

BOARD OF DIRECTORS

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

Assistant Company Secretary

Ms. Chesta Vasavada

Auditors

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

Bankers

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

Registered Office & Works

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

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NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the members of Diamines and Chemicals Limited will be held at the Registered Office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 on Tuesday, the 12th day of July, 2011 at 9:30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm Interim Dividend on Equity Shares and declare Final Dividend for the financial year ended 31st March 2011.
3. To appoint a Director in place of Mr. Rajendra Chhabra who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Dhruv S. Kaji who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Ambarish Dalal who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Bansi S. Mehta & Co., Chartered Accountants, the retiring Auditors who are eligible for re-appointment, as Auditors of the Company from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the applicable provisions of the Companies Act 1956 and Article 162 & 163 of the Articles of Association of the Company, and upon the recommendation of Board of Directors made at their meeting held on 24th May, 2011 (hereinafter referred to as “the Board”, which term shall also include any Committee thereof) and subject to all the approvals, consents, permissions as may be required from Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**the SEBI Regulations**), Reserve Bank of India (RBI) and all the other Statutory and Regulatory authorities, the consent of the members is hereby accorded to capitalize a sum not exceeding Rs.3,26,10,800 (Rupees Three Crores Twenty Six Lacs Ten Thousand Eight Hundred) out of the sum standing to the credit of Company’s General Reserve Account/ Security Premium Account or such other account as are permissible to be capitalized and utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2011 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of Equity Shares not exceeding 32,61,080 Equity Shares of Rs. 10 (Rupees Ten) each as Bonus Shares credited as fully paid up, to the eligible members of the Company holding Equity Shares of Rs.10 (Rupees Ten) each whose name appear on the Company’s Register of Members on such date (“Book Closure date”) as the Board may determine, in the proportion of one (1) new fully paid up Equity Share of Rs.10 (Rupees Ten) each for every Two (2) Equity Shares of Rs.10 (Rupees Ten) (Ratio 1:2) held as on book closure date and that the new Bonus Shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such member and not as income.

RESOLVED FURTHER THAT The new Equity Shares (Bonus Shares) shall be allotted subject to the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects and carry the same rights as the existing Equity Shares of the Company, except that they shall not be entitled to or participate in any dividend declared or paid prior to the date of allotment.

RESOLVED FURTHER THAT no letter of Allotment shall be issued for the said Bonus Shares but in case the members who opt to receive the Bonus Shares in dematerialized form, the Bonus Shares aforesaid shall be credited to the beneficiary accounts of the shareholders with their respective Depository Participants within the stipulated time as may be allowed by the appropriate authorities and in the case of shareholders who opt to receive the Bonus Shares in physical form, the Share Certificates in respect thereof shall be delivered within such time as may be allowed by the appropriate authorities.

RESOLVED FURTHER THAT where the proportion of the new Equity Shares is not in the exact proportion of the holding of the existing Equity Shares and results in any member becoming entitled to fraction of new Equity Shares to be allotted as Bonus Shares, the Company shall not issue any Certificate or Coupon in respect of such fractional shares but the total number of new Equity Shares representing such fractions shall be allotted by the Board of Directors to a person or persons appointed by the Directors to act as a trustee or trustees for and on behalf of the members, who shall have the right to be allotted such fractional certificates on behalf of the existing shareholders and the Company shall issue in favour of such trustee, such Equity Share Certificates after consolidating all the fractional certificates into a marketable lot and thereafter such Equity Shares shall be sold by such trustee or trustees at the prevailing market rate(s) and the net sale proceeds (after deduction of all expenses incurred for sale) of such shares be distributed amongst such members who are entitled to such fractional certificates in proportion to their respective fractional entitlement thereto.

RESOLVED FURTHER THAT the issue and allotment of fully paid-up new Equity Shares as Bonus Shares to the extent that they relate to Non Resident Indians (NRIs), Person of Indian Origin (PIO)/ Overseas Corporate Bodies (OCB) and other foreign investors will be subject to approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Bonus Shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with Stock Exchanges concerned, the Regulations and other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise in this regard at any stage including at any time of listing of the Bonus Shares without requiring the Board to secure any further consent or approval of Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution, or as the Board in its absolute discretion may think fit and its decision shall be binding on all members and other interested persons and to do all acts connected herewith or incidental hereto.

Mumbai, Dated: May 24, 2011.

REGISTERED OFFICE:

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

By Order of the Board

Chesta Vasavada
Assistant Company Secretary

NOTES:

- (a) The relevant Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 and also Code of Corporate Governance in respect of items 3 to 5 and 7 annexed hereto.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY GIVEN HEREUNDER, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from 01-07-2011 to 12-07-2011 (both days inclusive).
- (d) Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2011 when declared at the meeting will be paid on or after 25th July, 2011 :-
- (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrar & Share Transfer Agent on or before 01.07.2011, **or**
 - (ii) in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 01.07.2011.
 - (iii) Dividend will be paid on the existing 65,22,160 Equity Shares only.
- (e) Bonus on Equity Shares as recommended by the Board of Directors shall be allotted to members:
- (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrar & Share Transfer Agent on or before 01.07.2011, **or**
 - (ii) in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 01.07.2011.
- (f) Members are requested to encash their Dividend Warrants on receipt as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends.
- (g) As mandated by the Securities and Exchange Board of India (SEBI), the Company will be providing ECS facility to the shareholders whereby they will be able to receive their dividend by direct electronic credit to their bank account. In the absence of availing the option by the shareholder, the Company shall send warrants for dividends. Shareholders are requested to fill the form provided along with the Annual Report and send it to the Company's Registrar & Share Transfer Agent, at the address mentioned herein below as to reach them latest by 01.07.2011 and to their respective Depository Participants, in case the Shares are held in dematerialized form.
- (h) 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.

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- (i) Members seeking any information or clarification on the Accounts and operation of the Company are requested to send in written queries to the Company, at least ten days before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
- (j) Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- (k) Members, who hold shares in the dematerialized form, are requested to bring their depository account number for identification.
- (l) Members are requested to immediately address their communications regarding transfer of shares, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:
- M/s. MCS Limited,**
1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 007
Telephone (0265) 2339397 / 2314757 Fax: (0265) 2341639
email: mcsLtdbaroda@yahoo.com
- (m) Members holding shares in dematerialized form, may please note that while opening a depository account with participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
- (n) Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filling Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
- (o) As per the Circular of the Ministry of Corporate Affairs of "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Members, who hold the shares in dematerialized form are requested to register their email ids with their depository participants and the members holding the shares in physical form, are requested to register their email ids with the Company's Registrar and Share Transfer Agent on the address given above.
- (p) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

Mumbai, Dated: May 24, 2011.

REGISTERED OFFICE:

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

By Order of the Board

Chesta Vasavada
Assistant Company Secretary

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 and also under Corporate Governance.

ITEM NO.3:

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

Mr. Rajendra Chhabra has been on our Board since March 14, 2001. He is a Practicing Chartered Accountant. Mr. Chhabra has vast knowledge in the field of Accounts and Finance. He is acting as Independent Director in the Company and hence is the Chairman of Audit Committee & member of the Shareholders' / Investors' Grievance Committee. During his tenure since 2001, he has played very active and significant role in setting up the complete transparency and integrity in finance functions of the Company.

Mr. Rajendra Chhabra holds 5200 Equity Shares in the Company.

He is also on the Board of the following Companies:

1. Value Healthcare Ltd.
2. Insight Healthscan Pvt. Ltd.

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

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

ITEM NO.4:

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

Mr. Dhruv Kaji, is a Chartered Accountant. Mr. Dhruv Kaji holds 200 Equity Shares in the Company.

He is also on the Board of the following Companies:

1. Pashmina Holdings Ltd.
2. Colorplus Fashions Ltd.

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

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

ITEM NO. 5:

Dr. Ambarish Dalal, retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Dr. Ambarish Dalal has been appointed on 31.03.2009 as an Independent Director of the Company. Dr. Dalal is MBBS, D.M.R.E., Diplomate American Board of Radiology, is a Senior Practicing Radiologist.

He holds 11,050 Equity Shares in the Company.

He is also on the Board of the following Companies:

1. Insight Healthscan Pvt. Ltd.
2. Adonis Laboratories Pvt. Ltd.

It will be in the interest of the Company that Dr. Ambarish Dalal continues as Director of the Company. Dr. Ambarish Dalal is interested in this resolution since it relates to his reappointment.

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

ITEM NO. 7 :

In keeping with the Company's tradition of rewarding shareholders, the Board of Directors of the Company ("the Board") at its meeting held on May 24, 2011 has recommended issue of Bonus Shares in the ratio of 1:2 i.e. One new fully paid up Equity Share of Rs. 10 each for every Two fully paid up Equity Shares of Rs. 10 each, to the eligible members of the Company as on the Book Closure date to be fixed by the Board for this purpose.

The Capitalization of Reserve shall be to the extent of Rs. 3,26,10,800 (Rupees Three Crores Twenty Six Lacs Ten Thousand Eight Hundred) in the proportion of 1:2 (i.e. One new fully paid up Equity Share of Rs. 10 each for every Two eligible existing fully paid up Equity Shares of Rs. 10 each) held by the members as on the Book Closure Date to be hereafter decided by the Board or its Committee thereof. The Bonus Shares shall not be entitled for the dividend declared or paid prior to the date of allotment i.e. dividend paid for the financial year 2010-11.

The Company satisfies the conditions of and requirements for, issue of Bonus Shares contained in Chapter IX of the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2009 as presently in force.

None of the Directors of the Company are in any way concerned or interested in the said resolution, except to the extent of their shareholding and the shareholding of their relatives in the Company.

The Board recommends the Ordinary Resolution set out in Item No. 7 of the Notice for approval by the Members.

Mumbai, Dated: May 24, 2011.

REGISTERED OFFICE:

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

By Order of the Board

Chesta Vasavada
Assistant Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors present their 35th Annual Report together with the audited accounts for the financial year ended 31st March, 2011.

1. FINANCIAL RESULTS:

	<i>(Rs. in Lacs)</i>	
	Current Year 31.03.11	<i>Previous Year 31.03.10</i>
Total Income (Gross)	9119.78	5883.15
Operating Profit before interest and depreciation	2515.40	1859.62
Interest and other financial charges	298.02	249.41
Profit before depreciation	2217.38	1610.21
Depreciation & Amortization	188.96	163.28
Profit after interest & depreciation	2028.42	1446.93
Less: Provision for taxation	557.43	511.50
Profit after Tax available for distribution	1470.99	935.42
Interim Dividend (including Dividend Tax)	114.07	NIL
Proposed Dividend (including Dividend Tax)	341.11	152.11
Amount transferred to General Reserve	147.09	70.15
Balance of P & L A/c for the year	868.72	713.15
Credit/(Debit) balance of P&L A/c carried forward from last year	412.75	(300.40)
Profit/(Loss) carried to Balance Sheet.	1281.47	412.75

2. OPERATIONS:

Your Company's total income for the year 2010-11 (net of excise) amounted to Rs.8371.05 as compared to Rs. 5538.47 lacs of last year. The result for the year shows net profit after tax of Rs.1470.99 lacs as compared to the net profit of Rs. 935.42 lacs in the previous year.

Further details of operations are given in the Management Discussion and Analysis Report, which forms part of this report.

3. DIVIDEND:

- a) The Board has declared and paid in October, 2010 an Interim Dividend @ 15% on Equity Shares for the financial year 2010-11.
 - The members are requested to confirm the above interim dividend at the ensuing Annual General Meeting of the Company.
- b) Considering the financial results achieved during the year under review, the Board of Directors has recommended the final dividend on 6522160 Equity Shares @ 45% {Re.4.50 per share (45%)} which together with aforesaid interim dividend shall aggregate to Rs 6/- per share {(60%)} {Previous year Rs. 2/- per share (20%)}

4. BONUS ISSUE:

In keeping view to rewarding the Company's valuable shareholders, the Board has recommended Bonus Issue, in the ratio of 1:2 i.e. One new fully paid up Equity Share of Rs. 10 each for every Two fully paid up Equity Shares of Rs. 10 each, to the eligible members of the Company, subject to approval of shareholders in the ensuing Annual General Meeting.

5. FIXED DEPOSITS:

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

6. CORPORATE GOVERNANCE:

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

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

7. PARTICULARS OF EMPLOYEES:

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

8. BOARD OF DIRECTORS:

Mr. Rajendra Chhabra, Mr. Dhruv Kaji and Dr. Ambarish Dalal are directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have expressed their willingness to be re-appointed as directors.

Your Directors recommend re – appointment of these Directors.

9. DIRECTORS’ RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the accounting policies selected have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2011 and of the Profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities;
- (d) the Annual Accounts for the year ended 31st March, 2011 have been prepared on a going concern basis.

10. AUDITORS:

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

11. AUDITORS’ REPORT:

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

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

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

13. INFORMATION TECHNOLOGY:

The Company has set up an integrated on-line information system in all major operating areas. In order to accelerate the acceptance of electronic mail and facilitate sharing of various data, all departmental offices, warehouse stores, in each of the offices have been provided with connectivity facility for information sharing. The Company's Enterprise Resource Planning to enhance efficiency at overall organization level to improve accuracy of data generation is now in the completion stage.

14. INDUSTRIAL RELATIONS:

The Company has been regularly monitoring its policy for enhancement in the skills of its employees by providing need-based training. Industrial Relations between the management & the employees at all levels remained healthy and cordial throughout the year, resulting in constant co – operation by all the employees in day to day work and implementing policies of your Company.

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

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

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

16. SAFETY & ENVIRONMENT:

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

17. LISTING DETAILS:

At present, your Company's securities are listed on:
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.

Code No. 500120

The Company has paid the annual listing fees to the above Stock Exchange for the financial year 2011–2012.

18. DETAILS REGARDING DEPOSITORY:

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

19. AGENCY FOR SHARE TRANSFER / DEMAT PURPOSE:

Pursuant to SEBI Directive in respect of appointment of Common Agency for both DEMAT & Physical Share Transfer work, your Company has appointed and continued with M/s. MCS Ltd.,

1st Floor, Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara 390 007, as a R&T Agent for both DEMAT & Physical Share Transfer work w.e.f. 1st April, 2003. Accordingly, all the shareholders are requested to take note of the same and send all future correspondences / queries to the M/s. MCS Ltd., at the abovementioned address.

20. ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

YOGESH KOTHARI
Chairman

Mumbai, Dated: May 24, 2011.

ANNEXURE - 1
FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2010 – 11	Previous Year 2009 – 10
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased Unit	3844291	2150780
Total Amount (Rs. in lacs)	193.79	123.78
Rate/Unit (Rs.)	5.04	5.75
b) Own Generation		
Through Diesel generator		
Units	35405	18082
Units/Ltr. Of Diesel Oil	3.00	1.90
Cost/Unit (Rs.)	13.75	20.75
Coal		
Quantity in tonnes	9823	5540
Total Cost (Rs. in lacs)	507.20	257.39
Average Rate Rs./Tonne	5163	4646
LDO & FO		
Quantity (In Tonnes)	852	473
Total cost (Rs. in lacs)	244.22	120.26
Avg. rate Rs./ Tonne	28665	25448
Generation through Wind Turbine Generator		
Units (KWH in thousand)	4696.91	5922.01
Total Amount (Rs. in lacs)	197.59	239.69
Average Generation Rate (Rs. / Unit)	4.20	4.05
B. CONSUMPTION PER TONNE OF PRODUCTION		
Production of Speciality Chemicals (MT)	2305	1788
Electricity (Unit)	1668	1202
Coal (Tonnes)	4.26	3.09
FO/LDO (Tonnes)	0.37	0.26

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

I TECHNOLOGY ABSORPTION / DEVELOPMENT :

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

1. Commercialization of EDC Plant
Technical supports to plant for successfully establish the manufacturing process for the new Ethylene amines Plant via EDC route.
2. Purification of by-product.
3. Produced higher homologues of Ethyleneamines.
4. Developed Piperazine derivatives in lab scale.
5. Providing Technical support to marketing department.
6. Technical support to Q/A department for improving the quality of products.

(B) Benefits derived from R&D:

1. Improved the quality as well as shelf life of existing products.
2. Commercialization of Technologies developed.
Successfully establish the manufacturing process for the new Ethylene amines Plant via EDC route.
3. Technical support provided to production, marketing, and Q/A department to improve the business of the company.

(C) Future plans of Action:

1. Development of Piperazine derivatives.
2. Development of Value added products from EDA.
3. Debottlenecking of Ethyleneamines production facilities.
4. To produce higher amines of International quality.
5. Purification of by-product Salt to salable product.

(D) Expenditure on R&D:

a. Capital	:	216541
b. Revenue	:	1917805
c. Total	:	2134346
d. Total R&D expenditure	:	0.26% of total turnover

(E) Technology absorption, adoption and innovation:

- Efforts towards technology absorption and innovation – As stated above.
- Benefits derived as result of the above efforts – As stated above.
- Absorption and adoption of imported technology - Not Applicable.

II FOREIGN EXCHANGE EARNINGS AND OUTGO:

Year ended March 31	2011 (In Rs.)	2010 (In Rs.)
Foreign Exchange Earnings	3,35,58,950	2,29,23,335
Foreign Exchange Outgo	26,31,99,064	23,75,11,186

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

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

Performance:

Total income (net of excise) for the year 2010–2011 amounted to Rs.8371.05 lacs compared to Rs. 5538.47 lacs of the previous year. Sales in quantity terms amounted to 2556.350 MT compared to 1805.984 MT for the year 2009–10. During the year, your Company has made exports of its products amounting to Rs. 335.58 lacs.

Opportunities, Threats, Risks and Concerns:

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

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

Financial Performance with Respect to Operational Performance:

The operating profit for the current year before depreciation, interest and tax stands at Rs.2515.40 Lacs as compared to Rs. 1859.62 lacs, last year.

Internal Control Systems and their adequacy:

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

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

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

Human Resource/Industrial Relations:

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management & 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.

Business Outlook:

The year 2011- 2012 offers a positive picture in terms of the growth in all segments in comparison with previous years. Consequently the demand for our products will increase. At the same time on account of weakening of Indian Currency imports will become costlier, thus working to our advantage. Your Company has also identified and is focusing on some of its specialty products that would add to its application areas and increase the turnover.

Cautionary Statement:

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

For and on behalf of the Board
YOGESH KOTHARI
Chairman

Mumbai, Dated: May 24, 2011.

CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS AND ITS COMPOSITION:

The Board of Directors of the Company comprises of 9 Non-Executive Directors and 1 Executive Director and amongst them 5 are Independent Directors, who bring in a wide range of skills and experience. The Board Members consists of persons with professional expertise and experience in various fields of Chemicals, Marketing, Finance, Management, Accountancy, etc. and the composition of the Board is in conformity with the amendments in the Listing Agreement.

Details of the Board of Directors are as under:

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

RESPONSIBILITIES OF BOARD OF DIRECTORS:

The Board has a variety of matters related to the operations of the Company for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to Shareholders. During the year under review, the Board met 5 {Five} times.

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

ROLE OF INDEPENDENT DIRECTORS:

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

TENURE OF BOARD OF DIRECTORS:

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

Mr. Rajendra Chhabra, Mr. Dhruv Kaji and Dr. Ambrish Dalal retire 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 Vadodara & Mumbai. Meetings are scheduled well in advance. The Board meets at least once in three months to review the quarterly performance and the financial results of the Company. The Members of the Board have access to all information of 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, 5 Board Meetings were held viz: 13/04/2010, 21/05/2010, 20/07/2010, 23/10/2010 and 03/02/2011. Details of attendance at the Board Meetings and Annual General Meeting for each Director along with their other Directorships is 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 20.07.10
1	Mr. Yogesh M. Kothari	Chairman – NED / PD	4	Yes
2	Mr. Amit M. Mehta	Vice Chairman – NED/PD	5	Yes
3	Mr. G. G. Chendwankar	NED	4	Yes
4	Mr. Kirat Patel	NED	4	Yes
5	Mr. Dhruv Kaji	NED – I	0	No
6	Mr. Rajendra Chhabra	NED – I	5	Yes
7	Mr. G.S.Venkatachalam	NED – I	1	No
8	Dr. Ambarish Dalal	NED – I	2	Yes
9	Mr. Shreyas Mehta	NED – I	2	Yes
10	Mr. Girish R. Satarkar	ED	5	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.

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.**	
		Chairmanship in Committees in which Directors are Members	Memberships in Committees of Companies in which they hold Directorships
Mr. Yogesh M. Kothari	4	1	1
Mr. Amit M. Mehta	2	–	–
Mr. G. G. Chendwankar	–	–	2
Mr. Kirat Patel	2	–	1
Mr. Dhruv Kaji	2	–	–
Mr. Rajendra Chhabra	1	1	1
Mr. G.S.Venkatachalam	–	–	1
Dr. Ambarish Dalal	–	–	–
Mr. Shreyas Mehta	1	1	–
Mr. Girish R. Satarkar***	–	–	–

* Excluding Diamines and Chemicals Limited.

** The committees mentioned above includes only Audit Committee, Share holders Investors' Grievance Committee.

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

BOARD COMMITTEES:

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



Audit Committee:

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

The present composition of the Committee is as stated below:

Name	Designation	Category
Mr. Rajendra Chhabra	Chairman	Non-Executive & Independent Director
Mr. G. G. Chendwankar	Member	Non-Executive
Mr. G. S. Venkatachalam	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. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March, 2011.

Mr. Kirat Patel, Director, Mr. Girish R. Satarkar, Executive Director, the Deputy General Manager (F&A) and Internal Auditor are permanent invitees to the Committee Meetings. The Statutory Auditors are also invited to attend the Meetings. The Assistant Company Secretary acts as the Secretary of the Committee.

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

Meetings and attendance during the year:

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

Member	Attendance at Audit Committee Meetings held on:			
	13.05.10	19.07.10	22.10.10	01.02.11
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. G.G.Chendwankar	No	Yes	Yes	Yes
Mr. G.S.Venkatachalam	Yes	Yes	Yes	Yes

The Minutes of Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The Chairman of the Audit Committee was present at the 34th Annual General Meeting held on 20th July 2010.

Shareholders' / Investors' Grievance Committee of Directors:

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

Mr. Yogesh M. Kothari who is the Chairman of the Company also chairs the Meeting. During the year under review, the Committee met 22 times.

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

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

Name of the Director	Executive / Non-Executive	No. of Meetings Attended
Mr. Yogesh M. Kothari	Non-Executive	21
Mr. G. G. Chendwankar	Non-Executive	19
Mr. Rajendra Chhabra	Non-Executive	22

Ms. Chesta Vasavada, Assistant Company Secretary is the Compliance Officer.

*** No. of shareholder complaints received during 2010-2011:**

Relating to non-receipt of share certificate under transfer	00
Relating to de-materialisation	00
Relating to non-receipt of dividends	00
Others	06

*** No. of shareholder complaints not solved to the satisfaction of shareholders:**

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

* No. of pending share transfers as on 31/03/2011 None

Remuneration Committee :

The Remuneration Committee, consists of Dr. Ambarish Dalal, Chairman, Mr. G.S. Venkatachalam and Mr. Rajendra Chhabra, whose function is to approve remuneration policy of Directors. During the year the committee meeting was held on 19-04-2010 to consider and approve the remuneration to be paid to Mr. Girish R. Satarkar, Executive Director of the Company.

Details of remuneration paid to the Executive Director for the financial year 2010 – 2011.

(Rs. In Lacs.)

Name of Director	Designation	Salary & Allowance	Perquisite	Commission [Rs.]	Total
Mr. Girish R. Satarkar	Executive Director	17.10	1.00	NIL	18.10

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS :

The remuneration paid to Non-Executive Directors for the year from 01.04.2010 to 31.03.2011 are as under:

(Rs. in lacs)

Name	Remuneration	Sitting Fee	Commission*	Total
Mr. Yogesh Kothari	Nil	0.71	6.23	6.94
Mr. Amit M. Mehta	Nil	0.80	6.23	7.03
Mr. Kirat Patel	Nil	2.10	1.73	3.83
Mr. Rajendra Chhabra	Nil	3.62	1.74	5.36
Mr. G.G.Chendwankar	Nil	2.90	1.73	4.63
Mr. G. S.Venkatachalam	Nil	0.30	0.78	1.08
Dr. Ambarish Dalal	Nil	0.40	0.78	1.18
Mr. Dhruv Kaji	Nil	0.00	0.78	0.78
Mr. Shreyas Mehta	Nil	0.30	0.78	1.08

- Remuneration includes salary & perquisites. The Company does not have any stock option scheme.
- *The company has passed resolution u/s 309 of the Companies Act 1956, in its Annual General Meeting held on 20-07-2010 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	136929
02.	Mr. Amit M. Mehta	574662
03.	Mr. Kirat Patel	7200
04.	Mr. Rajendra Chhabra	5200
05.	Mr. G.G. Chendwankar	18830
06.	Mr. G. S. Venkatachalam	822
07.	Dr. Ambarish Dalal	11050
08.	Mr. Dhruv Kaji	200
09.	Mr. Shreyas Mehta	6000

DISCLOSURES:

The Company does not have any related party transactions that may have potential conflict with the interests of the Company at large. A list of transactions with related parties as per Accounting Standard AS 18 is given in note no.8 of Schedule 20 to the Audited Accounts. Segment Reporting as per Accounting Standard AS – 17 applicable to the Company is given in note no.7 of schedule 20.

REGULATORY COMPLIANCES:

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

MEANS OF COMMUNICATION:

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

Quarterly results of the Company have been announced within one month of the respective quarter. Whenever, the audited results are published for the fourth quarter, they are announced within 2 months of the quarter as prescribed.

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

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date	1.07.2011 to 12.07.2011 (both days inclusive)
2. Date, Time and Venue of the 35th Annual General Meeting	12 th July, 2011 at 9:30 a.m. at Plot No. 13, PCC Area, P.O. Petro Chemicals, Vadodara – 391 346.
3. Listing on Stock Exchanges	Bombay Stock Exchange Ltd., Floor 25, 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 2011 – 2012.
5. Registered Office	Plot No. 13, PCC Area, P. O. Petro Chemicals, Vadodara – 391 346. Tel: 0265 – 2230 305 / 406 / 929 Fax: 0265 – 2230 218 e-mail: info@dacl.co.in Website: www.dacl.co.in

<p>6. Place where Share Transfers are to be lodged:</p> <p>(a) In Physical form</p> <p>(b) In Electronic form</p>	<p>In view of the recent 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 Ltd., Vadodara for the same w.e.f. 01.04.2003.</p> <p>Mr. S. M. Gandhi - Authorised Person M/s. MCS Ltd. 1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 007 Telephone (0265) 2339397 / 2314757 Fax: (0265) 2341639 _____ As above_____</p>																
<p>7. International Securities Identification Number (ISIN)</p>	<p>INE 591D01014</p>																
<p>8. Compliance Officer</p>	<p>Ms. Chesta Vasavada</p>																
<p>9. Date, Time and Venue for the last 3 A.G.M.'s.</p>	<p>34th A.G.M.- 20th July, 2010 at 3:00 p.m. held at the Registered Office of the Company. 33rd A.G.M.- 21st July, 2009 at 3:00 p.m. held at the Registered Office of the Company. 32nd A.G.M.- 29th July, 2008 at 3:00 p.m. held at the Registered Office of the Company. * No Postal Ballots were used/invited for voting at these meetings.</p>																
<p>10. Special Resolutions passed</p>	<p>34th A.G.M - 4 Special Resolutions were passed. 33rd A.G.M. – 1 Special Resolution was passed. 32nd A.G.M. – No Special Resolutions were passed. 31st A.G.M. – No Special Resolutions were passed. * No Postal Ballots were used/invited for voting at these meetings.</p>																
<p>11. Closing Price of the Company's Shares on 31st March, 2011. - The Stock Exchange, Mumbai</p>	<p>Rs. 72.95</p>																
<p>12. Financial Year</p>	<p>1st April to 31st March each year.</p>																
<p>13. Dividend declared for current and earlier years</p>	<table border="1"> <thead> <tr> <th></th> <th>2010 - 11</th> <th>2009 - 10</th> <th>2008 - 09</th> </tr> </thead> <tbody> <tr> <td>Interim</td> <td>15%</td> <td>-</td> <td>-</td> </tr> <tr> <td>Final</td> <td>45%</td> <td>20%</td> <td>10%</td> </tr> <tr> <td>Total</td> <td>60%</td> <td>20%</td> <td>10%</td> </tr> </tbody> </table>		2010 - 11	2009 - 10	2008 - 09	Interim	15%	-	-	Final	45%	20%	10%	Total	60%	20%	10%
	2010 - 11	2009 - 10	2008 - 09														
Interim	15%	-	-														
Final	45%	20%	10%														
Total	60%	20%	10%														
<p>14. Trading in Shares (Electronic Form) on Stock Exchanges</p>	<p>SEBI has made trading in the Company's Shares compulsory in electronic form for all categories of Investors.</p>																

MARKET PRICE DATA:

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

Sr.No.	Month	The Stock Exchange, Mumbai	
		High (Rs.)	Low (Rs.)
1	April, 2010	80.00	49.00
2	May, 2010	63.45	50.00
3	June, 2010	62.70	53.90
4	July, 2010	70.60	59.80
5	August, 2010	65.90	58.50
6	September, 2010	96.00	61.00
7	October, 2010	92.35	71.35
8	November, 2010	92.00	80.05
9	December, 2010	94.00	72.05
10	January, 2011	90.90	67.50
11	February, 2011	79.80	66.95
12	March, 2011	79.80	66.70

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2011)

Shareholding of nominal value		Shareholders		Share Amount	
Rs.	Rs.	Number	% of total	Rs.	% of total
(1)		(2)	(3)	(4)	(5)
Upto	- 5,000	9456	94.85	8311160	12.74
5,001	- 10,000	250	2.51	2025840	3.11
10,001	- 20,000	127	1.27	1948640	2.99
20,001	- 30,000	47	0.47	1203090	1.84
30,001	and above	89	0.90	51732870	79.32
TOTAL		9969	100.00	65221600	100.00

SHAREHOLDING PATTERN: (as on 31st March, 2011)

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters & persons acting in concert	42,52,449	65.20%
2	Mutual Funds/Banks & FI's/ Insurance Co.	4517	0.07%
3	Other Corporate Bodies	1,12,340	1.72%
4	Public	20,67,439	31.70%
5	NRI's	85,415	1.31%
6	Any Other	0	0.00%
	TOTAL	65,22,160	100.00%

DEMATERIALIZATION OF SHARES: (as on 31st March, 2011)

Particulars	No. of Equity Shares	% to Share Capital
NSDL	56,73,603	86.99%
CDSL	4,54,374	06.97%
Physical	3,94,183	06.04%
TOTAL	65,22,160	100.00%

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

The Company has not issued any of these instruments.

FOR DIAMINES AND CHEMICALS LTD.

YOGESH KOTHARI
Chairman

Mumbai, Dated: May 24, 2011.

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. This code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended on 31st March 2011, 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, 2011.

Place : Mumbai
Date : 24.05.2011

Sd/-
Girish R Satarkar
Executive Director



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To
The Members of
DIAMINES AND CHEMICALS LIMITED**

I have examined all relevant records of ***Diamines and Chemicals Limited*** for the purpose of certifying compliance of conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange for the financial year ended on 31st March 2011. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

For Sandip Sheth & Associates
Practising Company Secretaries

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

Ahmedabad, Dated: May 24, 2011.

AUDITORS' REPORT
For the year ended March 31, 2011

**To the Members of
Diamines and Chemicals Limited**

1. We have audited the attached Balance Sheet of **DIAMINES AND CHEMICALS LIMITED** as at March 31, 2011 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors of the Company as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Without qualifying our opinion, we draw attention to Note 2 to Accounts under Schedule 20 regarding restoring Revaluation Reserve amounting to ₹ 33,646,681 by way of transfer of the equivalent amount from the General Reserve.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- ii. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Dated : May 24, 2011.

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of DIAMINES AND CHEMICALS LIMITED on the accounts for the year ended March 31, 2011.

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

- i. a. The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
b. *According to the information and explanations given to us, no physical verification of fixed assets has been conducted by the management during the year. Hence, we are unable to comment on any material discrepancy, if any, on fixed asset.*
c. The Company has not disposed off any substantial part of its fixed assets during the year so as to effect its going concern.
- ii. a. The Inventory, except materials lying with third parties for which confirmations are obtained, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. a. As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register, maintained under Section 301 of the Companies Act, 1956;
As the Company has not granted any such loans, Clause (iii)(b) of the Order relating to the rate of interest and other terms and conditions, whether prima facie prejudicial to the interest of the Company, Clause (iii)(c) relating to regularity of the receipt of principal amount and interest and Clause (iii)(d) relating to steps for recovery of overdue amount of more than rupees one lakh, are not applicable.
b. As per the information furnished, the Company has taken unsecured inter corporate deposit from a company and unsecured loan from a director covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 51,15,958 and the year-end balance was ₹ 48,62,383. In our opinion, the rate of interest and other terms and conditions of these deposits/loans are not, prima facie, prejudicial to the interest of the Company. The Company is regular in repayment of the principal amounts as stipulated and as also in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods. However, the Company is not engaged in the sale of any service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. a. According to the records of the Company examined by us and the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section; and
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence, the question of complying with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder, does not arise.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. As maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company, the question of commenting on maintenance of such records does not arise.

- ix. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, Cess and other material Statutory dues applicable to it and there were no arrears of such Statutory dues as on March 31, 2011 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relate	Forum where dispute is pending
The Income-tax Act, 1961	Tax on account of disallowances	1,618,523	Assessment year 2007-2008	Assessing Officer
The Finance Act, 1994	Service Tax (Interest and Penalty)	707,956	Financial Year 2005-2010	

- x. There are no accumulated losses of the Company as on March 31, 2011, and the Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. According to the information and explanations given to us and records of the Company examined by us, the Company has not defaulted in repayment of dues, if any, to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. As the Company is not a chit fund, nidhi, mutual benefit fund or society, Clause (xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirements of Clause 4(xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xvi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the intended use.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, the funds raised on short-term basis have not been used for long-term investments.
- xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us, as the Company has not issued any debentures, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issue during the year, Clause 4(xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
- xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

PARESH H. CLERK

Partner

Membership No. 36148

Place : Mumbai

Dated : May 24, 2011.

BALANCE SHEET AS AT MARCH 31, 2011

			As at March 31, 2011	As at March 31, 2010
Schedule			₹	₹
SOURCES OF FUNDS				
Shareholders' Funds				
Share capital	1		65,221,600	65,221,600
Reserves and surplus	2		<u>245,430,216</u>	<u>144,914,957</u>
			310,651,816	210,136,557
Loan Funds				
Secured Loans	3		267,663,199	184,255,819
Unsecured Loans	4		<u>4,862,383</u>	<u>2,300,000</u>
			272,525,582	186,555,819
Deferred Tax Liability (Net)			33,127,880	38,343,371
		Total	<u>616,305,278</u>	<u>435,035,747</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5		578,202,346	546,106,387
Less: Accumulated Depreciation			<u>265,790,837</u>	<u>245,830,536</u>
Net Block			312,411,509	300,275,851
Capital Work-in-progress			<u>20,580,189</u>	<u>3,985,664</u>
			332,991,698	304,261,515
Investments	6		967,115	967,115
Current Assets, Loans and Advances				
Inventories	7		138,455,562	132,731,672
Sundry Debtors	8		171,100,212	54,595,420
Cash and Bank Balances	9		89,674,468	35,276,530
Loans and Advances	10		<u>25,456,314</u>	<u>23,668,229</u>
			424,686,556	246,271,851
Less : Current Liabilities and Provisions	11			
Current Liabilities			90,764,721	85,633,181
Provisions			<u>51,575,370</u>	<u>30,831,553</u>
			142,340,091	116,464,734
Net current assets			282,346,465	129,807,117
		Total	<u>616,305,278</u>	<u>435,035,747</u>
Significant Accounting Policies	19			
Notes to Accounts	20			

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 24, 2011.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Amit Mehta Vice Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
Chesta Vasavada Asst. Company Secretary

Mumbai, Dated : May 24, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
Schedule	For the Year ended on March 31, 2011 ₹	For the Year ended on March 31, 2010 ₹	₹
INCOME			
Sales (Gross) Less Returns	886,480,310		468,621,674
Less : Excise Duty	<u>(74,873,104)</u>		<u>(34,467,123)</u>
Sales Less Returns	811,607,206		434,154,551
Tolling Charges	NIL		308,229
Windmill income (net of wheeling charges)	15,712,225		18,956,994
Other income	12	9,785,643	100,428,147
	<u>837,105,074</u>		<u>553,847,921</u>
Increase / (Decrease) in stock of Finished Goods and process stock	13	21,805,716	10,054,600
	Total	<u>858,910,790</u>	<u>563,902,521</u>
EXPENDITURE			
Cost of Materials		429,625,338	278,006,077
Employee Cost	14	27,712,414	18,275,450
Manufacturing Expenses	15	125,301,580	63,730,098
Administrative and Other Expenses	16	22,889,771	16,890,205
Interest and Finance Cost	17	29,802,579	24,941,573
Research and Development Expenses	18	1,917,805	1,082,501
Depreciation/Amortisation		19,883,099	
Less : Transferred from Revaluation Reserve		<u>1,065,473</u>	<u>18,817,626</u>
		Total	<u>656,067,113</u>
		<u>202,843,677</u>	<u>144,693,265</u>
PROFIT BEFORE TAX			
PROFIT FOR THE YEAR BEFORE TAXATION			
LESS : Provision for Taxation			
Current		61,800,000	44,700,000
Deferred (includes sum of ₹ 4,057,267 relating to earlier years)		<u>(5,215,490)</u>	6,442,979
Current Tax Adjustments relating to earlier Years		<u>(840,657)</u>	7,951
		55,743,853	51,150,930
		<u>147,099,824</u>	<u>93,542,335</u>
		<u>41,275,014</u>	<u>(30,040,828)</u>
AMOUNT AVAILABLE FOR APPROPRIATIONS			
APPROPRIATIONS			
General Reserve		14,709,982	7,015,675
Interim Dividend		9,783,240	NIL
Proposed Dividend		29,349,720	13,044,320
Dividend Distribution Tax		<u>6,386,132</u>	<u>2,166,498</u>
		<u>60,229,074</u>	<u>22,226,493</u>
BALANCE CARRIED TO THE BALANCE SHEET			
		<u>128,145,764</u>	<u>41,275,014</u>
Basic and Diluted Earnings Per Share of ₹ 10			
(Refer Note 9 to Accounts under Schedule 20)			
		22.55	14.34
Significant Accounting Policies			
19			
Notes to Accounts			
20			
As per our report of even date attached		For and on behalf of the Board of Directors	
For BANSI S. MEHTA & CO.		Yogesh Kothari Chairman	
Chartered Accountants		Amit Mehta Vice Chairman	
Firm Registration No. 100991W		Rajendra Chhabra Director	
PARESH H. CLERK		Girish Satarkar Executive Director	
Partner		Chesta Vasavada Asst. Company Secretary	
Membership No. 36148			
Mumbai, Dated : May 24, 2011.		Mumbai, Dated : May 24, 2011	



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the Year ended on March 31, 2011 ₹	For the Year ended on March 31, 2010 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	202,843,677	144,693,265
Adjustment for :		
Depreciation	18,894,828	16,328,644
Provision for Bad and Doubtful Debts	1,752,119	1,752,119
Foreign Exchange Fluctuation (Unrealised)	1,529,315	2,910,146
Interest Expenses	29,802,579	24,941,573
Profit/(Loss) on Sale of Fixed Assets	(19,042)	NIL
Interest/Dividend Received	<u>(3,013,833)</u>	<u>(1,136,074)</u>
Operating profit before working capital changes	251,789,643	189,489,673
Adjustment for :		
Trade and Other Receivables	(178,594,975)	(17,678,909)
Inventories	(5,723,890)	(30,357,057)
Trade Payables, Other Liabilities and Provisions	<u>7,097,192</u>	<u>(177,221,673)</u>
Cash From Operating Activities	74,567,970	(78,423,093)
Current Tax paid	<u>(3,938,679)</u>	<u>(31,641,214)</u>
Net Cash From Operating Activities	<u>70,629,291</u>	<u>79,425,366</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(48,690,484)	(53,863,059)
Proceeds from the Sale of Fixed Assets	NIL	NIL
Interest Received	2,949,063	1,076,701
Dividend Received	<u>64,770</u>	<u>59,373</u>
Net Cash From Investing Activities	<u>(45,657,609)</u>	<u>(52,726,985)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Dividend	(22,827,560)	(6,522,160)
Payment of Dividend Distribution Tax	(3,791,372)	(1,108,441)
Interest paid	(29,924,574)	(24,760,784)
Repayment of Borrowings	85,352,631	(42,132,955)
Proceeds from Borrowings	<u>617,130</u>	<u>54,093,393</u>
Net Cash Generated in Financing Activities	<u>29,426,255</u>	<u>(20,430,947)</u>
Total (A+B+C)	<u>54,397,938</u>	<u>6,267,434</u>
D. Net changes in Cash and Cash Equivalents		
Cash and Cash Equivalents at the beginning of year	35,276,530	29,009,096
Cash and Cash Equivalents at the end of year	<u>89,674,468</u>	<u>35,276,530</u>
	54,397,938	6,267,434

Notes:

- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3.
- Cash and Cash Equivalents include Balance on Margin Accounts of ₹ 82,872,365 (Previous Year ₹ 29,308,286) and Bank Balances maintained for Unpaid Dividend amounts of ₹ 2,013,089 (Previous Year ₹ 1,616,221).
- Purchase of Fixed Assets includes movements of capital work in progress between the beginning and the end of the year.

As per our report of even date attached

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

Membership No. 36148

Mumbai, Dated : May 24, 2011.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Amit Mehta Vice Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
Chesta Vasavada Asst. Company Secretary

Mumbai, Dated : May 24, 2011

Schedules to the Balance Sheet As At March 31, 2011

	As at March 31, 2011	As at March 31, 2010
	₹	₹
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
17,500,000 Equity Shares of ₹10 each (10,000,000)	175,000,000	100,000,000
Nil Cumulative Redeemable Preference Shares of ₹ 100 each (750,000)	<u>NIL</u>	<u>75,000,000</u>
	175,000,000	175,000,000
ISSUED, SUBSCRIBED AND PAID UP		
6,522,160 Equity share of ₹ 10 each fully paid	65,221,600	65,221,600
	<u>65,221,600</u>	<u>65,221,600</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Reserve :		
As per last Balance Sheet	3,441,635	3,441,635
Securities Premium Account :		
As per last Balance Sheet	18,857,360	18,857,360
Revaluation Reserve* :		
Transferred from General Reserve	33,646,681	NIL
Less : Transfer to Profit and Loss Account	<u>1,065,473</u>	<u>NIL</u>
	32,581,208	NIL
General Reserve :		
As per last Balance Sheet	79,933,948	72,918,273
Less : Amount Transferred to Revaluation Reserve*	33,646,681	NIL
Add : Amount Transferred from Profit & Loss Account	<u>14,709,982</u>	<u>7,015,675</u>
	60,997,249	79,933,948
Capital Redemption Reserve :		
As per last Balance Sheet	1,407,000	1,407,000
Profit and Loss Account -		
As per Account Annexed	<u>128,145,764</u>	<u>41,275,014</u>
	245,430,216	144,914,957
* Refer Note 2 to Accounts under Schedule 20		
SCHEDULE 3 : SECURED LOANS		
From banks		
Term loans	83,294,429	104,589,298
Working Capital including buyers' credit facilities	177,365,749	79,010,679
Vehicle Loans	3,883,030	655,842
From Others		
Vehicle Loans	3,119,991	NIL
	<u>267,663,199</u>	<u>184,255,819</u>
a. i. Term Loans from a bank amounting to ₹ 68,596,811 (Previous year ₹ 82,546,874) are secured by way of first charge over the entire fixed assets, both, present and future, acquired out of the bank finance, including equitable mortgage over Land (Windmill) at Maharashtra.		
ii. Working Capital facilities from the bank secured by hypothecation of the entire current assets including stock of raw materials, stocks in process, finished goods, stores and spares etc. bills/book-debts/receivables and other current assets.		
iii. The above loans have collateral security by way of :		
- First charge over the company's land and building, plant and machinery at Baroda and windmill (as also land) at Kutch, Gujarat.		
- Second charge over Land (windmill) at Dhule, Maharashtra.		
b. Term loans from a bank amounting to ₹ 14,697,618 (Previous Year ₹ 22,042,424) are secured by way of first charge as equitable (windmill) at Dhule, Maharashtra and second charge over land (windmill) at Nandurbar, Maharashtra.		
c. Vehicle Loans are secured against hypothecation of specified vehicle.		
SCHEDULE 4 : UNSECURED LOANS		
Inter Corporate Deposit	2,300,000	2,300,000
Loan From Directors	2,500,000	NIL
Add : Interest Accrued and Due	<u>62,383</u>	<u>NIL</u>
	2,562,383	NIL
	<u>4,862,383</u>	<u>2,300,000</u>

Schedules to the Balance Sheet As At March 31, 2011



SCHEDULE 5 : FIXED ASSETS

Amounts in ₹

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As At April 01, 2010	During the Year For the Year Adjustments	As At March 31, 2011	Upto March 31, 2010	For the Year Adjustments	Upto March 31, 2011	As At March 31, 2011	As At March 31, 2010
Freehold Land	3,154,055	-	3,154,055	-	-	-	3,154,055	3,154,055
Leasehold Land	23,585,328	-	23,585,328	2,538,698	409,468	2,948,166	20,637,162	21,046,630
Roads and Buildings	30,385,828	1,521,755	31,907,583	12,779,330	909,781	13,689,111	18,218,472	17,606,498
Plant and Machinery	313,612,189	16,773,668	330,385,857	180,393,894	9,336,395	189,730,289	140,655,568	133,218,295
Wind Electric Generator	148,502,975	-	148,502,975	31,446,952	7,846,341	39,293,293	109,209,682	117,056,023
Water Works	434,289	-	434,289	219,927	4,660	224,587	209,702	214,362
Furniture, Fixtures and Electrical Installations	22,590,503	3,074,613	25,644,116	16,912,096	697,763	17,607,901	8,036,215	5,678,407
Vehicles	2,234,700	10,530,382	12,765,082	955,358	678,691	1,634,049	11,131,033	1,279,342
					19,883,099			
Research and Development (R & D)								
Plant and Machinery	1,606,520	216,541	1,823,061	584,281	79,160	663,441	1,159,620	1,022,239
					79,160			
TOTAL	546,106,387	32,116,959	578,223,346	245,830,536	19,962,259	265,790,837	312,411,509	300,275,851
Previous Year	461,417,454	84,688,933	546,106,387	229,501,892	16,328,644	245,830,536	300,275,851	3,985,664
Capital Work-in-progress								

Notes:

- Capital Work-in-progress includes Capital Advances of ₹ 2,143,338 (Previous Year ₹ 284,815).
- Capital Work-in-progress includes Borrowing Costs of ₹ 68,536 capitalised. (Previous Year ₹ 2,083,451).
- Plant and Machinery includes Borrowing Costs of ₹ 32,218 capitalised. (Previous Year ₹ 169,474).

Schedules to the Balance Sheet As At March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE 6 : INVESTMENTS		
NON-TRADE		
Long Term		
Quoted		
Equity Shares		
Sintex Industries Limited	967,115	967,115
107,950 equity shares of ₹ 1 each, fully paid		
	967,115	967,115
Market Value of Quoted Investments	16,365,220	15,884,843
 SCHEDULE 7 : INVENTORIES		
Fuel	3,116,208	2,749,348
Stores and Spares	3,398,627	2,315,204
Raw Materials	16,616,139	28,444,513
Raw Materials - Stock-in-transit	19,547,797	26,553,148
Process Stock	59,169,999	46,728,597
Finished Goods	36,606,792	25,940,862
	138,455,562	132,731,672
 SCHEDULE 8 : SUNDRY DEBTORS		
Unsecured		
- For a period exceeding six months:		
Considered Good	195,296	7,772
Considered Doubtful	1,752,119	1,752,119
	1,947,415	1,759,891
- Others - Considered Good	170,904,916	54,587,648
	172,852,331	56,347,539
Less : Provision for Doubtful Debts	1,752,119	1,752,119
	171,100,212	54,595,420

Schedules to the Balance Sheet As At March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash on hand	62,717	84,502
Balances with Scheduled Banks		
- On Current Accounts	6,739,386	5,883,742
- On Margin Accounts [including Interest accrued ₹ 960,231 (Previous Year ₹ 156,701)]	82,872,365	29,308,286
	89,674,468	35,276,530
SCHEDULE 10 : LOANS AND ADVANCES		
Unsecured and Considered Good, unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received		
Considered good	14,589,475	13,513,439
Considered Doubtful	10,200	10,200
	14,599,675	13,523,639
Less : Provision for Doubtful Advances	10,200	10,200
	14,589,475	13,513,439
Balance with Central Excise and Customs	10,866,839	10,154,790
	25,456,314	23,668,229
SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors		
Dues to micro enterprises and small enterprises (Refer Note below)		
Dues of others	NIL	NIL
- For Capital Expenses	890,857	459,220
- For Expenses	68,192,013	68,154,989
	69,082,870	68,614,209
Advances received from/Other payables to Customers	725,835	1,296,006
Unclaimed Dividends	2,013,089	1,616,221
Other liabilities	18,689,353	13,566,013
Interest Accrued but not due on Loans	253,575	540,732
	90,764,721	85,633,181
Provisions :		
For Gratuity	689,213	545,984
For Leave Encashment	1,654,673	1,317,828
For Commission Payable to Directors	2,078,539	1,461,548
For Contingencies	1,000,000	1,000,000
For Proposed Dividend	29,349,720	13,044,320
Provision for Wealth Tax	3,470	NIL
Provision for Taxation	94,395,213	89,713,412
Less : Taxes Paid	82,356,716	78,418,037
	12,038,497	11,295,375
For Dividend Distribution Tax	4,761,258	2,166,498
	51,575,370	30,831,553

Note : 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 disclosure, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

Schedules to the Profit and Loss Account for the year ended on March 31, 2011

	For the Year ended on March 31,2011 ₹	For the Year ended on March 31,2010 ₹
SCHEDULE 12 : OTHER INCOME		
Interest on Margin Money / Term Deposits [Tax deducted at Source ₹ 315,629 (Previous Year ₹ 163,041)]	2,949,063	1,076,701
Dividend	64,770	59,373
Accounts Written Back (Refer Note 3 to Accounts under Schedule 20)	691,250	84,998,359
Scrap Sales	1,675,103	2,397,309
Gain on Foreign Exchange (Net)	4,226,123	11,670,485
Miscellaneous Income	179,334	225,920
	9,785,643	100,428,147
SCHEDULE 13 : INCREASE / (DECREASE) IN STOCK IN TRADE		
Closing stock :		
Finished goods	36,606,792	25,940,862
Process stock	59,169,999	46,728,597
	95,776,791	72,669,459
Less : Opening Stock :		
Finished goods	25,940,862	35,189,770
Process stock	46,728,597	27,789,900
	72,669,459	62,979,670
	23,107,332	9,689,789
Excise Duty provision on stock of Finished Goods		
Opening stock	(3,486,534)	(3,851,345)
Closing stock	4,788,150	3,486,534
	1,301,616	(364,811)
	21,805,716	10,054,600
SCHEDULE 14 : EMPLOYEE COST		
Salaries, Wages, Bonus and Allowances	22,843,613	15,080,772
Contribution to Provident Fund and Other Funds	2,031,250	1,482,910
Contribution to / Payment of Gratuity	701,345	416,609
Staff Welfare Expenses	2,136,206	1,295,159
	27,712,414	18,275,450
SCHEDULE 15 : OTHER MANUFACTURING EXPENSES		
Stores and Spares consumed	3,164,844	1,514,534
Power and Fuel	91,254,787	45,131,953
Repairs and Maintenance:		
- Machinery	8,601,818	4,581,031
- Building	1,993,243	574,609
- Others	3,528,013	368,337
	14,123,074	5,523,977
Jobwork Charges including freight	6,723,598	3,131,903
Insurance	1,404,698	831,947
Factory Expenses	1,030,758	1,417,602
Windmill Expenses	3,245,962	3,173,098
Material handling charges	4,353,859	3,005,084
	125,301,580	63,730,098

Schedules to the Profit and Loss Account for the year ended on March 31, 2011

	For the Year ended on March 31,2011	For the Year ended on March 31,2010
₹	₹	₹
SCHEDULE 16 : ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates and taxes	380,248	495,202
Stationery and Printing	436,054	368,859
Communication Expenses	812,097	686,497
Advertisement and Publicity	482,102	304,674
Commission on Sales	254,375	6,662
Selling Expenses	2,318,425	927,972
Travelling Expenses	3,822,887	3,335,832
Vehicle Expenses	339,213	215,414
Auditors' Remuneration	580,000	445,000
Director Sitting Fees	1,114,000	868,000
Commission to Other Directors	2,078,539	1,461,548
Legal and Professional Charges	4,123,689	3,640,689
Donation	35,000	NIL
Miscellaneous Expenses	2,260,862	977,398
Miscellaneous Balances Written off	41,873	178,856
Cash and Quantity Discount	114,030	2,161,133
Premium on Forward Contracts	3,677,335	816,469
Loss on Sale of Fixed Assets (Net)	19,042	NIL
	22,889,771	16,890,205

SCHEDULE 17 : INTEREST AND FINANCE COST

Interest		
On Fixed Loans	12,806,554	11,338,774
On Working Capital	5,262,714	3,954,732
Bill Discounting Charges	1,561,903	1,631,230
Others	3,052,951	3,139,012
	22,684,122	20,063,748
Bank Charges	7,118,457	4,877,825
	29,802,579	24,941,573

SCHEDULE 18 : RESEARCH AND DEVELOPMENT EXPENSES

Raw Material Expenses	524,842	443,167
Employee Cost		
Salaries,Wages and Benefits	1,205,762	511,103
Employer's Contribution to Provident and Other Fund	101,441	70,902
Staff Welfare Expenses	6,600	12,037
	1,313,803	594,042
Depreciation	79,160	45,292
	1,917,805	1,082,501

SCHEDULE - 19
SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

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

2. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent amounts as at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts / advances, deferred tax, etc. Actual results could differ from these estimates. Such difference is recognized in the period/s in which the results are known / materialised.

3. FIXED ASSETS AND DEPRECIATION:

i. Fixed Assets are stated at historical cost net of cenvat/value added tax less accumulated depreciation (except for (ii) below). Costs include all costs incurred to bring the assets to their present location and condition.

ii. As on March 1, 1997, Land and Buildings were restated for its historical cost on the basis of their prevailing market rates as on that day as per valuation made by an approved external valuer as under:

	Historical Cost (₹)	Increase due to Revaluation (₹)	Revaluation amount (₹)
Land(Lease Hold)	882,495	22,702,833	23,585,328
Buildings	7,618,445	24,710,856	32,329,301
	8,500,940	47,413,689	55,914,629

iii. Depreciation on fixed assets is provided on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended. Depreciation on additions to Fixed Assets is charged on pro rata basis.

iv. Revalued amount of leasehold land is amortized over its remaining lease period commencing from the year 2002-03.

4. INVESTMENTS

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

5. INVENTORIES

Inventories are valued as under:

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

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

By-products are valued at net realisable value.

6. REVENUE RECOGNITION

a. 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.

- b. Dividend income from investments is recognised when the shareholders' right to receive payments is established.

7. FOREIGN CURRENCY TRANSACTION

- a. Transactions in foreign currencies (monetary or non-monetary items) are recorded at the rates of exchange prevailing on the date when the relevant transaction takes place or that approximates the actual rate at the date of the transaction.
- b. Monetary items, which are denominated in foreign currency, at the year end are restated and reported at the exchange rates prevailing on the date of the Balance Sheet.

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.

- c. Exchange Differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed asset are recognised in the Profit and Loss Account.
- d. In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expenses over the life of the contract.
- e. Outstanding forward contracts at the Balance Sheet date are reflected by marking them to market and accordingly, the resulting mark to market losses are provided in the Profit and Loss Account.
- f. Gains or Losses on account of exchange differences, either on settlement or on restatement, are recognised in the Profit and Loss Account.

8. EMPLOYEE BENEFITS

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

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

9. BORROWING COST

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 recognized 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.

10. TAXES ON INCOME

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

11. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

12. IMPAIRMENT OF ASSETS :

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

SCHEDULE - 20

NOTES FORMING PART OF THE ACCOUNTS

1.	Particulars	As at	As at
		March 31, 2011	March 31, 2010
		₹	₹
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	7,436,958	1,619,534
	Less: Advances	2,143,338	212,500
	Net Estimated Amount	5,293,620	1,407,034
b.	Contingent liabilities not provided for :		
i.	Guarantees issued by the bankers on behalf of the Company.	1,046,934	1,146,934
ii.	In respect of the various advance license issued to the Company, the Company is in the process of fulfilling the export obligations & other related customs formalities. The Company is advised that liabilities in this respect are not likely to be significant and hence, no provision therefore has been made in the accounts.	11,355,410	1,779,410
iii.	Demand (including interest thereon) by the Provident Fund Authorities pending before the Gujarat High Court (Net of Provisions for Contingencies of ₹ 1,000,000)	1,950,000	1,750,000
iv.	Income Tax matters under dispute	1,618,523	1,618,523
v.	Service Tax matters under dispute	2,294,668	NIL
vi.	Other claims not acknowledged as debts	833,000	610,000

2. The Company had created Revaluation Reserve consequent to Revaluation of Land and Buildings [Refer Accounting Policy No. 3 under Schedule 19] in the year 1996-97, against same Revaluation Reserve in earlier years, accumulated losses were adjusted. Subsequent thereto, in absence of any balance in the Revaluation Reserve, every year additional depreciation on the increased amount due to revaluation was charged to the Profit and Loss Account.

In terms of the Guidance Note on Treatment of Reserve created on Revaluation of Fixed Assets issued by The Institute of Chartered Accountants of India, accumulated losses and depreciation (including arrears of depreciation) cannot be set off against Revaluation Reserve. Therefore, to be in-line with the Guidance Note, the Company has decided to restore its Revaluation Reserve (as set off in earlier years) and accordingly as from April 01, 2010 after considering the effect of additional depreciation (had the same been adjusted against Revaluation Reserve) as also the amount that should not have been in the Revaluation Reserve in respect of the retirement or disposal of assets, the net amount of ₹ 33,646,681 is restored as Revaluation Reserve by correspondingly transferring the equivalent amount from the General Reserve.

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

In terms of the above, among other amounts, a sum of ₹ NIL (Previous Year ₹ 84,165,854) received from a supplier as advance has remained unclaimed beyond the limitation period has been written back and reflected as Accounts Written Back under "Other Income" [see Schedule 12].

4. Computation of Net Profits under Section 198 of the Companies :

- A. Computation of Net Profits under Section 198 of the Companies Act, 1956:

	For the Year ended March 31, 2011	For the Year ended March 31, 2010
	₹	₹
Profit after tax	147,099,824	93,542,335
Add: Provision for Tax	55,743,853	51,150,930
Directors' Remuneration	3,896,197	1,461,548
Directors' Sitting Fees	1,114,000	868,000
Net Profit for the year	207,853,874	147,022,813
a. Maximum Remuneration permissible to the Executive Director at 5% of Net Profit as computed above	N.A.	N.A.
b. Maximum Commission permissible to Non-Executive Directors at 1% of Net Profit as computed above	2,078,539	1,470,228
Commission for the year	2,078,539	1,461,548
B. Details of Managerial Remuneration :		
a. Salary and Allowances	1,710,933	Nil
b. Perquisites	100,000	Nil
c. Commission to Other Directors	2,078,539	1,461,548
Total	3,889,472	1,461,548
5. Auditor's Remuneration include :		
a) Audit Fees	300,000	275,000
b) Tax Audit Fees	95,000	50,000
c) Certification Work	185,000	120,000
	580,000	445,000

6. Employee Benefits:

As required by Accounting Standard on "Employee Benefits" (AS 15), the following disclosures are made:

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, 2011	For the Year ended on March 31, 2010	For the Year ended on March 31, 2011	For the Year ended on March 31, 2010
	₹	₹	₹	₹
Obligation at period beginning (April 1, 2010)	5,826,689	5,078,851	1,317,828	1,164,211
Current Service cost	392,781	319,985	182,328	138,365
Interest cost	480,702	380,914	108,721	87,316
Actuarial (gain) / loss	322,230	138,734	249,892	(11,568)
Benefits paid	(85,385)	(91,795)	(204,096)	(60,496)
Obligations at the year end (March 31, 2011)	6,937,017	5,826,689	1,654,673	1,317,828
Change in plan assets				
Plan assets at period beginning, at fair value	5,280,705	4,572,781	Nil	Nil
Expected return on plan assets	435,658	342,959	Nil	Nil
Actuarial gain / (loss)	58,710	80,065	Nil	Nil
Contributions	558,116	376,695	204,096	60,496
Benefits paid	(85,385)	(91,795)	(204,496)	(60,496)
Plan assets at the year end, at fair value	6,247,804	5,280,705	Nil	Nil
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	6,247,804	5,280,705	Nil	Nil
Present value of the defined benefit obligations at the end of the year	6,937,017	5,826,689	1,654,673	1,317,828
Liability/(Asset) recognized in the Balance Sheet	689,213	545,984	1,654,673	1,317,828
Cost for the year				
Current service cost	392,781	319,985	182,328	138,365
Interest cost	480,702	380,914	108,721	87,316
Expected return on plan assets	(435,658)	(342,959)	Nil	Nil
Actuarial (gain) / loss	263,520	58,669	249,892	(11,568)
Net Cost recognized in the Profit and Loss Account	701,345	416,609	540,941	214,113
Assumptions used to determine the benefit obligations :				
Interest rate	8.25%	8.25%	8.25%	8.25%
Estimated rate of return on plan assets	8.25%	8.25%	8.25%	8.25%
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	494,368	423,024	Nil	Nil

7. Segment Reporting:

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

PARTICULARS	For the Year ended March 31, 2011	For the Year ended March 31, 2010
	₹	₹
Segment Revenue (Sales/Services to external customers) :		
(a) Speciality Chemicals	811,607,206	434,462,780
(b) Power Generation		
Total Power generated	19,759,135	23,969,199
Less: Captive Power used for Speciality Chemicals	<u>4,046,910</u>	<u>5,012,205</u>
Net as per accounts	<u>15,712,225</u>	<u>18,956,994</u>
Total	<u>827,319,431</u>	<u>453,419,774</u>
Segment Results :		
Profit / (Loss) before Tax and Interest		
(a) Speciality Chemicals		
[(Excluding charge for Captive Power consumed of ₹ 4,046,910 (Previous Year ₹ 5,012,205); including Accounts Written Back of ₹ NIL (Previous Year ₹ 84,165,854) (Refer Note 3 to Accounts under Schedule 19)]	226,608,478	159,110,924
(b) Power Generation		
Total	8,270,717	12,726,541
Less : Of Captive Power	<u>1,569,437</u>	<u>2,522,232</u>
Net as per accounts	<u>6,701,280</u>	<u>10,204,309</u>
Total	<u>233,309,758</u>	<u>169,315,233</u>
Less: a. Interest Expense	33,479,914	25,758,042
b. Exceptional Items	NIL	NIL
Add : Interest and Dividend Income	<u>3,013,833</u>	<u>1,136,074</u>
	<u>30,466,081</u>	<u>24,621,968</u>
Profit before Tax	<u>202,843,677</u>	<u>144,693,265</u>
Less : Provision for Tax		
Current Tax	61,800,000	44,700,000
Deferred Tax	(5,215,490)	6,442,979
Adjustments relating to Prior Years	<u>(840,657)</u>	<u>7,951</u>
	<u>55,743,853</u>	<u>51,150,930</u>
Profit after Tax	<u>147,099,824</u>	<u>93,542,335</u>
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	614,664,363	444,208,961
b. Power Generation	122,433,702	130,020,958
c. Others - Unallocated	<u>967,115</u>	<u>967,115</u>
Total	<u>738,065,180</u>	<u>575,197,034</u>

PARTICULARS	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
Segment Liabilities		
a. Speciality Chemicals	142,177,454	144,146,951
b. Power Generation	162,637	NIL
c. Others - Unallocated	NIL	NIL
Total	142,340,091	144,146,951
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets	52,697,148	88,674,597
b. Power Generation	NIL	NIL
c. Others - Unallocated	NIL	NIL
Total	52,697,148	88,674,597
Depreciation during the year		
a. Speciality Chemicals	11,050,445	8,482,303
b. Power Generation	7,846,341	7,846,341
c. Others - Unallocated	NIL	NIL
Total	18,896,786	16,328,644

8. Related Party transactions:

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

Particulars	Associate		Key Managerial Personal		Subsidiary of Associate [As in 4(i) below]	
	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
Utility Charges	-	2,768,762	-	-	-	-
Service Income-tolling arrangement	-	308,229	-	-	-	-
Remuneration	-	-	1,810,933	-	-	-
Technical Consultancy	132,360	794,160	-	-	-	-
Purchase of Raw/ Packing materials	501,425	-	-	-	-	-
Sales	40,164	-	-	-	-	-
Interest	-	-	-	-	281,750	281,750
Dividend paid	6,948,658	1,985,331	-	-	-	-
Transaction on behalf :						
Cenvat Credit Paid for	549,837	2,443,147	-	-	-	-
Cenvat Credit Availed for	10,316	289,905	-	-	-	-
Expenses Reimbursed for	477,610	-	-	-	-	-
Expenses Recovered from	41,225	-	-	-	-	-
Outstanding at Balance Sheet Date						
Amounts due from	-	-	-	-	-	-
Amounts due to	82,678	5,553,070	-	-	2,553,575	2,840,732

b.

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

9. Earnings Per Share:

	For the Year ended March 31, 2011	For the Year ended March 31, 2010
	₹	₹
a. Numerator for Basic and Diluted Earnings per share:		
Net Profit/ (Loss) after tax for the year	147,099,824	93,542,335
b. Denominator for Basic and Diluted Earnings per share		
Number of equity shares	6,522,160	6,522,160
c. Basic and Diluted earnings per share [(a) / (b)]	Rs. 22.55	Rs. 14.34
d. Nominal value of share	Rs. 10.00	Rs. 10.00

10. Deferred Taxes :

As required by Accounting Standard 22 on "Accounting for Taxes on Income", Deferred Taxes have been recognized in respect of the following items:

Particulars	Accumulated Deferred Tax Assets / (Liabilities) As At April 1, 2010	(Charge)/Credit during the Year ended on March 31, 2011	Accumulated Deferred Tax Assets / (Liabilities) As At March 31, 2011
	₹	₹	₹
i. Deferred Tax Liabilities			
Depreciation	(46,479,397)	4,979,504*	(41,499,893)
ii. Deferred Tax Assets			
a. Contested Disallowances	6,311,325	Nil	6,311,325
b. Provision for doubtful debts, loans and advances	585,332	Nil	585,332
c. Others	1,239,370	235,986	1,475,356
	<u>8,136,027</u>	<u>235,986</u>	<u>8,372,013</u>
Net Deferred Tax Assets / (Liabilities)	(38,343,370)	5,215,490	(33,127,880)

* Includes sum of ₹ 4,057,267 relating to the earlier years

11. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part-II of Schedule VI to the Companies Act, 1956.

a. Capacity production :

		<u>As at March 31, 2011</u>		<u>As at March 31, 2010</u>	
		Installed*	Actual Production**	Installed*	Actual Production**
Ethylene diamines / amines and derivatives *					
Through EDC Plant	MT	2600 **	584.036	2600 **	68.225
Through CPA Plant		2900	<u>1970.176</u>	2900	<u>1901.727</u>
			<u>2554.212</u>		<u>1969.952</u>

* As certified by the management

** Presently EDC Plant has commenced its commercial production in September, 2009. However, at any given point of time, either EDC or CPA route can be operated.

** Includes production of NIL (Previous Year 182.390 MT) on account of tolling arrangement entered with third party

b. Turnover (Gross) :

Manufacturing Products	Unit	<u>For the year ended March 31, 2011</u>		<u>For the year ended March 31, 2010</u>	
		Quantity	Amount ₹	Quantity	Amount ₹
Ethylene diamines / amines and derivatives	MT	2556.350	886,480,310	1805.984	468,621,674

c. Raw Materials Consumed:

Manufacturing Products	Unit	For the year ended March 31, 2011		For the year ended March 31, 2010	
		Quantity	Amount ₹	Quantity	Amount ₹
Polyamine Mix	MT	4517.757*	411,209,312	4511.330*	263,804,878
Other Products		NIL	18,416,026	NIL	14,201,199
Total			429,625,338		278,006,077

* Inclusive of materials consumed through EDC plant

d. Value of Raw Material and Store and Spare consumed:

A. Raw Material Consumed	%	Amount ₹	%	Amount ₹
Imported	96	411,209,312	95	263,804,878
Indigenous	4	18,416,026	5	14,201,199
Total	100	429,625,338	100	278,006,077
B. Stores and Spares Consumed (including consumed for Research and Development activities)				
Imported	Nil	Nil	Nil	Nil
Indigenous	100	3,689,686	100	1,957,701
Total	100	3,689,686	100	1,957,701

e. Stock:

A. Closing Stock :	Unit	Qty	Rs.	Qty	Rs.
Ethylene diamines / amines and derivatives	MT	183.411	36,606,792	225.417	25,940,862
B. Opening Stock :					
Ethylene diamines / amines and derivatives	MT	225.417	25,940,862	247.240	35,189,770

f. Value of imports calculated on CIF basis:

Raw Materials	259,955,273	134,040,708
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g. Expenditure in foreign currency:

Traveling Expenses	1,778,912	1,228,298
Interest and Bank Charges	1,464,879	902,491
Total	3,243,791	2,130,789

h. Earnings in foreign currency :

Export of goods on FOB basis	33,558,950	22,923,335
------------------------------	------------	------------

i. Foreign currency exposure that is not hedged by derivative instruments as on March 31, 2011 is as follows:

	Amount in US Dollar		Amount in Euro		Amount in ₹	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010	For the Year ended March 31, 2011	For the Year ended March 31, 2010	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Buyers' Credit facilities	NIL	NIL	NIL	NIL	NIL	NIL
Advance received from/other payable to customer	5,600	NIL	NIL	1,120	250,040	68,643
Supply against usance	764,527	907,818	NIL	NIL	34,136,153	41,378,361
Net	770,127	907,818	NIL	1,120	34,386,193	41,447,004

12. The previous year's figures, wherever necessary, reclassified and recast to conform to the current year's classification.

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 24, 2011.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

Chesta Vasavada

Asst. Company Secretary

Mumbai, Dated : May 24, 2011



Additional information as required under Part IV of Schedule VI to the Companies Act, 1956 of India

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :			
Registration No.	2905	State Code	04
Balance Sheet Date	31.03.2011		
II. Capital raised during the Year (Amount ₹ in thousands)			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III. Position of Mobilisation and Deployment of Funds (Amount ₹ in thousands)			
Total Liabilities	616305	Total Assets	616305
Source of Funds			
Paid up Capital	65222	Reserves and Surplus	245430
Secured Loans	267663	Unsecured Loans	4862
		Deferred Income tax liability	33128
Application of Funds			
Net Fixed Assets	332992	Investments	967
Net Current Assets	282346	Misc. Expenditure	Nil
Accumulated Losses	Nil		
IV. Performance of Company (Amount ₹ in thousands)			
Turnover & Other Income	837105	Total Expenditure	634261
Profit (Loss) before Tax	202844	Profit (Loss) after tax	147100
Earning per share Rs.	22.55	Dividend %	60%
V. Generic Name of Principal Product of Company			
Item Code No.		(ITC Code)	
292121		Speciality Chemicals	
2716		Electrical Energy	

For and on behalf of the Board

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

Chesta Vasavada

Asst. Company Secretary

Mumbai, Dated : May 24, 2011

To,
 M/s. MCS Limited,
 1st Floor, Neelam Apartments,
 88, Sampatrao Colony, Vadodara 390 007

FORM FOR ECS MANDATE / BANK MANDATE

(Not to be filled by Shareholders holding shares in dematerialised form)

I/We, _____ do hereby authorize Diamines and Chemicals Ltd. to :

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS) - ECS Mandate*
 - Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate*
- (*Strike out whichever is not applicable)

Folio No _____

A. Bank Name											
B. Branch											
C. Bank Address											
D. Bank Account Number											
E. Account Type (Savings / Current)											
F. 9 Digit Code number of the bank & branch as appearing on the MICR Cheque (for ECS Mandate only). Please attach photocopy of the Cheque	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>										
G. STD code & telephone number of shareholder (optional)											

I/We shall not hold the Company responsible if the ECS mandate could not be implemented for reasons beyond the control of the Company.

 Signature of Shareholders(s)
 (as per specimen lodged with the Company)

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INTENTIONALLY



DIAMINES AND CHEMICALS LTD.

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. I/We hereby record my/our presence at the 35th Annual General Meeting held at Plot No. 13, PCC Area, P.O.Petrochemicals, Vadodara – 391 346, at 9:30 a.m. on Tuesday, the 12th July 2011.

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

Name and address of the shareholder(s)	
If Shareholder(s), Please sign here	If Proxy, Please sign here



DIAMINES AND CHEMICALS LTD.

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

FORM OF PROXY

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

I/We _____ of _____
 being a Member / Members of the above named Company hereby appoint _____
 of _____ or failing him/her _____
 of _____ as my/our proxy/proxies to vote for me/us on my/our behalf at the 35th
 Annual General Meeting of the Company to be held on Tuesday, the 12th July 2011 at 9:30 a.m. and at any
 adjournment thereof.

Signed this day of2011.

Signature Affix a
1 Re.
Revenue
Stamp

Notes:

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

Book - Post

To

If undelivered, please return to



Diamines and Chemicals Limited
Regd Office :
Plot No. 13, PCC Area, P.O. Petrochemicals,
Vadodara - 391 346.

Pratiksha
98252 62512

35th
ANNUAL REPORT
2010-2011



Diamines and Chemicals Limited

FINANCIAL HIGHLIGHTS OF THE LAST DECADE
(₹ in Lacs)

FINANCIAL YEAR ENDING	31.03.2002	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
GROSS SALES (BASIC + EXCISE)	2177.11	1991.26	2345.53	1988.27	2373.60	2325.97	1931.41	3173.97	4686.21	8864.80
OPERATING PROFIT (LOSS)(PBITD)	909.80	561.74	854.27	847.68	890.06	1045.97	599.83	531.03	1867.79	2552.17
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	532.42	278.29	657.73	726.75	781.77	801.33	277.56	209.59	1446.93	2028.43
PROFIT (LOSS) AFTER INCOME TAX (As per Note 2)	327.05	190.77	419.61	455.55	611.43	688.38	170.89	136.32	935.42	1470.99
GROSS FIXED ASSETS (As per Note 3)	2865.13	2856.64	2921.38	3244.11	3839.68	4530.78	4566.49	4614.17	5461.06	5782.02
NET FIXED ASSETS	1374.94	1285.12	1238.81	1450.94	1955.51	2485.36	2364.11	2319.15	3002.75	3124.11
NET CURRENT ASSETS	(243.61)	(332.82)	(485.02)	(300.96)	(407.96)	57.55	793.54	708.93	1298.07	2823.46
EQUITY SHARE CAPITAL	620.55	620.55	652.22	652.22	652.22	652.22	652.22	652.22	652.22	652.22
RESERVES & SURPLUS (excluding revaluation reserve)	718.84	718.84	776.62	822.18	883.32	952.17	966.23	966.23	1449.15	2128.49
BOOK VALUE (₹)	(4.19)	(0.95)	4.17	8.30	11.95	17.85	19.29	20.21	32.22	42.63
EARNING PER SHARE (₹)	5.36	3.05	6.54	6.97	9.36	10.54	2.61	2.09	14.34	22.55
EQUITY DIVIDEND (%)	-	-	20%	25%	50%	40%	10%	10%	20%	60%

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.