832,400
Reserves and Surplus	3	244,855,435	238,357,534
		342,687,835	336,189,934
Non-Current Liabilities			
Long-term Borrowings	4	10,250,000	35,388,693
Deferred Tax Liabilities (Net)	5	46,944,705	44,065,543
Long-term Provisions	6	2,966,861	2,857,592
		60,161,566	82,311,828
Current Liabilities			
Short-term Borrowings	7	34,312,835	87,400,477
Trade Payables	8		
Total Outstanding dues of Micro Enterprises and Small Enterprises	8.1	NIL	NIL
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		18,964,096	20,421,230
Other Current Liabilities	9	44,563,866	49,099,142
Short-term Provisions	10	4,050,809	2,780,457
		101,891,606	159,701,306
TOTAL		504,741,007	578,203,068
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	227,576,045	273,310,091
Capital Work-in-progress		2,095,235	NIL
		229,671,280	273,310,091
Non-current Investments	12	787,936	1,287,936
Long-term Loans and Advances	13	12,278,704	113,451,449
Other Non-current Assets	14	NIL	NIL
		242,737,920	388,049,476
Current Assets			
Inventories	15	76,793,292	91,794,572
Trade Receivables	16	82,461,514	73,809,470
Cash and Bank Balances	17	5,660,488	5,572,963
Short-term Loans and Advances	18	5,597,693	17,582,386
Other Current Assets	19	91,490,100	1,394,201
		262,003,087	190,153,592
TOTAL		504,741,007	578,203,068

Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements 1-41

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 : April 28, 2017.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Amit Mehta Vice Chairman
G. S. Venkatachalam Executive Director
A. R. Chaturmutha Chief Financial Officer
Scany Parmar Company Secretary

Mumbai, Dated : April 28, 2017

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Revenue From Operations	20	387,871,806	394,880,660
Less : Excise Duty on Sales		(39,742,014)	(39,117,130)
Revenue From Operations (Net)		348,129,792	355,763,530
Other Income	21	547,710	3,595,849
Total Revenue		348,677,502	359,359,379
Expenses			
Cost of Materials Consumed	22	162,979,814	197,995,960
Changes in Inventories of Finished Goods and Work-in-progress	23	(8,211,874)	18,117,801
Employee Benefits Expenses	24	34,979,210	36,420,466
Finance Costs	25	17,277,917	27,511,107
Depreciation, Amortisation and Impairment	11	18,477,133	19,855,418
Other Expenses	26	65,273,985	58,606,533
Total Expenses		290,776,185	358,507,285
Profit/(Loss) before Exceptional Items and Tax		57,901,317	852,094
Exceptional items		NIL	NIL
Profit/(Loss) before Tax		57,901,317	852,094
Tax Expense			
Current Tax		15,000,000	NIL
MAT Credit Entitlement	39	(3,040,000)	NIL
Deferred Tax		2,879,162	(1,681,236)
Current Tax Adjustments of Earlier Years		293,002	NIL
		15,132,164	(1,681,236)
Profit/(Loss) for the year		42,769,153	2,533,330
Earnings Per Equity Share of ₹ 10 Basic and Diluted (₹)	32	4.37	0.26
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-41		

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 : April 28, 2017.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Amit Mehta Vice Chairman
G. S. Venkatachalam Executive Director
A. R. Chaturmutha Chief Financial Officer
Scany Parmar Company Secretary

Mumbai, Dated : April 28, 2017



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	57,901,317	852,095
Adjustments for :		
Finance Costs	17,277,917	27,511,107
Adjustment pursuant to the Scheme of arrangement	(8,407,570)	NIL
Unrealised Loss on Foreign Exchange	(1,222,478)	(1,266,641)
Profit on Sale of Investment	NIL	(1,857,022)
Profit on Sale of Assets discarded	NIL	(1,627)
Depreciation	18,477,133	19,855,418
Interest Income	(410,917)	(1,142,725)
Provision no longer required and Accounts written back	(17,617)	(463,338)
Dividend Income	(61,565)	(75,565)
Operating Profit before Working Capital Changes	83,536,220	43,411,701
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	225,091	5,762,026
Inventories	15,001,281	29,117,220
Trade Receivables and Short-term Loans and Advances	3,332,649	5,568,208
Other Current Assets	(90,095,899)	(115,316)
Long-term Provisions	109,269	155,163
Trade Payables, Other Current Liabilities and Short-term Provisions	(4,718,595)	(10,754,175)
Cash generated from Operations	7,390,014	73,144,828
Income-tax paid	(9,055,142)	(487,164)
Net Cash from Operating Activities	(1,665,128)	72,657,664
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(105,263,905)	(199,498)
Sale of Fixed Assets	102,561,901	35,021
Advance given to Subsidiary Company	98,986,427	(1,679,305)
Sale of Investments	500,000	2,036,200
Deposits held as Margin Money	(250,686)	(2,000,280)
Interest Income	410,917	1,142,725
Dividend Income	61,565	75,565
Net Cash from Investing Activities	97,006,219	(589,572)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	NIL	NIL
Repayment of Long-term Borrowings	(25,138,693)	(28,205,881)
Increase / (Decrease) in Short-term Borrowings	(53,087,643)	(17,192,341)
Finance Costs Paid	(17,277,917)	(27,511,107)
Dividend Paid (Including Dividend Distribution Tax)	NIL	NIL
Net Cash from Financing Activities	(95,504,253)	(72,909,328)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(163,161)	(841,235)
Cash and Cash Equivalents at the Beginning of the Year	1,348,761	2,189,996
Cash and Cash Equivalents at the End of the Year	1,185,600	1,348,761
Components of Cash and Cash Equivalents		
Cash on hand	28,208	37,263
Other Bank Balances		
On Current Accounts	1,157,392	1,311,498
	1,185,600	1,348,761

Note: Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3, as notified under the Companies (Accounting Standards) Rules, 2006, as the same are applicable in terms of the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date attached

For BANSIS. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : April 28, 2017.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Amit Mehta Vice Chairman
G. S. Venkatachalam Executive Director
A. R. Chaturmutha Chief Financial Officer
Scany Parmar Company Secretary

Mumbai, Dated : April 28, 2017

NOTES FORMING PART OF FINANCIAL STATEMENTS**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 BASIS OF PREPARATION:**

These financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention as also on accrual basis. These financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of Rule 4A of the Companies (Accounts) Rules 2014, the items contained in these financial statements are in accordance with the definitions and other requirements specified in the Accounting Standards.

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 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.

1.3 FIXED ASSETS AND DEPRECIATION / AMORTISATION:

- i. An item of property, plant and equipment is recognised as an asset, referred to as Fixed Asset, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment are recognised under property, plant and equipment, if those meet the definition thereof, else, such spare parts, etc. are classified as inventory.

Items of property, plant and equipment are measured at its cost. The cost comprises of - purchase price (net of CENVAT/ value added tax), including import duties and non-refundable taxes, after deducting trade discounts and rebates and any cost incurred which is directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company has adopted the cost model as its accounting policy for all its property, plant and equipment and accordingly, its Fixed Assets are carried at its cost less any accumulated depreciation and any impairment loss.

Items of property, plant and equipment which are not yet ready to be capable of operating in the manner intended by management are carried at cost and are disclosed as "Capital Work-in-progress".

- ii. Depreciation on tangible fixed assets (other than Leasehold Land) is provided on "Straight Line Method" over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

Where the cost of a part of the asset which is significant to total cost of the asset and useful life of the part is different from the useful life of the remaining asset, the Company has determined the useful life of the significant part separately ("Component Accounting") and accordingly, provided depreciation on such parts.

Leasehold Land is amortised on "Straight Line Method" over its remaining lease period of 72 years commencing from the year 2002-03.



- iii. Depreciation for assets purchased / sold during the period is charged on pro-rata basis.

1.4 INVESTMENTS:

Investments, which are long-term, are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of investments.

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 on first-in-first out basis;
- iii. Fuel, Stores and Spares: At lower of cost and net realisable value on first-in-first out basis.

By-products are valued at the net realisable value.

Cost of inventories comprises of costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty on finished goods awaiting clearance has been provided for and included in cost thereof.

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 which are entered into to hedge the foreign currency risk of existing assets and liabilities, the difference between the forward rate specified in the contract and the exchange rate at the inception of the contract (the premium or discount) is recognised as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate changes.

The Company has not entered into any forward exchange contract which is intended for trading or speculation purposes or to hedge the foreign currency risk for a firm commitment or a highly probable forecast transaction.

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. Therefore, any excess payment made will be considered as an advance and shortfall, if any, will be adjusted.

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 SEGMENT REPORTING POLICIES:

- i. Primary Segments are identified based on the nature of products, the different risks and returns and the internal business reporting system. The identification of geographical segments is based on the geographical location of its customers.

The following specific accounting policies have been followed for segment reporting:

Segment revenue includes sales and other income directly identifiable with / allocable to the segment.

Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under Unallocable Expenses.

Income which relates to the Company as a whole and not allocable to segments is included in Unallocable Income.



Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities are those relate to the Company as a whole and not allocable to any segment.

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

1.11 TAXES ON INCOME:

- i. Income tax expense comprises of current tax and deferred tax charge/credit.
- ii. Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- 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.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such deferred tax assets. In other situations, deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realise such deferred tax assets.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

1.12 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i. The Company recognises a Provision when there is a present obligation as a result of past event, the settlement of which is probable to result in an outflow of resources and a reliable estimate can be made of the amount of obligation.
- ii. Contingent liabilities are not recognised but are disclosed in the notes.
- iii. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.13 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.

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	As at March 31, 2017	As at March 31, 2016
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2. Share Capital Authorised

17,550,000 (March 31, 2016: 17,500,000)		
Equity Shares, of ₹ 10 par value	175,500,000	175,000,000
	175,500,000	175,000,000

Issued, Subscribed and Paid up

9,783,240 (March 31, 2016: 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, 2017		As At March 31, 2016	
Equity shares, of ₹ 10 par value	No. of shares		No. of shares	
At the beginning	9,783,240	97,832,400	9,783,240	97,832,400
Changes during the year	NIL	NIL	NIL	NIL
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, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and is recorded as a liability on the date of approval by the shareholders. The Board of Directors, in their meeting held on April 28, 2017 has recommended dividend @ ₹ 1.50 per share of ₹ 10 each for the year ended March 31, 2017.

During the year ended March 31, 2016, no dividend was declared/ distributed to equity shareholders.

- 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, 2017		As At March 31, 2016	
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



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	As at March 31, 2017	As at March 31, 2016
2.4 Shares allotted as fully paid up by way of Bonus Shares (during 5 years immediately preceding March 31, 2017)		
		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
		<u>32,610,800</u>
3. Reserves and Surplus		
Revaluation Reserve		
As per last Balance Sheet	28,047,536	28,800,648
Less: Transfer to General Reserve (Refer Note 3.1)	183,855	753,112
Less: Adjustment against the carrying amount of Leasehold Land and Building (Refer Note 3.1 and Note 11)	<u>27,863,681</u>	<u>NIL</u>
	NIL	28,047,536
General Reserve		
As per last Balance Sheet	51,711,988	50,958,876
Add: Transfer from Revaluation Reserve (Refer Note 3.1)	<u>183,855</u>	<u>753,112</u>
	51,895,843	51,711,988
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	158,598,009	156,064,679
Less: Adjustment pursuant to the Scheme of arrangement (Refer Note 40)	8,357,254	NIL
Less: Adjustment pursuant to the Scheme of arrangement (Refer Note 40)	50,316	NIL
Add: Net Profit after Tax transferred from Statement of Profit and Loss	<u>42,769,153</u>	<u>2,533,330</u>
	192,959,592	158,598,009
TOTAL	<u>244,855,435</u>	<u>238,357,534</u>

- 3.1 Transitional provisions specified in Accounting Standard 10 on "Property, Plant and Equipment", as introduced by the Companies (Accounting Standards) Amendment Rules, 2016, provide that in case an enterprise does not adopt the revaluation model as its accounting policy, but if there is any previous revaluation reflected in the carrying amount of an item of Property, Plant and Equipment, the amount outstanding in the Revaluation Reserve is to be adjusted against the carrying amount of that item, maximum upto its residual value. Thereafter, any excess amount in the Revaluation Reserve is to be adjusted in revenue reserves. In terms thereof, the Company has adjusted the Revaluation Reserve of 27,863,681 against the carrying amounts of Leasehold Land and Building. Thereafter, the balance of 183,855 outstanding as Revaluation Reserve is adjusted in General Reserve. Further, due to the said adjustment as per the transitional provisions, depreciation for the year is lower by 981,424 and the net profit for the year is higher by the like amount, and unlike earlier years, no amount on account of depreciation is transferred from the Revaluation Reserve to General Reserve. For the previous year ended March 31, 2016 - As per the Guidance Note on Accounting for depreciation in the context of Schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India (ICAI), the amount of depreciation of on revaluation of 753,112 on this revalued amount was during the year withdrawn and transferred to General Reserve.

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		As at March 31, 2017	As at March 31, 2016
4. Long-term borrowings			
Term Loans (Refer Note 4.1)			
Secured			
From Banks		10,250,000	35,388,693
		<u>10,250,000</u>	<u>35,388,693</u>
4.1 Nature of Security and Terms of Repayment of Long-term Borrowings			
Nature of Security	Rate of	As at March 31, 2017	As at March 31, 2016
I. Loan from Banks:			
i. Term loans 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 and factory Land and Building.	Ranging from 12.40% p.a. to 14.65% p.a.	NIL	2,700,000
ii. Term loans of ₹ 50,000,000 repayable in 16 quarterly instalments from March 31, 2015 and Term loan of ₹ 50,000,000 repayable in 42 monthly instalments from January 31, 2014 is secured by first charge by way of hypothecation over the entire current assets including stocks of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills /book-debts/ receivables and other current assets. Further, same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill).	Base Rate +4.60% p.a.	35,250,000	65,250,000
iii. Vehicle Loan of ₹ 459,000 repayable in 60 monthly instalments from July 15, 2013 is secured against hypothecation of specified vehicle.	10.75% p.a.	NIL	237,037
		<u>35,250,000</u>	<u>68,187,037</u>
Less : Current Maturities of Long-term debt (Refer Note 9)		<u>25,000,000</u>	<u>32,798,344</u>
		<u>10,250,000</u>	<u>35,388,693</u>



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	As at March 31, 2017	As at March 31, 2016
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	49,761,492	47,305,812
Deferred Tax Assets		
Provision for doubtful debts, loans and advances	NIL	717,166
Others	2,816,787	2,523,103
	<u>2,816,787</u>	<u>3,240,269</u>
Net deferred Tax (Assets)/ Liabilities	46,944,705	44,065,543
6. Long-term Provisions		
For Employee Benefits		
Gratuity	1,586,759	1,385,959
Leave Encashment	1,380,102	1,471,633
	<u>2,966,861</u>	<u>2,857,592</u>
7. Short-term Borrowings		
Loans repayable on demand (Refer Note 7.1)		
Secured		
From Banks	26,812,835	84,900,477
Other Loans and Advances		
Unsecured		
Loan from a Director	7,500,000	2,500,000
	<u>34,312,835</u>	<u>87,400,477</u>
7.1 Working Capital facilities from a bank are secured by first charge by way of hypothecation over the entire current assets including stock of raw materials, work-in-progress, finished goods, stores and spares, etc. bills / book-debts / receivables and other current assets. Further, the same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building.		
8. Trade Payables		
Micro and Small Enterprises (Refer Note 8.1)	NIL	NIL
Others	18,964,096	20,421,230
	<u>18,964,096</u>	<u>20,421,230</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 has not been given.		
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks (Refer Note 4.1)	25,000,000	32,798,343
Interest accrued but not due on Borrowings	453,260	809,688
Unclaimed Dividends	1,157,392	1,293,985
Other Payables		
For Capital Expenses	NIL	NIL
Payable on Forward Contracts	546,211	519,873
Others (Refer Note 9.1)	17,407,003	13,677,253
	<u>17,953,214</u>	<u>14,197,126</u>
	44,563,866	49,099,142
9.1 Others above include Statutory Dues, Advance from Customers and other year-end provisions.		
10. Short Term Provisions		
For Employee Benefits		
Gratuity	1,440,797	1,444,047
Leave Encashment	666,381	336,410
	<u>2,107,178</u>	<u>1,780,457</u>
Others		
For Contingencies	1,000,000	1,000,000
For Wealth Tax	NIL	NIL
	<u>1,000,000</u>	<u>1,000,000</u>
Provision for Taxes	15,000,000	NIL
Less : MAT Credit Utilised (Refer Note 39)	3,040,000	NIL
Less : Taxes paid	11,016,369	NIL
	<u>943,631</u>	<u>NIL</u>
	4,050,809	2,780,457

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11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2016	Acquired pursuant to Scheme of arrangement (Refer Note 40)	Additions	During the Year For Sale / Adjustments	As At March 31, 2017	Upto March 31, 2016	For the Year	Withdrawal for sale Adjustments	Upto March 31, 2017	As At March 31, 2016
Tangible Assets										
Land	3,154,055	NIL	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055
Freehold Land	3,154,055	NIL	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055
Leasehold Land	23,585,328	90,489,363	NIL	113,858,966	215,725	4,586,041	327,576	4,414,440	171,601	18,999,287
	23,585,328	(Refer Note 11.3)	NIL	(Refer Note 11.4)	23,585,328	4,258,465			4,586,041	19,326,864
Buildings	32,508,248	NIL	NIL	22,215,515	10,292,733	18,690,411	118,089	Refer Note 11.4	5,501,503	13,817,837
	32,508,248	NIL	NIL	(Refer Note 11.4)	32,508,248	17,916,357	774,054	Refer Note 11.5	18,690,411	14,591,891
Plant and Equipments	404,372,202	NIL	115,505	NIL	404,877,707	249,319,902	10,581,206	NIL	259,901,108	155,052,299
Wind Electric Generator	404,372,202	NIL	NIL	NIL	404,372,202	238,714,784	10,605,118	NIL	249,319,902	155,052,299
Furniture and Fixtures	148,502,975	NIL	NIL	NIL	148,502,975	74,070,426	5,608,213	NIL	79,663,639	74,432,549
Office Equipments	17,274,929	36,570	NIL	NIL	17,311,499	15,577,140	187,504	NIL	15,764,644	80,041,085
	3,666,437	148,712	NIL	NIL	3,666,437	15,390,394	186,746	NIL	15,577,140	1,546,855
Vehicles	1,855,039	199,458	NIL	NIL	1,855,039	7,152,034	1,589,389	NIL	5,135,948	1,884,536
Server	12,565,242	NIL	NIL	660,941	11,884,301	6,155,576	1,666,652	627,834	9,126,934	3,711,377
Computer	1,131,894	NIL	NIL	NIL	1,131,894	538,742	176,834	NIL	882,278	6,416,318
	5,167,475	NIL	NIL	NIL	5,167,475	4,826,497	79,118	NIL	4,905,615	593,152
	5,167,475	NIL	NIL	NIL	5,167,475	4,681,249	145,248	NIL	4,826,497	340,978
Current year	653,237,663	91,095,132	136,074,481	608,259,314	608,259,314	379,927,573	18,477,133	17,721,437	380,683,270	273,576,045
Previous year	653,699,107	NIL	199,498	650,941	653,237,664	360,700,049	19,655,418	627,894	379,927,573	292,999,059
Capital Work in progress	NIL	11,704,883	2,462,890	12,072,538	2,095,235	NIL	NIL	NIL	NIL	NIL
Current year	NIL	11,704,883	2,462,890	12,072,538	2,095,235	NIL	NIL	NIL	NIL	NIL
Previous year	NIL	NIL	59,940	59,940	NIL	NIL	NIL	NIL	NIL	NIL

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

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2016	Acquired pursuant to Scheme of arrangement (Refer Note 40)	Additions	During the Year For Sale / Adjustments	As At March 31, 2017	Upto March 31, 2016	For the Year	Withdrawal for sale Adjustments	Upto March 31, 2017	As At March 31, 2016
Tangible Assets										
Buildings	51,221	NIL	NIL	NIL	51,221	3,825	806	NIL	4,631	47,396
Plant and Equipments	3,576,793	70,800	NIL	NIL	3,647,593	3,016	309	NIL	3,647,593	48,205
	3,576,793	NIL	NIL	NIL	3,576,793	1,774,060	317,923	NIL	2,091,083	1,802,733
Current year	3,628,014	70,800	NIL	NIL	3,698,814	1,777,885	317,829	NIL	2,095,714	2,116,369
Previous year	3,628,014	NIL	NIL	NIL	3,628,014	1,462,820	315,065	NIL	1,777,885	1,850,129

11.2 Adjustments under Capital Work-in-progress represent capitalisation to Fixed Assets.

11.3 Capital advances of ₹ 78,784,480 (including advances of ₹ 1,429,828 paid during the financial year 2015-16) and Capital Work-in-progress of ₹ 11,704,883 (which were paid/incur in connection with the acquisition of land from Gujarat Industrial Development Corporation (GIDC)) were reflected as such in the books of Diamines Specialty Chemicals Limited ("DSCIL") pending the formalities for the transfer of land in the name of DSCIL. In fact, the Company held the allotment letter and possession of the said land on behalf of DSCIL. On the completion of amalgamation (as described in Note 40), the said Capital Advance and Capital Work-in-progress have been reflected as additions to Leasehold Land under Fixed Assets of the Company.

11.4 For Sale/Adjustments under Leasehold Land include:

* ₹ 18,955,163 for the amount outstanding in Revaluation Reserve adjusted against the carrying amount of a Leasehold Land (Refer Note 3.1).

* ₹ 90,489,363 for classifying the Leasehold Land (as in 11.3 above) as 'Assets held for disposal' (Also refer Note 19.1).

* ₹ 4,414,440 for the amount of Revaluation which is already depreciated in the earlier years.

11.5 For Sale/Adjustments under Buildings - ₹ 8,508,518 is for the amount outstanding in Revaluation Reserve adjusted against the carrying amount of a Building (Refer Note 3.1) and ₹ 13,306,997 for the amount of Revaluation which is already depreciated in earlier years.

11.6 Figures above other than in bold are for the Previous Year.



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	As at March 31, 2017		As at March 31, 2016	
12. Non-current Investments				
Long-term Investments - valued at cost less provision for diminution in value other than temporary				
Trade				
In Equity Instruments of Subsidiary				
Unquoted				
Diamines Speciality Chemicals Limited				
NIL (March 31, 2016: 50,000) Equity Shares of ` 10 par value of Diamines Speciality Chemicals Limited (Refer Note 40)				
Other Investments (Non-trade)				
In Equity Instruments of Other Companies				
Quoted				
Sintex Industries Limited				
87,950 (March 31, 2016: 87,950) Equity Shares of ` 1 par value of Sintex Industries Limited				
		787,936		787,936
		787,936		1,287,936
	Cost	Market Value	Cost	Market value
Aggregated amount of Quoted Investments	787,936	9,300,713	787,936	6,780,945
Aggregated amount of Unquoted Investments	NIL	Not Applicable	500,000	Not Applicable
13. Long-term Loans and Advances				
Unsecured and Considered Good				
Security Deposits				
		40,325		337,192
Other Loans and Advances (Refer Note 13.1)				
Advances recoverable in cash or in kind for value to be received				
Considered Good				
		488,701		416,925
Loans and Advances to Related Party (Refer Note 31)				
To Subsidiary Company				
Diamines Speciality Chemicals Limited				
		NIL		98,986,427
		529,026		99,740,544
Taxes Paid	21,809,805			36,499,986
Less: Provision for Taxes	10,060,127			22,789,081
		11,749,678		13,710,905
		12,278,704		113,451,449
13.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Sales tax set off receivable and Prepaid expenses.				
13.2 Particulars of Advances given - Disclosure as required under Section 186(4) for advances given :				
Name of the Company				
Diamines Speciality Chemical Limited				
(Refer Note 40)				
		NIL		98,986,427
14. Other Non-current Assets				
Trade Receivables				
Considered Doubtful				
Outstanding for a period exceeding six months from the date they are due for payment				
		NIL		2,320,925
Less: Provision for Bad and Doubtful Debts				
		NIL		2,320,925
		NIL		NIL
		NIL		NIL

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	As at March 31, 2017	As at March 31, 2016	
15. Inventories			
Raw Materials	34,093,877	31,699,993	
Raw Materials - Goods-in-transit	4,056,545	3,817,630	
Work-in-progress	5,517,187	18,603,606	
Finished Goods	30,131,454	32,999,691	
Finished Goods - Goods-in-transit	NIL	570,570	
Fuel	1,065,559	1,297,294	
Stores and Spares	1,928,670	2,805,788	
	76,793,292	91,794,572	
15.1 Details of Inventories :			
a. Work-in-Progress			
Ethylene Amines	3,520,953	14,612,453	
Other Products	1,996,234	3,991,153	
	5,517,187	18,603,606	
b. Finished Goods			
Ethylene Amines	29,635,274	27,272,433	
Other Products	496,180	5,727,258	
	30,131,454	32,999,691	
16. Trade Receivables			
Unsecured and considered good			
Outstanding for a period exceeding six months from the date they are due for payment	NIL	NIL	
Others	82,461,514	73,809,470	
	82,461,514	73,809,470	
17. Cash and Bank Balances			
Cash and Cash Equivalents			
Cash on hand (Refer Note 17.1)	28,208	37,263	
Balances with Banks			
- On Current Accounts	1,157,392	1,311,498	
Other Bank Balances			
- On Fixed Deposit Accounts	4,474,888	4,224,202	
With maturity within 12 months from the Balance Sheet date (Held as margin money)			
	5,660,488	5,572,963	
17.1 In terms of Ministry of Corporate Affairs ("MCA") Notification No G.S.R.308 (E) dated March 30, 2017 details of Specified Bank Notes (SBNs) transacted during the period from November 8, 2016 to December 30, 2016 is as under :			
Particulars	SBNs	Other denomination	Total
Closing cash in hand as on November 08, 2016	93,500	15,046	108,546
(+) Permitted receipt	NIL	NIL	NIL
(-) Permitted payment	NIL	139,198	139,198
(+) Amount withdrawn from Banks	NIL	180,000	180,000
(-) Amount deposited in Banks	93,500	NIL	93,500
Closing cash in hand as on December 30, 2016	NIL	55,848	55,848
* For the purpose of this Note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of economic Affairs number S.O. 3407(E) dated November 8, 2016.			
18. Short term Loans and Advances			
Unsecured and considered good			
Other Loans and Advances (Refer Note 18.1)			
Advances recoverable in cash or in kind or for value to be received			
Considered Good	3,774,503		5,125,172
Balance with Central Excise and Customs	1,823,190		12,457,214
	5,597,693		17,582,386
18.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Advances to Suppliers, Prepaid expenses and Advances to Employees.			
19. Other Current Assets			
Assets held for disposal (Refer Note 19.1)	90,489,363		NIL
Interest Receivable on Bank/ Security Deposit	874,154		1,243,562
Deferred Premium on Forward Contracts	126,583		150,639
	91,490,100		1,394,201
19.1 As indicated in Note 40, Capital Work-in-progress and Capital Advances for acquiring a plot of land from Gujarat Industrial Development Corporation ("GIDC") on the Scheme of Arrangement which was then reflected as Fixed Assets - Leasehold Land under Non-Current Assets. However, subsequent thereto, the said plot of land rendered unusable for construction activities involving hazardous chemicals and therefore, the Company by its letter of January 11, 2017, requested GIDC to take back the possession of the said plot of land and refund the amounts paid in respect thereof. GIDC by its letter of April 6, 2017, intimated to the Company about its approval as of March 23, 2017 to surrender the said plot of land. The Board of Directors in its meeting held on April 11, 2017 took the decision to handover the possession of the said plot of land and accordingly, the possession was handed over to GIDC on April 19, 2017. However, pending determination of refund amount by GIDC for the surrendered plot of land, the same is reflected as Assets held for disposal under "Current Assets" at its carrying amount.			



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
20. Revenue From Operations		
Sale of products		
Manufactured Goods	369,896,442	379,948,712
Windmill Power Generated	<u>17,533,076</u>	<u>14,128,382</u>
	387,429,518	394,077,094
Other Operating Revenues		
Duty Drawback	232,287	369,642
Sale of Scrap	<u>210,001</u>	<u>433,924</u>
	387,871,806	394,880,660
Less: Excise Duty on Sales	<u>(39,742,014)</u>	<u>(39,117,130)</u>
	<u>348,129,792</u>	<u>355,763,530</u>
20.1 Details of Products Sold		
Sale of Manufactured Goods		
Ethylene Amines	369,355,192	378,726,997
Other Products	<u>541,250</u>	<u>1,221,715</u>
	<u>369,896,442</u>	<u>379,948,712</u>
21. Other Income		
Interest on Deposits / Margin Money	410,917	1,142,725
Dividend from Long-term Investment	61,565	75,565
Accounts Written Back	17,617	463,338
Profit on Sale of Long Term Investments	NIL	1,857,022
Miscellaneous Income	<u>57,611</u>	<u>57,199</u>
	<u>547,710</u>	<u>3,595,849</u>
22. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	35,133,623	47,417,913
Add : Purchases	128,483,404	176,004,107
Less : Closing Stock of Raw Materials	<u>12,211,686</u>	<u>35,133,623</u>
	151,405,341	188,288,397
Packing Materials		
Opening Stock of Packing Materials	384,000	476,747
Add : Purchases	11,792,309	9,614,816
Less : Closing Stock of Packing Materials	<u>601,836</u>	<u>384,000</u>
	11,574,473	9,707,563
	<u>162,979,814</u>	<u>197,995,960</u>
22.1 Details of Raw Materials Consumed		
Ethylene Amines Feed Stock	147,739,178	185,145,651
Others	<u>3,666,163</u>	<u>3,142,746</u>
	<u>151,405,341</u>	<u>188,288,397</u>

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		For the Year ended March 31, 2017	For the Year ended March 31, 2016
23. Changes in Inventories of Finished Goods and Work-in-progress			
Stocks at the end			
Finished Goods	30,131,454		33,570,261
Work-in-progress	<u>30,854,087</u>		<u>18,603,606</u>
		60,985,541	52,173,867
Less: Stocks at the beginning			
Finished Goods	33,570,261		34,446,900
Work-in-progress	<u>18,603,606</u>		<u>34,667,724</u>
		<u>52,173,867</u>	<u>69,114,624</u>
		<u>8,811,674</u>	<u>(16,940,757)</u>
Excise Duty Provision on Finished Goods			
Closing Stock	7,054,107		6,454,307
Less : Opening Stock	<u>6,454,307</u>		<u>5,277,263</u>
		599,800	1,177,044
		<u>(8,211,874)</u>	<u>18,117,801</u>
24. Employee Benefit Expenses			
Salaries, Wages and Bonus (Refer Note 26.2)		27,539,320	27,874,416
Contributions to Provident and Other Funds (Refer Note 26.2)		2,545,067	2,477,316
Gratuity Expenses		819,816	1,063,228
Staff Welfare Expenses		<u>4,075,007</u>	<u>5,005,506</u>
		<u>34,979,210</u>	<u>36,420,466</u>
25. Finance Costs			
Interest Expense			
On Borrowings	15,291,720		25,339,915
On Others	<u>227,175</u>		<u>133,761</u>
		15,518,895	25,473,676
Other Borrowing Costs			
Processing Fees		654,000	795,375
Other Finance Charges		<u>1,105,022</u>	<u>1,242,056</u>
		<u>17,277,917</u>	<u>27,511,107</u>



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
26. Other Expenses		
Stores and Spares Consumed (Refer Note 26.2)	4,008,171	3,175,757
Power and Fuel	31,918,157	25,948,913
Repairs and Maintenance		
Building	132,132	258,723
Machinery (Refer Note 26.1)	4,944,650	5,166,552
Others	431,031	568,580
	5,507,813	5,993,855
Insurance (Refer Note 26.1)	2,167,166	2,305,482
Rates and Taxes (Refer Note 26.1)	341,296	353,689
Job Work Charges	14,225	171,150
Travelling and Conveyance	1,931,346	2,306,488
Directors' Sitting Fees	866,000	1,036,500
Commission to Directors	700,000	46,000
Legal and Professional Charges	4,044,527	3,152,031
Foreign Exchange Loss (Net)	99,506	1,755,282
Auditors' Remuneration		
Audit Fees	442,160	300,000
Tax Audit Fees	191,400	140,000
Certification Work	328,448	245,851
	962,008	685,851
Bad Debts Written Off	2,320,925	NIL
Provision for Doubtful Debts no longer required	(2,320,925)	NIL
	NIL	NIL
Miscellaneous Expenses	12,713,770	11,675,534
	65,273,985	58,606,533
26.1 Other Expenses include expenses incurred on		
Windmill Power generation as under:		
Repairs and Maintenance - Machinery	3,969,661	4,377,637
Rates and Taxes	73,738	92,320
Insurance	298,694	246,520
	4,342,093	4,716,477
26.2 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	346,415	523,353
Contributions to Provident and Other Funds	28,242	48,377
	374,657	571,730
Cost of Materials Consumed (In Note 22)	162,509	176,276
Depreciation (In Note 11)	317,829	315,065
Other Expenses (In Note 26)		
Stores and Spares Consumed	72,679	598,094
	927,674	1,661,165

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**27. Contingent Liabilities and Commitments :**

	As At March 31, 2017	As At March 31, 2016
27.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	640,000	630,000
ii. Guarantees issued by the bankers on behalf of the Company	6,814,084	5,046,934
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)	5,364,604	5,364,604
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, 2016 : ₹ 1,000,000)]	2,950,000	2,900,000
v. Matters under disputes/appeals :		
a. Income-tax (Against which ₹ 973,978 has been paid)	24,038,055	24,217,990
b. Service Tax/ Excise	9,576,326	11,838,728
27.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
Less : Advances	NIL	NIL
Net Estimated Amount	NIL	NIL
ii. Other Commitments	NIL	NIL

28. Credit balances remaining unclaimed beyond the limitation period are written back except where obligations are perceived by management to be reasonably confirmed. Balances of Trade and Other Payables/advances from customers as well as balances of Trade and Other Receivables are subject to confirmation and consequent adjustment, if any.



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29. "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, 2017	For the Year ended on March 31, 2016	For the Year ended on March 31, 2017	For the Year ended on March 31, 2016
Obligation at period beginning	10,734,387	10,533,524	1,808,043	1,589,259
Current Service cost	480,327	477,744	86,323	130,326
Interest cost	838,356	832,148	141,208	125,551
Actuarial (gain) / loss	9,546	341,242	575,284	322,150
Benefits paid	(1,462,285)	(1,450,271)	(564,375)	(359,243)
Obligations at the year end	10,600,331	10,734,387	2,046,483	1,808,043
Change in plan assets				
Plan assets at period beginning, at fair value	7,904,380	7,573,684	NIL	NIL
Expected return on plan assets	617,332	598,321	NIL	NIL
Actuarial gain / (loss)	(108,918)	(10,416)	NIL	NIL
Contributions	622,266	1,133,408	NIL	NIL
Benefits paid	(1,462,285)	(1,390,617)	(564,375)	(359,243)
Plan assets at the year end, at fair value	7,572,775	7,904,380	(564,375)	(359,243)
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	7,572,775	7,904,380	NIL	NIL
Present value of the defined benefit obligations at the end of the year	10,600,331	10,734,387	2,046,483	1,808,043
Liability/(Asset) recognized in the Balance Sheet (Notes 6 and 10)	3,027,556	2,830,007	2,046,483	1,808,043
Cost for the year				
Current service cost	480,327	477,744	86,323	130,326
Interest cost	838,356	832,148	141,208	125,551
Expected return on plan assets	(617,332)	(598,321)	NIL	NIL
Actuarial (gain) / loss	118,464	351,658	575,284	322,150
Net Cost recognized in the Statement of Profit and Loss (Note 24)	819,816	1,063,228	802,815	578,027
Category of assets				
Insurer managed funds	7,572,775	7,904,380	N.A.	N.A.
Total	7,572,775	7,904,380	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	7.51%	7.81%	7.51%	7.81%
Estimated rate of return on plan assets	7.51%	7.81%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	508,414	587,905	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	2016-17	2015-16	2014-15	2013-14	2012-13
Experience adjustment					
On plan liability (gain)/ loss (*)	(91,512)	307,374	547,453	547,608	427,149
On plan assets gain/ (loss) (*)	(108,918)	(10,416)	32,590	(11,010)	38,192
Present value of benefit obligation	10,600,331	10,734,387	10,533,524	9,645,699	9,487,610
Fair value of plan assets	7,572,775	7,904,380	7,573,684	7,865,809	7,833,253
Excess of obligation over plan assets (net)	3,027,556	2,830,007	2,959,840	1,779,890	1,654,357

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

The expected contribution is based on the same assumptions used to measure the Company's Gratuity obligations as at March 31, 2017. The Company is expected to contribute ₹ 1,440,797 for the year ended March 31, 2018.

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30. Segment Reporting:

The Company has identified two reportable primary segments, Speciality Chemicals and Power Generation in terms of Accounting Standard ("AS") 17 on "Segment Reporting".

PARTICULARS	For the Year ended March 31, 2017	For the Year ended March 31, 2016
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	370,338,729	380,752,278
Less: Excise Duty on Sales	39,742,014	39,117,130
	<u>330,596,715</u>	<u>341,635,148</u>
Add: Other Income	75,228	520,537
	330,671,943	342,155,685
b. Power Generation		
Total Power generated	23,208,269	18,237,428
Less: Captive Power used for Speciality Chemicals	<u>5,675,193</u>	<u>4,109,046</u>
Net as per the Statement of Profit and Loss	17,533,076	14,128,382
Total Revenue	348,205,019	356,284,067
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ` 5,675,193 (Previous Year ` 4,109,046)]	65,136,751	18,115,013
b. Power Generation		
Total	13,272,963	7,912,416
Less: Of Captive Power	<u>3,895,984</u>	<u>1,694,471</u>
Net as per the Statement of Profit and Loss	9,376,979	6,217,945
Total	74,513,730	24,332,958
Add: Interest Income	410,917	1,142,725
Add: Other Non-allocated Income		
Profit on Sale of Investments	NIL	1,857,022
Dividend	<u>61,565</u>	<u>75,565</u>
	472,482	3,075,312
Less: a. Interest Expense	15,518,895	25,473,676
b. Others Unallocated Expenses	1,566,000	1,082,500
c. Exceptional Items	<u>NIL</u>	<u>NIL</u>
	(17,084,895)	(26,556,176)
Profit/(Loss) before Tax	57,901,317	852,094
Current Tax	15,000,000	NIL
MAT Credit Entitlement	(3,040,000)	NIL
Deferred Tax	2,879,162	(1,681,236)
Current Tax Adjustments of Earlier Years	<u>293,002</u>	<u>NIL</u>
	15,132,164	(1,681,236)
Profit/(Loss) after Tax	42,769,153	2,533,330



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PARTICULARS

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	415,098,062	472,705,637
b. Power Generation	77,105,331	90,498,590
c. Others – Unallocated	12,537,614	14,998,841
Total	504,741,007	578,203,068
Segment Liabilities		
a. Speciality Chemicals	126,803,172	173,826,097
b. Power Generation	NIL	NIL
c. Others – Unallocated	35,250,000	68,187,037
Total	162,053,172	242,013,134
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets	606,769	199,498
– Capital Advances	NIL	NIL
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	606,769	199,498
Depreciation during the year		
a. Speciality Chemicals	12,883,920	14,246,883
b. Power Generation	5,593,213	5,608,535
c. Others – Unallocated	NIL	NIL
Total	18,477,133	19,855,418

The Company does not have reportable secondary segment i.e. Geographical Segment in terms of AS - 17 on “Segment Reporting”.

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

31.1 Following transactions were carried out in the ordinary course of business with the parties referred to in (31.2) below. There were no amounts written off or written back from such parties during the year.

Particulars	Subsidiary Companies		Associate		Key Managerial Personal		Subsidiary of Associate [As in 3 of Note 31.2 below]	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Remuneration	NIL	NIL	NIL	NIL	2,636,761	*1,971,206	NIL	NIL
Sales	NIL	NIL	1,209,695	NIL	NIL	NIL	NIL	NIL
Transactions on behalf:								
Advance given to	NIL	16,793,305	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding at								
Balance Sheet date:								
Amounts due from	NIL	98,986,427	NIL	NIL	NIL	NIL	NIL	NIL

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31.2 Relationships:

Sr.No.	Relation	Name of Related Party
1	Associate	Alkyl Amines and Chemicals Limited.
2	Key Management Personnel	Executive Director - *Mr.G.S.Venkatachalam (From February 7, 2015)
3	Enterprise over which key management personnel exercises significant influence	None
4	Entity over which Associate exercises significant influence - Subsidiary of Associate	Alkyl Speciality Chemicals Limited
5	Subsidiary	Diamines Speciality Chemicals Limited (The above Subsidiary amalgamated with the Company on September 30, 2016 under the Scheme of Arrangement effective from April 1, 2015)

32. "Earnings Per Share" as per Accounting Standard - 20:

Particulars		As At March 31, 2017	As At March 31, 2016
Numerator for Basic and diluted earnings per Share			
Net Profit/ (Loss) after tax for the year	(a)	42,769,153	2,533,330
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)]	4.37	0.26
Face value per Share		10	10

33. Disclosure as per Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets":

Particulars	As At April 1, 2016	Additions during the year	Paid/reversed during the year	As At March 31, 2017
Gratuity	2,830,007 (2,959,840)	819,815 (1,063,229)	622,266 (1,193,062)	3,027,556 (2,830,007)
Leave Encashment	1,808,043 (1,589,259)	802,815 (578,027)	564,375 (359,243)	2,046,483 (1,808,043)

Figures in brackets represent previous year's figures.

34. Consumption of Imported/ Indigenous Materials:

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	Percentage		Percentage	
Raw Materials				
Imported	97.58%	147,739,178	98.33%	185,145,651
Indigenous	2.42%	3,666,163	1.67%	3,142,746
TOTAL	100.00%	151,405,341	100.00%	188,288,397
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	4,008,171	100.00%	3,175,757
TOTAL	100.00%	4,008,171	100.00%	3,175,757



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Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
35. Value of imports calculated on CIF basis:		
Raw Materials	107,002,105	149,809,803
36. Expenditure in foreign currency:		
Subscription	43,827	40,861
Total	43,827	40,861
37. Earnings in foreign currency :		
Export of goods on FOB basis	80,60,923	13,408,857

38. Financial and Other Derivative Instruments:

38.1 Derivative contracts entered into by the Company are for hedging foreign currency risks; the following contracts have remained outstanding:

Particulars	Amount in USD		Amount In `	
	As At March 31, 2017	As At March 31, 2016	At March 31, 2017	As At March 31, 2016
Import Trade Payables	198,659	221,480	13,426,950	15,211,251

38.2 Foreign Currency exposure that are not hedged by the derivative instruments:

Particulars	Amount in USD		Amount In `	
	As At March 31, 2017	As At March 31, 2016	At March 31, 2017	As At March 31, 2016
Export Receivables	NIL	206,552	NIL	13,701,157

39. In the absence of convincing evidence that the Company would pay normal income-tax as per the provisions of the Income-tax Act, 1961 in succeeding years, the Company did not recognise MAT Credit in earlier years. Considering the profit in the current year, the Company has recognised such MAT credit to the extent it is entitled to. Such MAT credit is also reflected as utilised during the year.

40. The Board of Directors of the Company at its meeting held on September 29, 2015 approved the Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 for amalgamation of Diamines Speciality Chemicals Limited ('DSCL'), its wholly owned subsidiary, into the Company with effect from April 1, 2015, the appointed date ("the Scheme"). The Scheme was heard and approved by the Hon'ble High Court of Gujarat, vide its order dated September 16, 2016. The Scheme came into effect on September 30, 2016, the day on which the Order was filed with the Registrar of the Companies, Gujarat and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of the DSCL have been transferred to and vested in the Company with effect from the appointed date.

DSCL was formed with the object of manufacturing of fine chemicals. Till the time of amalgamation, it engaged itself to acquire a plot of land from Gujarat Industrial Development Corporation (GIDC).

This amalgamation is a non-cash transaction. Further, no consideration is payable or receivable and shares were not exchanged on implementation of the amalgamation as the Scheme involves a wholly owned subsidiary.

The Company has carried out the accounting treatment prescribed in the Scheme as approved by the High Court, that is, as per the "pooling of interest" method as given under Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Diamines And Chemicals Limited

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Hence, in accordance with the Scheme:

- The Company has recorded all assets and liabilities as appearing in the books of DSCL at their carrying amounts.
- Inter Company balances and transactions have been cancelled. The amount of Share Capital of DSCL has been adjusted against the corresponding investment balances held by the Company in the DSCL.
- Accordingly, the amalgamation has resulted in transfer of assets and liabilities as on April 1, 2015, the appointed date, as per the Scheme at the following amounts:

Particulars	Amounts in `
Non-current Assets	
Capital Work-in-progress	11,704,883
Long-term Loan and Advances	77,354,652
Current Assets	
Cash and Bank Balances	403,816
Other Current Liabilities	
Other Payables	13,740
Net Assets	89,449,611
Reserves and Surplus	
Debit balance in the Statement of Profit and Loss as on April 1, 2015.	83,57,254

- As the financial statements for the year ended March 31, 2016 have been already approved by the shareholders of the Company, the previous year balances have not been restated and all the relevant accounting entries with respect to the Scheme have been accounted for during the current year and consequently, the debit balance of ` 8,357,254 in the Statement of Profit and Loss of DSCL as on April 01, 2015 as also loss of ` 50,316 for the financial year 2015-16 have been reduced from the opening balance of Surplus in the Statement of Profit and Loss (Refer Note 3) of the Company.

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

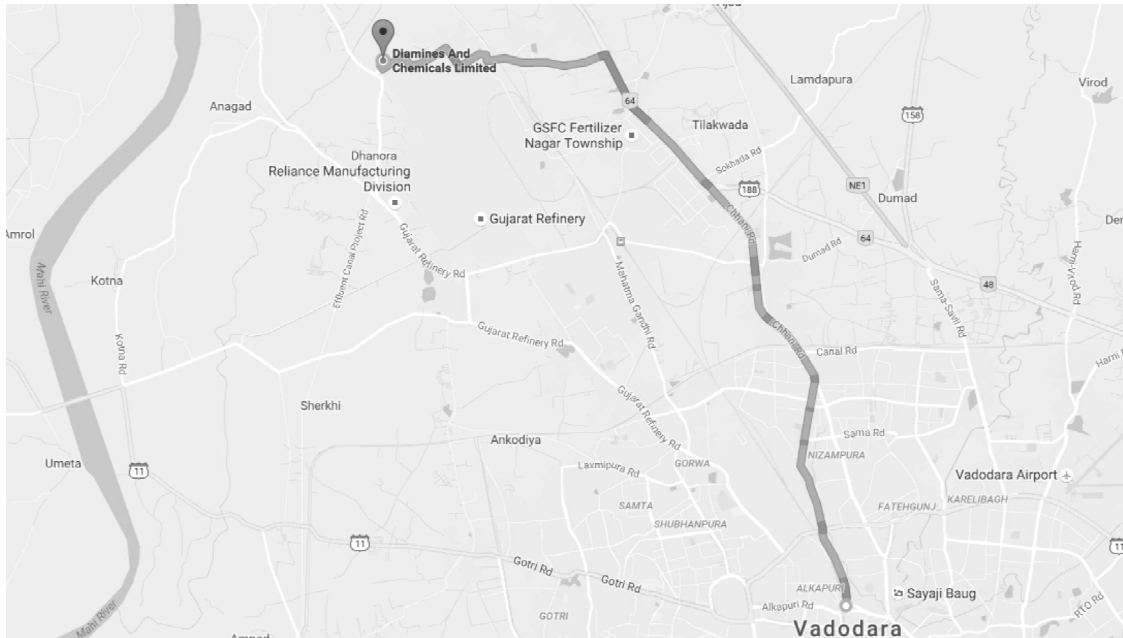
As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : April 28, 2017.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Amit Mehta Vice Chairman
G. S. Venkatachalam Executive Director
A. R. Chaturmutha Chief Financial Officer
Scany Parmar Company Secretary

Mumbai, Dated : April 28, 2017



AGM Venue



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

**ATTENDANCE SLIP**CIN NO: **L24110GJ1976PLC002905**NAME OF THE COMPANY:**Diamines and Chemicals Limited**

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

Please complete this Attendance Slip and hand over at the Entrance of the Hall.

I/We hereby record my/our presence at the 41st Annual General Meeting held at Plot No.13, PCC Area,P.O. Petrochemicals,Vadodara –391 346 at 12:00 Noon on Thursday, the 20th July, 2017.

Regd. Folio/DP ID & Client ID	
Name and Address of the Shareholder (s):	
No. of shares held	
If Shareholder (s), Please Sign here	If Proxy, Please Sign here

Form No: MGT-11**PROXY FORM**

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

CIN NO: **L24110GJ1976PLC002905**NAME OF THE COMPANY:**Diamines and Chemicals Limited**

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

Name of Member (s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We, being the member (s) of _____, Shares of the above named Company, hereby appoint:

- 1) Name: _____
Address: _____

E-mail Id: _____
Signature: _____, or failing him
- 2) Name: _____
Address: _____

E-mail Id: _____
Signature: _____, or failing him
- 3) Name: _____
Address: _____

E-mail Id: _____
Signature: _____,



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

.....
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st(Forty-First) Annual General Meeting of the Company, to be held on the 20th day of July, 2017 at 12:00 Noon at Registered office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- 1) To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2017 together with the Reports of the Board of Directors' and Auditors' thereon including the audited financial statements of the Company for the year ended on March 31, 2017.
- 2) To appoint a Director in place of Mr. Yogesh Mathradas Kothari (DIN: 00010015), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Amit Mahendra Mehta (DIN: 00073907), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To declare dividend of Rs. 1.50 per Ordinary (Equity) share of Rs. 10/- each for the financial year 2016-17.
- 5) Ratification of Appointment of M/s Bansi S Mehta & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
- 6) Service of Documents.

Sign this _____ day of _____ 2017

Signature of Shareholder: _____

Signature of proxy holder (s): _____



Note: this form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

**Form No: MGT-12****POLLING PAPER**

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN NO: **L24110GJ1976PLC002905**NAME OF THE COMPANY: **Diamines and Chemicals Limited**

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

BALLOT PAPER

Sr. No	Particulars	Details
1	Name of the First Named Shareholder (In Block Letters)	
2	Postal Address	
3	Registered Folio No. /*Client ID. No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2017 together with the Reports of the Board of Directors' and Auditors' thereon including the audited financial statements of the Company for the year ended on March 31, 2017.			
2	To appoint a Director in place of Mr. Yogesh Mathradas Kothari (DIN: 00010015), who retires by rotation and being eligible, offers himself for re-appointment.			
3	To appoint a Director in place of Mr. Amit Mahendra Mehta (DIN: 00073907), who retires by rotation and being eligible, offers himself for re-appointment.			
4	To declare dividend of Rs. 1.50 per Ordinary (Equity) share of Rs. 10/- each for the financial year 2016-17.			
5	Ratification of Appointment of M/s Bansi S Mehta & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.			
6.	Service of Documents			

Place:

Date:

(Signature of Shareholder)

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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