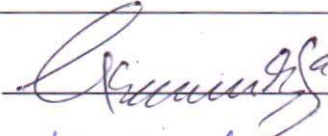
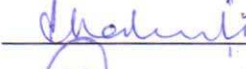

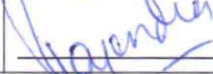


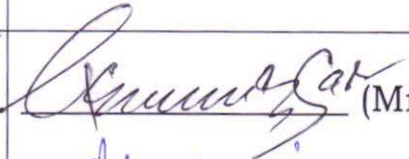

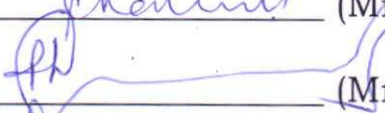

FORM-A

1.	Name of the Company	Diamines and Chemicals Ltd.
2.	Annual Financial Statement for the year ended	March 31, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be Signed by • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	 (Mr. Girish Satarkar)  (Mr. A R Chaturmutha)  (Mr. Paresh H. Clerk)  (Mr. Rajendra Chhabra)



Date: 06.05.2014

FORM-A

1.	Name of the Company	Diamines and Chemicals Ltd. (Consolidated)
2.	Annual Financial Statement for the year ended	March 31, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be Signed by • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	 (Mr. Girish Satarkar)  (Mr. A R Chaturmutha)  (Mr. Paresh H. Clerk)  (Mr. Rajendra Chhabra)

Date: 06.05.2014

BOARD OF DIRECTORS

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

Company Secretary

Ms. Dimple Mehta

Chief Financial Officer

Mr. A. R. Chaturmutha

Auditors

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

Bankers

State Bank of India, Vadodara

Registered Office & Works

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

C O N T E N T S

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*Note: "It is with extreme sadness we are announcing the demise of Shri Ghanshyam Govind Chendwankar, Director, who expired on 05.07.2014 and left all of us for his heavenly abode. We will always remain indebted for his selfless and tireless contribution for the wellbeing of the organization. He will be missed by one and all."



NOTICE

NOTICE is hereby given that the 38th (**Thirty-Eighth**) Annual General Meeting (AGM) of the members of Diamines and Chemicals Limited will be held at the Registered Office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 on Tuesday, the **12th Day of August, 2014** at **12.00 Noon** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2014 including the Audited Balance sheet as at March 31, 2014, the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kirat Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shreyas Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s Bansi S Mehta & Co., Chartered Accountants, be and is hereby appointed as auditors of the company, to hold office from the conclusion of this Annual General Meeting (AGM) till the Conclusion of Fourth Annual General Meeting of the Company (subject to ratification of the appointment by the Members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. To appoint Mr. Ghanshyam Govind Chendwankar (DIN: 00031722) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Ghanshyam Govind Chendwankar (DIN: 00031722), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 12, 2014 upto August 11, 2019, not liable to retire by rotation.”

6. To appoint Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 12, 2014 upto August 11, 2019, not liable to retire by rotation.”

7. To appoint Mr. Dhruv Subodh Kaji (DIN: 00192559) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Dhruv Subodh Kaji (DIN: 00192559), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 12, 2014 upto August 11, 2019, not liable to retire by rotation.”
8. To appoint Dr. Amrish Keshav Dalal (DIN: 02546506) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Dr. Amrish Keshav Dalal (DIN: 02546506), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 12, 2014 upto August 11, 2019, not liable to retire by rotation.”
9. To appoint Mr. Rajendra Chhabra (DIN: 00093384) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Rajendra Chhabra (DIN: 00093384), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 12, 2014 upto August 11, 2019, not liable to retire by rotation.”
10. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provision of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March, 2015, be paid the remuneration as set out in the statement annexed to the notice convening this meeting;
“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
11. To ratify the Borrowing limits and if thought fit, to pass, with or without modification (s), the following resolution as **Special Resolution**:
“**RESOLVED THAT** in partial modification of earlier resolution passed by the members of the company for the borrowing powers delegated to the Board of the Directors of the Company at the 34th AGM held on 20.07.2010 which has the effect of increasing borrowing limits from ` 25.00 Crores (Rupees Twenty Five Crores only) to ` 200.00 Crores (Two Hundred Crores only) be and is hereby ratified pursuant to provisions of Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013 read with Rules made there under, if any”.
12. To ratify the power to create charges on the asset of the company and if thought fit, to pass, with or without modification (s), the following resolution as **Special Resolution**:



“RESOLVED THAT in partial modification of earlier resolution passed by the members of the company delegating powers to the Board of Directors of the Company at the 34th AGM held on 20.07.2010 which has the effect to create charge and/or to hypothecate/ mortgage all the movable and/or immovable properties of the Company, wheresoever situate, whether present and/or future, the whole of the undertaking of the company on such terms and conditions as may be determined by the Board of Directors of the company, be and is hereby ratified by the members of the company pursuant to provisions of Section 180 (1)(a) of the Companies Act, 2013 read with, Companies (Meetings of Board and Its Powers) Rules, 2014, any other provisions of the Companies Act, 2013 and Rules made there under.”

Mumbai, Dated: May 6, 2014

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Dimple Mehta
Company Secretary

NOTES:

1. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment for item no. 2 & 3, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business for item no. 5 to 12 to be transacted at the meeting, are annexed hereto.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY GIVEN HEREUNDER, NOT LESS THAN 48 (FOURTY-EIGHT) HOURS BEFORE THE TIME FOR HOLDING THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **7th August 2014 to 12th August 2014** (both days inclusive).
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. Members, who hold shares in dematerialization form, are requested to bring their depository account number for identification.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of Meeting.
8. Pursuant to Sections 205A (5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



Account of the Company is required to be transferred to Investor Education and Protection Fund established by the Central Government. The Company during the year has transferred the unclaimed dividend amount for the financial year 2005-06 to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their dividend for the financial year 2006-07 are requested to claim their unclaimed dividend before August 29, 2014. Members who have not encashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation. The Company shall thereafter as mentioned above; process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred.

9. Non-Resident Indian Shareholders are requested to inform the Company immediately:
 - (i) The change in the Residential Status on return to India for permanent settlement;
 - (ii) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
10. Members seeking any information or clarification on the Accounts and operation of the Company are requested to send in written queries to the Company, at least **ten days before** the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
11. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
12. Members to take note that Company's RTA changed from M/s MCS Limited to M/s MCS Share Transfer Agent Limited. Members are requested to immediately address their communications regarding transfer of shares, change of address, dividend mandate etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

M/s. MCS Share Transfer Agent Limited, (old RTA: MCS Limited)
1st Floor, Neelam Apartments,
88, Sampatrao Colony, Vadodara - 390 007
Telephone (0265) 2339397 / 2314757
Fax: (0265) 2341639
email: mcsltbaroda@yahoo.com
13. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
14. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Limited, for consolidation into a single folio.
16. The Company has made bonus issue of equity shares at the AGM held on 12th July 2011 and has made an allotment of Bonus shares on 21.07.2011 to the shareholders, who were eligible. Pursuant to Clause 5A of the Listing agreement, shares which are unclaimed after necessary reminders given to the shareholders, have already been credited to "Demat Suspense Account". Hence, the Company requests such shareholders, who have not yet claimed such bonus shares, that they shall communicate with the Company's RTA and claim such shares at their end.
17. Under Clause 5(A) of the listing agreement the company shall disclose the following details in its Annual Report, as long as there are shares in the suspense account:
 - (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; **941 shareholders and 26,281 shares**



- (ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year; **NIL**
 - (iii) Number of shareholders to whom shares were transferred from suspense account during the year; **NIL**
 - (iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **941 shareholders and 26,281 Shares**
 - (v) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
18. 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.
19. The notice of AGM along with the Annual report 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
20. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
21. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. Instructions for Demat folios:

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

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab
- (iii) Now, select the "Diamines and Chemicals Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (V) Next enter the Image Verification as displayed and Click on Login.
- (VI) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(VII) If you are a first time user, follow the steps given below:

	For members holding shares in Demat Form
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department and registered with the DP/RTA. In respect of physical shareholding as well as those holding shares in Demat form and have not provided or whose PAN is not registered, enter your unique PAN/Default Value No. printed on the bottom of Attendance slip additionally attached herewith the Annual report for your ready reference.
DOB/ Dividend Bank Details*	Enter the date of birth as registered with the DP/RTA in dd/mm/yyyy format or Enter the dividend bank detail as recorded with your DP/RTA. In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA those can enter No. of shares held by you as on the cutoff date i.e. 04.07.2014.

*Any one of the details DOB or Dividend bank details should be entered for logging in to the account.

(VIII) After entering these details appropriately, click on "SUBMIT" tab.

(IX) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(X) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(XI) Click on the 140704008 (EVSN) for the relevant <DIAMINES AND CHEMICALS LIMITED> on which you choose to vote.

(XII) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(XIII) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(XIV) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(XV) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(XVI) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(XVII) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (b) The voting period begins on 2nd August 2014, 9.00 a.m. and ends on 4th August, 2014, 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th July 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

- i. The e-voting period commences on Saturday, August 2, 2014 (9.00 a.m. IST) and ends on Monday, August 4, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 4th July 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 4th July 2014.
- iii. Mr. Sandip Sheth, Practicing Company Secretary (Membership No. FCS 5467), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Sandip Sheth, Practicing Company Secretary, (Membership No. FCS 5467), at the Registered Office of the Company not later than Monday, August 4, 2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@dacl.co.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Monday, August 4, 2014 (6.00 p.m. IST).

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

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



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

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dacl.co.in and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 38th (Thirty Eighth) AGM of the Company on August 12, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.

Mumbai, Dated: May 6, 2014

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Dimple Mehta
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory statement under Corporate Governance

ITEM NO. 2:

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

Mr. Kirat Patel is B.Tech., Mechanical Engineering from Indian Institute of Technology, Mumbai, and M.M.S. (Finance) from Jamnalal Bajaj Institute of Management, Mumbai. Mr. Patel is having vast experience in the Chemical Industry for more than three decades.

Mr. Kirat Patel has been on the Board of this Company since March 14, 2001.

He is Executive Director of the Promoter Company Alkyl Amines Chemicals Ltd.

He is also on the Board of the following Companies:

1. Alkyl Speciality Chemicals Ltd.
2. Alkyl Amines Europe SPRL.*
3. Anjyko Investment Pvt. Ltd.
4. Purjeeko Investment & Trading Pvt. Ltd.
5. YMK Trading & Consultancy Pvt. Ltd.
6. Niyoko Trading & Consultancy Pvt. Ltd.
7. SYK Trading & Consultancy Pvt. Ltd.
8. Kaira Can Company Ltd.

*Till 31.03.2014

He holds 10,800 equity shares in the Company.

It will be in the interest of the Company to reappoint Mr. Kirat Patel with his more than 30 years of experience in the industry.

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

Except Mr. Kirat Patel, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.2 of the Notice.



ITEM NO. 3:

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

Mr. Shreyas Mehta has been appointed in the company since 2010. Mr. Shreyas Mehta, aged 63 yrs, is a successful Businessman and has about 25 years of experience in various industries in India and abroad. Mr. Mehta holds 9000 Equity Shares in the Company. He holds Directorship in the following Companies;

1. Specular Marketing & Financing Ltd.
2. Arech Markfin Pvt. Ltd.
3. Ornamentations (I) Pvt. Ltd.
4. Image Computer Systems Pvt. Ltd.
5. Rasiklal Hiralal & Co. Pvt. Ltd.

It will be in the interest of the Company that Mr. Shreyas Mehta continues as Director of the Company.

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

Except Mr. Shreyas Mehta, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.3 of the Notice.

ITEM NO. 5 to 12:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchange, appointed Mr. Ghanshyam Govind Chendwankar (DIN: 00031722), Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898), Mr. Dhruv Subodh Kaji (DIN: 00192559), Dr. Ambrish Keshav Dalal (DIN: 02546506) & Mr. Rajendra Chhabra (DIN: 00093384), as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The Nominations Committee has recommended the appointment of these directors as Independent Directors from August 12, 2014 up to August 11, 2019.

Mr. Ghanshyam Govind Chendwankar (DIN: 00031722), Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898), Mr. Dhruv Subodh Kaji (DIN: 00192559), Dr. Ambrish Keshav Dalal (DIN: 02546506) & Mr. Rajendra Chhabra (DIN: 00093384) non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Ghanshyam Govind Chendwankar (DIN: 00031722) was on the Board since 2001 and he holds the position of Independent Director in the Board since 2012. Mr. Ghanashyam G. Chendwankar, aged 75 yrs., is B.A. (Special) and M.L.S. He has more than 40 years of experience in different industries such as textiles, engineering chemical, petrochemical etc., out of which more than 28 years in managerial and senior management positions.

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



During this tenure, he was made responsible for various functions like HR PERSONNEL AND ADMN, INDUSTRIAL RELATIONS, MANUFACTURING, also supervised MARKETING AND PURCHASE, IMPORT AND EXPORT, While working in Sr. management position participated in all type of decision making in the company. "ACHIEVEMENTS" : Framed personnel policies for number of Organizations, handled labour disputes, signed long-term settlements, handled strikes and go slow situations successfully, streamlined production with the help of technical team, reduced cost by adopting various measures including VRS SCHEMES in two companies, took lot of efforts to turn around the sick company (BIFR ADMITTED) to profit making company.

Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898) is an independent Director of the company and he holds this position in the company since 2008. Mr. G.S. Venkatachalam, aged 59 years, is a Chartered Accountant and has about 25 years of experience in various industries in India and abroad. Mr. G. S. Venkatachalam holds 1,233 equity shares in the Company and he does not hold directorship in any other company.

Mr. Dhruv Subodh Kaji (DIN: 00192559) is an independent Director of the company and he holds this position in the company since 2005. Mr. Dhruv S. Kaji, aged 63 yrs., is a qualified Chartered Accountant with almost 3 decades of experience in financial management, general management, strategy formulation and organizational development, both in India and abroad. Dhruv Kaji holds 300 Equity shares in the company.

He is also on the Board of the following companies:

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

Dr. Ambrish Keshav Dalal (DIN: 02546506) is an Independent Director of the Company and he holds this position in the Company since 31.03.2009. Dr. Dalal is MBBS, D.M.R.E., Diplomate American Board of Radiology, is a senior Practicing radiologist.

He holds 200 equity shares in the Company.

He is also on the Board of the following companies:

1. Insight Healthscan Pvt. Ltd.
2. Perfect Image Cosmetology Pvt. Ltd.

Mr. Rajendra Chhabra (DIN: 00093384) is an independent Director of the company and he holds this position in the company since March 14, 2001. He is a Practicing Chartered Accountant. Mr. Chhabra has vast knowledge in the field of Accounts and Finance. 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 7,800 Equity shares in the company.

He is also on the Board of the following companies:

1. Value Healthcare Ltd.
2. Insight Healthscan Pvt. Ltd.
3. Diamines Speciality Chemicals Pvt. Ltd.

Mr. Ghanshyam Govind Chendwankar (DIN: 00031722), Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898), Mr. Dhruv Subodh Kaji (DIN: 00192559), Dr. Ambrish Keshav Dalal (DIN: 02546506) & Mr. Rajendra Chhabra (DIN: 00093384), respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment. Resolutions placed at item no. 5 to 9 of the notice are recommended for approval of the Shareholders.



ITEM NO 10:

The audit committee has recommended to appoint Mr. P D Modh, Cost Accountant (Mem. No. 16651) at a remuneration of ` 1,00,000/- (Rupees One lac) plus service tax and Ten percent (10%) of fee as out-of-pocket expenses for the year ended on 31st March, 2015, the Board has also approved the same.

As per section 148 of the Companies Act, 2013 and the companies (Audit and Auditors) Rules 2014 the remuneration payable to the Cost Auditor has to be approved/ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

ITEM NO 11 & 12:

At the 34th Annual General meeting of the company held on 20.07.2010 the members of the Company had passed the resolution u/s. 293(1)(d) of the Companies Act, 1956, delegating powers to the board of directors to borrow money in excess of paid up capital and free reserves of the company. The said resolution was passed which had the effect of increasing such borrowing powers from ` 25 Crores to ` 200 Crores. In the said meeting the members of the company has also passed the resolution u/s. 293(1)(a) of the Companies Act, 1956, delegating powers to the board of directors to create charge/mortgage/hypothecation of various moveable and immovable assets of the company to the extent of increase in borrowing powers. However, with the implementation of Companies Act, 2013, the Ministry of Corporate affairs has vide its General Circular No. 4/2014 dated 25th March 2014 clarified the applicability of Section 180(1)(c) and 180(1)(a) ibid (1) borrowing powers of the Company; and (2) charge on the assets of the company respectively) stating that the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act. Hence, by virtue of such circular it is recommended by the Board Members to ratify such resolution passed in the 34th Annual General Meeting of the Company dtd. 20.07.2010 under the new Companies Act, 2013 pursuant to provisions of Section 180(1)(a) for borrowing limits and Section 180 (1)(C) for creating charge/mortgage/hypothecation on the assets of the company on or before 12th September, 2014.

Resolution placed at item no. 11 & 12 of the notice is recommended for approval of the Shareholders by special majority.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.11 & 12 of the Notice.

Mumbai, Dated: May 6, 2014

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Dimple Mehta
Company Secretary

DIRECTORS' REPORT

To the Members,
Your Directors are pleased to present **38th Annual Report** and Audited statements of accounts of the Company for the financial year ended **31st March, 2014**.

1. FINANCIAL RESULTS:

The Financial performance of the Company for the year ended March 31, 2014 is summarized below:

	(` in Lacs)	
	Current Year 31.03.2014	Previous Year 31.03.2013
Total Income (Gross)	4947.09	6411.36
Operating Profit before interest and depreciation	620.22	834.83
Interest and other financial charges	298.24	381.12
Profit before depreciation	321.98	453.71
Depreciation & Amortization	242.67	238.70
Profit after interest & depreciation	79.31	215.01
Less: Provision for taxation	4.27	44.97
Profit after Tax available for distribution	75.04	170.04
Proposed Dividend (including Dividend Tax)	—	57.22
Balance of P& L A/c for the year	75.04	112.82
Credit balance of P&L A/c carried forward from last year	1640.99	1528.17
Profit/ (Loss) carried to Balance Sheet.	1716.03	1640.99

2. DIVIDEND:

In view of the inadequate income during the financial year 2013-14 your Directors have decided to skip the dividend for the period under review. Board of Directors sincerely hope that members would appreciate and understand the situation for non-payment of dividend.

3. OPERATIONS:

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

Total income for the year 2013-14 was registered at ` 4947.09 lacs (Gross) as compared to income of ` 6411.36 lacs (Gross) for the year 2012-13, a decline of 22.84%.

Profit after tax was reported at ` 75.04 lacs for the year 2013-14 as compared to the net profit of ` 170.04 lacs for the period of 2012-13, again a decline of 55.87%.

Sales volumes for the year 2013-14 were at 1621.265 MT as compared to 2242.158 MT for the year 2012-13.

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

4. FOREIGN EXCHANGE OUTGO AND EXPORTS:

Your Company is largely dependent on imports of raw materials. During the year 2013-14 the Company utilized about ` 2114 Lacs for import of raw materials where as it earned about ` 379 Lacs as Exports income as compared to ` 2239 lacs of utilization for import of raw material and earned export income of ` 297 Lacs in the year 2012-13.

5. FINANCE:

During the year under review, your company has availed the corporate loan to the tune of ` 5 Crores from the State Bank of India, further your Company has been sanctioned another Corporate Loan to the tune of ` 5 Crores on 27.03.2014 from State Bank of India, aggregating total credit facilities to the tune of ` 38.30 Crores to meets its liquidity requirement.

6. CONSERVATION OF ENERGY:

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

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

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

7. RESEARCH AND DEVELOPMENT:

The Company has a dedicated R & D center which is also approved by Ministry of Science and Technology, Department of Scientific and industrial research (DSIR). The R & D center supports developmental activities, be it a new product or a new process development.

Company's R & D Center is trying to develop a new process to manufacture Ethylene amines and hopes that it will bring desired benefits in near future.

8. SAFETY, HEALTH AND ENVIRONMENT:

a) Safety:

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

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

Safety promotional activities such as celebration of National Safety day, arranging poster competition, slogan competition and prize distribution are conducted every year to encourage safety culture. Company also conducts Mock drill regularly on quarterly basis and outcome of Mock drill is analysed and necessary improvements are implemented regularly. Company also makes continuous efforts to increase Safety awareness with regular and contractual employees and workers.

b) Health:

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

c) Environment:

Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company. Company also plans to implement Environmental Management System ISO 14001:2004 and OHSAS 18001:2007 in future. The Company is also signatory to "Responsible Care", a voluntary initiative of International Council of Chemical association (ICC) being implemented by Indian Chemical Council to safely handle the products from inception in research laboratory through manufacturing and distribution to utilization, reuse, recycle and finally their disposal.

d) Renewable Source of Energy:

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

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

Your Company is accredited with ISO 9001:2008 for "Manufacture and Sale of Ethylene Amine based Industrial Chemicals". The surveillance audit is done by internationally reputed M/s. BVC.

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

10. CODE OF CONDUCT:

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

11. FIXED DEPOSITE:

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.

12. INSURANCE:

The properties and Assets of the Company are adequately insured.

13. BOARD OF DIRECTORS:

Mr. Kirat Patel and Mr. Shreyas Mehta 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.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchange, appointed Mr. Ghanshyam Govind Chendwankar (DIN: 00031722), Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898), Mr. Dhruv Subodh Kaji (DIN: 00192559), Dr. Ambrish Keshav Dalal (DIN: 02546506) & Mr. Rajendra Chhabra (DIN: 00093384) as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.



14. AUDITORS:

M/s. Banshi S. Mehta & Co., Chartered Accountants, who are the statutory auditors of the Company shall hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Banshi S. Mehta & Co., Chartered Accountants, as statutory auditors of the Company from the conclusion of this AGM till the conclusion of the Fourth AGM, subject to ratification of their appointment at every subsequent AGM. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. Your directors recommend their re-appointment.

15. COST AUDITOR:

The Company has appointed M/s. P D Modh & Associates, Cost Accountants for conducting the audit of cost records of the Company for the products Ethylene Amines for the financial year 2013-14. Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the board has recommended appointment of said cost auditor for F.Y. 2014-15.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best their Knowledge and belief and according to information and explanation obtained by them, your Directors make the following statement in line of section 217(2AA) of the Companies Act, 1956:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards has 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, 2014 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, 2014 have been prepared on a going concern basis.

17. CORPORATE GOVERNANCE:

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.

18. INDUSTRIAL RELATIONS:

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.

19. 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 2014-15.

Diamines And Chemicals Limited

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20. 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.

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

22. SUBSIDIARY COMPANY:

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

23. 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.

24. 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 M. Kothari
Chairman

Mumbai, Dated: May 6, 2014

**ANNEXURE - 1
FORM A**
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2013 – 14	Previous Year 2012 – 13
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased Unit	1660305	2002020
Total Amount (` in lacs)	93.83	132.03
Rate/Unit (`)	5.65	6.59
b) Own Generation		
Through Diesel generator		
Units	29040	39888
Units/Ltr. of Diesel Oil	4.11	3.43
Cost/Unit (`)	19.65	15.13
Coal		
Quantity in tonnes	3580	3913
Total Cost (` in lacs)	192.14	215.55
Average Rate ` /Tonne	5367	5508
LDO & FO		
Quantity (In Tonnes)	272	472
Total cost (` in lacs)	119.00	202.09
Average Rate ` / Tonne	43757	42815
Generation through Wind Turbine Generator		
Units (KWH in thousand)	5179.61	5488.02
Total Amount (` in lacs)	228.20	243.92
Average Generation Rate (` / Unit)	4.41	4.44
B. CONSUMPTION PER TONNE OF PRODUCTION		
Production of Speciality Chemicals (MT)	1658	1853
Electricity (Unit)	1001	1080
Coal (Tonnes)	2.16	2.11
FO/LDO (Tonnes)	0.16	0.25

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. Produced higher homologues of Ethyleneamines TEPA and PA-M of international quality
2. Development of Piperazine derivatives in Pilot scale.
3. Development of alternate routes for the synthesis of Ethyleneamines in Pilot scale
4. Providing Technical support to Marketing department.
5. Technical support to QA department for improving the quality of products.

(B) Benefits derived from R&D:

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

(C) Future plans of Action:

1. Development of derivatives of Ethylene Amines Homologous.
2. To produce higher homologues of Ethylene amines of international quality.

(D) Expenditure on R&D:

a) Capital	:	` 2,76,553
b) Revenue	:	` 22,54,373
c) Total	:	` 25,30,926
d) Total R&D expenditure	:	0.57% of total turnover

(E) Technology absorption, adoption and innovation:

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

II FOREIGN EXCHANGE EARNINGS AND OUTGO:

Year ended March 31	2014 (In `)	2013 (In `)
Foreign Exchange Earnings	3,79,78,608	2,97,53,664
Foreign Exchange Outgo	21,30,72,798	22,69,51,143



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is the only producer of Ethylene amines based in India having its plant at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara - 391 346. The Products Ethylene Amines find their application in various industry segments such as Pharmaceuticals, Agro-chemicals, Resin and Coating, Water treatment chemicals, Oilfield chemicals and so many others. The plant facility is equipped with up to date manufacturing equipments and supported by R & D Center and quality assurance department which are equipped with advanced equipments and analytical instruments. The site also has a dedicated pilot plant to conduct trials. The Company has an excellent team of experienced and qualified professional to manage day to day operations efficiently. For more details please visit www.dacl.co.in.

PERFORMANCE:

Total revenue (net of excise and taxes) for the year 2013-14 amounted to ` 4424.28 Lacs compared to ` 5763.32 Lacs of the previous year (2012-13). The operating profit before tax amounted to ` 79.31 lacs compared to ` 215.01 lacs in the year 2012-13.

STRENGTHS & OPPORTUNITIES:

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

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

CONCERNS & THREATS:

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

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

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

OUTLOOK:

For the year 2014 the Company's focus will continue on sustaining and maintaining the market share in certain industry segment where company enjoys market leadership position. This will be achieved by forging stronger relationship with customers and by negotiating and entering in to beneficial contracts with the suppliers of raw materials.

The Ethylene amines business is going through demand-supply imbalance on global level and excess supply is expected to be a reality in the year 2014-15 also. Your company is well aware of the challenging scenario lying ahead and taking necessary steps by planning activities properly at operational stages.

HUMAN RESOURCE:

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management & the employees at all levels remained healthy & cordial throughout the year. The Management and the Employees are dedicated to achieve the corporate objectives and the targets set before the Company. The Company has been regularly monitoring its policy for enhancement in the skills of its employees by providing need-based training.

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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.

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 M. Kothari**

Mumbai, Dated: May 6, 2014

Chairman



CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS AND ITS COMPOSITION:

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

Details of the Board of Directors are as under:

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

RESPONSIBILITIES OF BOARD OF DIRECTORS:

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

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

ROLE OF INDEPENDENT DIRECTORS:

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

TENURE OF BOARD OF DIRECTORS:

As per the provisions under section 255 of the Companies Act, 1956, 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. Kirat Patel and Mr. Shreyas Mehta 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 Mumbai & Vadodara. Meetings are scheduled well in advance. The Board meets at least once in three months to review the quarterly performance and the financial results of the Company. The Members of the Board have access to all information on the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management persons are also invited to attend the Board meetings and provide clarifications as and when required.

During the year under review, 4 Board Meetings were held viz: 07/05/2013, 25/07/2013, 29/10/2013 and 27/01/2014. Details of attendance at the Board Meetings and Annual General Meeting for each Director along with their other Directorships are as stated herein below:

Diamines And Chemicals Limited

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Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended out of 4 held	Attended last AGM held on 25/07/2013
1	Mr. Yogesh M. Kothari	Chairman – NED / PD	4	Yes
2	Mr. Amit M. Mehta	Vice Chairman – NED/PD	4	Yes
3	Mr. G. G. Chendwankar	NED – I	4	Yes
4	Mr. Kirat Patel	NED	4	Yes
5	Mr. Dhruv Kaji	NED – I	1	Yes
6	Mr. Rajendra Chhabra	NED – I	4	Yes
7	Mr. G.S.Venkatachalam	NED – I	4	Yes
8	Dr. Ambrish Dalal	NED – I	3	No
9	Mr. Shreyas Mehta	NED – I	1	No
10	Mr. Girish R. Satarkar	ED	4	Yes

ED-Executive Director

NED-Non-Executive Director

NED-I : Non-Executive & Independent Director

PD – Promoter Director

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

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

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

* Excluding Diamines and Chemicals Limited.

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

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

BOARD COMMITTEES:

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

**Audit Committee:**

The Audit Committee was formed on 14th March, 2001, in line with the provisions of clause 49 of the Listing Agreements entered into with the Stock Exchanges read with section 292A of the Companies Act, 1956 ("Act"). The quorum of the said Audit Committee Meetings is 2 members.

The present composition of the Committee is as stated below:

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

The terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March, 2014.

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

The Committee members are paid a sitting fee of ` 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:			
	02.05.13	24.07.13	24.10.13	25.01.14
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. G.G.Chendwankar	Yes	Yes	Yes	Yes
Mr. G.S.Venkatachalam	Yes	Yes	Yes	Yes
Mr. Kirat Patel	Yes	Yes	Yes	Yes

The Minutes of Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The Chairman of the Audit Committee was present at the 37th Annual General Meeting held on 25th July, 2013.

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 12 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	12
Mr. G. G. Chendwankar	Non-Executive	12
Mr. Rajendra Chhabra	Non-Executive	12

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

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*** No. of shareholder complaints received during 2013-2014:**

Relating to non-receipt of share certificate under transfer	00
Relating to de-materialisation	00
Relating to non-receipt of dividends / interest	01
Others	02

*** 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 / interest	None
Others	None

* No. of pending share transfers as on 31/03/2014 None

Remuneration Committee :

The Remuneration Committee consists of Dr. Ambrish Keshav Dalal, Chairman, Mr. G.S. Venkatachalam and Mr. Rajendra Chhabra, whose function is to approve remuneration policy of Directors. During the year under review none of the committee meeting was held.

Details of remuneration paid to the Executive Director for the financial year 2013 – 2014.**(` In Lacs.)**

Name of Director	Designation	Salary & Allowance	Perquisite	Commission	Total
Mr. Girish R. Satarkar	Executive Director	23.52	3.37	0.28	27.17

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS :

The remuneration paid to non-executive Directors for the year from 01.04.2013 to 31.03.2014 are as under:

(` in lacs)

Name	Remuneration	Sitting Fee	Commission*	Total
Mr. Yogesh Kothari	Nil	0.86	0.34	1.20
Mr. Amit M. Mehta	Nil	0.80	0.34	1.14
Mr. Kirat Patel	Nil	2.60	0.09	2.69
Mr. Rajendra Chhabra	Nil	2.66	0.09	2.75
Mr. G.G.Chendwankar	Nil	2.46	0.09	2.55
Mr. G. S.Venkatachalam	Nil	1.20	0.04	1.24
Dr. Ambrish Keshav Dalal	Nil	0.60	0.04	0.64
Mr. Dhruv Kaji	Nil	0.20	0.04	0.24
Mr. Shreyas Mehta	Nil	0.20	0.04	0.24

- 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
1.	Mr. Yogesh Kothari	205393
2.	Mr. Amit M. Mehta	862099
3.	Mr. Kirat Patel	10800
4.	Mr. Rajendra Chhabra	7800
5.	Mr. G.G. Chendwankar	28345
6.	Mr. G. S. Venkatachalam	1233
7.	Dr. Ambrish Dalal	200
8.	Mr. Dhruv Kaji	300
9.	Mr. Shreyas Mehta	9000

DISCLOSURES:

The Company does not have any related party transactions that may have potential conflict with the interests of the Company at large. A list of transactions with related parties as per Accounting Standard AS-18 is given in note no. 31 to the Audited Accounts. Segment Reporting as per Accounting Standard AS-17 applicable to the Company is given in note no. 30.

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.

The Company has set up a Remuneration Committee, details of which have been given earlier in this Report which is non-mandatory requirement.

RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

MEANS OF COMMUNICATION:

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

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

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

GENERAL SHAREHOLDER INFORMATION:

The Company is registered with the Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L24110GJ1976PLC002905**.

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1. Book Closure Date	07.08.2014 to 12.08.2014 (both days inclusive)
2. Date, Time and Venue of the 38th Annual General Meeting	12 th August, 2014 at 12.00 noon at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346.
3. Listing on Stock Exchange	Bombay Stock Exchange Ltd., 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400 001. Tel: 022 – 2272 1233 / 34. Fax: 022 –2272 2082/3132. (Stock code: 500120)
4. Listing Fees	Paid to the above Stock Exchange for the Financial Year 2014 – 2015
5. Registered Office /Plant location and address for correspondence	Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346. Tel: 0265 – 2230 305 / 406 / 929 Fax: 0265 – 2230 218 e-mail: info@dacl.co.in, Website: www.dacl.co.in
6. Place where Share Transfers are to be lodged:	In view of the SEBI circular, every listed company is required to appoint one common agency for handling both Physical & Demat related services in respect of its shares. During the period under review the Company's RTA changed from MCS Limited to MCS Share Transfer Agent Limited having same place to maintain the requisite records.
(a) In Physical form	<u>Branch Manager</u> MCS Share Transfer Agent Ltd. 1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 007 Telephone (0265) 2314757 / 2350490 Fax: (0265) 2341639 — As above —
(b) In Electronic form	
7. International Securities Identification Number (ISIN)	INE 591D01014
8. Compliance Officer	Ms. Dimple Mehta Tel no: 0265 2230305 /406 e-mail:secretarial@dacl.co.in
9. Date, Time and Venue for the last 3 A.G.M.'s.	37 th A.G.M.- 25 th July, 2013 at 2.30 p.m. held at the Registered Office of the Company. 36 th A.G.M.- 9 th August, 2012 at 3.00 p.m. held at the Registered Office of the Company. 35 th A.G.M.- 12 th July, 2011 at 9:30 a.m. held at the Registered Office of the Company. * No Postal Ballots were used/invited for voting at these meetings.
10. Special Resolutions passed	37 th A.G.M. – 1 Special Resolution was passed 36 th A.G.M. – No Special Resolution was passed 35 th A.G.M. – No Special Resolution was passed * No Postal Ballots were used/invited for voting at these meetings.
11. Closing Price of the Company's Shares on 31 st March, 2014. - Bombay Stock Exchange Ltd. (BSE)	` 20.95/-



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12. Financial Year	1 st April to 31 st March each year.			
13. Dividend declared for current and earlier years		2013 - 14	2012 - 13	2011 - 12
	Final	Nil	5%	10%
14. Trading in Shares (Electronic Form) on Stock Exchange	SEBI has made trading in the Company's Shares compulsory in electronic form for all categories of Investors.			

MARKET PRICE DATA:

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

Sr.No.	Month	The Stock Exchange, Mumbai	
		High (`)	Low (`)
1	April, 2013	30.00	24.55
2	May, 2013	29.00	24.15
3	June, 2013	26.00	20.35
4	July, 2013	24.00	20.45
5	August, 2013	22.90	19.85
6	September, 2013	24.00	20.85
7	October, 2013	24.75	21.20
8	November, 2013	22.10	18.80
9	December, 2013	23.15	19.45
10	January, 2014	23.10	19.00
11	February, 2014	21.30	17.70
12	March, 2014	22.00	17.15

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2014)

Shareholding of nominal value	Shareholders		Share Amount	
	Number	% of total	`	% of total
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	9005	91.80	9364740	9.57
5,001 - 10,000	401	4.09	2962920	3.03
10,001 - 20,000	206	2.10	2957620	3.02
20,001 - 30,000	68	0.69	1747030	1.79
30,001 and above	129	1.32	80800090	82.59
TOTAL	9809	100.00	97832400	100.00

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**SHAREHOLDING PATTERN: (as on 31st March, 2014)**

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters & Promoters Group	63,78,777	65.20
2	Mutual Funds/Banks & FI's/ Insurance Co.	5,250	0.06
3	Other Corporate Bodies	1,60,215	1.64
4	Public	31,37,893	32.07
5	NRI's	1,01,105	1.03
6	Any Other	0	0.00
	TOTAL	97,83,240	100.00

DEMATERIALISATION OF SHARES: (as on 31st March, 2014)

Particulars	No. of Equity Shares	% to Share Capital
NSDL	8510005	86.99%
CDSL	780897	07.98%
Physical	492338	05.03%
TOTAL	9783240	100.00%

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

The Company has not issued any of these instruments.

**FOR DIAMINES AND CHEMICALS LTD.
L24110GJ1976PLC002905**

**Yogesh M Kothari
Chairman**

Mumbai, Dated: May 6, 2014.



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

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

I confirm that the Company has in respect of the financial year ended on 31st March 2014, 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, 2014.

**Place : Vadodara
Date : 06.05.2014**

**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 2014. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

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

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

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

For Sandip Sheth & Associates
Practising Company Secretary

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

Ahmedabad, Dated: May 6, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of
Diamines and Chemicals Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Diamines and Chemicals Limited** ("the Company") comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Act, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act read with the

Diamines And Chemicals Limited

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General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

- e. On the basis of the written representations received from the directors of the Company as on March 31, 2014, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Place : MUMBAI

Dated : May 6, 2014.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of DIAMINES AND CHEMICALS LIMITED on the financial statements for the year ended March 31, 2014]

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

- i. a. The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
b. According to the information and explanations given to us, though physical verification of fixed assets has not been carried out during the year, the Company has a policy to verify its fixed assets in a phased manner so as to cover the verification of all the fixed assets at least once in every three years, which, in our opinion is at reasonable intervals. All fixed assets were physically verified by the management for the first time during the financial year 2012-13 and no material discrepancies were noticed on such verification.
c. The Company has not disposed off any of its fixed asset during the year so as to affect its going concern.
- ii. a. Inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
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. The Company has granted interest-free advances to its wholly-owned subsidiary covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ` 75,715,760 and the year-end balance was ` 75,715,760. The Company has not granted any other loan to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
b. In our opinion and according to the information and explanations given to us, after considering the purpose for which such advances have been granted, the rate of interest and other terms and conditions of such advances granted are, prima facie, not prejudicial to the interest of the Company.
c. There is no stipulation for the repayment of such advances.
d. As stated above, as there is no repayment schedule for these advances has been specified and accordingly, there are no overdue amounts in excess of rupees one lakh.

- e. As per the information furnished, the Company had taken an unsecured inter corporate deposit from a company and an unsecured loan from a director covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ` 4,800,000 and the year-end balance was ` 4,800,000. The Company has not taken any other loans from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- f. In our opinion, the rate of interest and other terms and conditions of these deposits are not prima facie prejudicial to the interest of the Company. The Company is regular in repayment of the principal amounts as stipulated as also in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods. As informed to us, the Company is not engaged in the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- v.
 - a. According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have so been entered; and
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence, the question of complying with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix.
 - a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed Statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth 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 at March 31, 2014 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	882,980	Financial Year 2009-2010	Commissioner of Income-tax (Appeals)
The Finance Act, 1994	Service Tax / Excise	11,033,773	Financial Year 2005-06 to 2013-14	Commissioner of Central Excise(Appeals)

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



The Foreign Trade (Development and Regulation) Act, 1992	Custom Duty	5,364,604	Financial Year 1993-94 to 1997-98	Additional Director General of Foreign Trade (Appeals)
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- x. There are no accumulated losses of the Company as on March 31, 2014, 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 loan and/or advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. As the Company is not a chit fund, Nidhi, mutual benefit fund or society, Clause 4(xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirements of Clause 4(xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xvi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the intended use.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, the funds raised on short-term basis have not been utilised for long-term investments.
- xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us, as the Company has not issued any debentures, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issue during the year, Clause 4(xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
- xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : May 6, 2014



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	97,832,400	97,832,400
Reserves and Surplus	3	<u>253,317,041</u>	<u>246,799,517</u>
		351,149,441	344,631,917
Non-Current Liabilities			
Long-term Borrowings	4	51,942,917	31,118,805
Deferred Tax Liabilities (Net)	5	36,039,539	35,419,538
Long-term Provisions	6	<u>1,484,955</u>	<u>1,532,986</u>
		89,467,411	68,071,329
Current Liabilities			
Short-term Borrowings	7	119,010,646	146,195,794
Trade Payables	8	44,904,036	55,439,970
Other Current Liabilities	9	43,243,760	34,799,066
Short-term Provisions	10	<u>4,279,322</u>	<u>9,820,990</u>
		211,437,764	246,255,820
TOTAL		<u>652,054,616</u>	<u>658,959,066</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	315,135,904	332,345,327
Capital Work-in-progress		<u>41,184</u>	<u>4,152,223</u>
		315,177,088	336,497,550
Non-current Investments	12	1,467,115	1,467,115
Long-term Loans and Advances	13	100,376,860	65,740,773
Other Non-current Assets	14	<u>NIL</u>	<u>NIL</u>
		417,021,063	403,705,438
Current Assets			
Inventories	15	124,025,124	115,991,205
Trade Receivables	16	80,671,811	103,431,830
Cash and Bank Balances	17	9,186,236	20,885,686
Short-term Loans and Advances	18	20,310,489	13,664,216
Other Current Assets	19	<u>839,893</u>	<u>1,280,691</u>
		235,033,553	255,253,628
TOTAL		<u>652,054,616</u>	<u>658,959,066</u>

Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements 1-39

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 6, 2014.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
A. R. Chaturmutha Chief Financial Officer
Dimple Mehta Company Secretary

Mumbai, Dated : May 6, 2014.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Revenue From Operations	20	491,668,631	638,832,961
Less : Excise Duty on Sales		(52,280,145)	(64,805,018)
Revenue From Operations (Net)		439,388,486	574,027,943
Other Income	21	3,040,085	2,304,062
Total Revenue		442,428,571	576,332,005
Expenses			
Cost of Materials Consumed	22	277,651,731	292,705,871
Changes in Inventories of			
Finished Goods and Work-in-progress	23	(22,491,580)	65,407,404
Employee Benefits Expenses	24	33,532,235	32,116,397
Finance Costs	25	29,824,102	38,112,147
Depreciation and Amortization Expense	11	25,253,702	24,857,120
Less: Amount withdrawn from Revaluation Reserve		986,644	986,644
		24,267,058	23,870,476
Other Expenses	26	91,713,587	102,617,844
Total Expenses		434,497,133	554,830,139
Profit before Exceptional Items and Tax		7,931,438	21,501,866
Exceptional items		NIL	NIL
Profit Before Tax		7,931,438	21,501,866
Tax Expense			
Current Tax		1,331,000	4,000,000
Deferred Tax		620,000	497,259
Current Tax Adjustments of Earlier Years		(1,523,730)	NIL
		427,270	4,497,259
Profit for the year		7,504,168	17,004,607
Earnings Per Equity Share of ` 10 Basic and Diluted (`)	32	0.77	1.74
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-39		

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 6, 2014.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
A. R. Chaturmutha Chief Financial Officer
Dimple Mehta Company Secretary

Mumbai, Dated : May 6, 2014.



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the Year ended March 31, 2014	For the Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	7,931,438	21,501,866
Adjustments for :		
Finance Costs	29,824,102	38,112,147
Unrealised Loss on Foreign Exchange	4,033,402	2,457,671
Loss on Sale of Assets discarded	NIL	348,719
Depreciation	24,267,058	23,870,476
Interest Income	(1,739,569)	(1,728,589)
Provision no longer required and Accounts written back	(1,104,631)	(414,839)
Dividend Income	(75,565)	(70,168)
Operating Profit before Working Capital Changes	63,136,236	84,077,283
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	(96,379)	60,504
Inventories	(8,033,919)	74,564,168
Trade Receivables and Short-term Loans and Advances	16,113,745	15,041,658
Other Current Assets	440,798	36,956
Long-term Provisions	(48,031)	(80,953)
Trade Payables, Other Current Liabilities and Short-term Provisions	(13,433,304)	(15,895,905)
Cash generated from Operations	58,079,146	157,803,711
Income-tax paid	(2,065,376)	(4,581,741)
Net Cash from Operating Activities	56,013,770	153,221,970
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,933,240)	(27,349,932)
Advance given to Subsidiary Company	(32,281,601)	(18,800,685)
Investment in Subsidiary Company	NIL	(400,000)
Deposits held as Margin Money	11,502,712	(1,402,686)
Interest Income	1,739,569	1,728,589
Dividend Income	75,565	70,168
Net Cash from Investing Activities	(22,896,995)	(46,154,546)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	50,000,000	NIL
Repayment of Long-term Borrowings	(20,581,312)	(20,280,003)
Increase/(Decrease) in Short-term Borrowings	(27,185,148)	(38,039,998)
Finance Costs Paid	(29,824,102)	(38,112,147)
Dividend Paid (Including Dividend Distribution Tax)	(5,722,951)	(11,370,326)
Net Cash from Financing Activities	(33,313,513)	(107,802,474)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(196,738)	(735,050)
Cash and Cash Equivalents at the Beginning of the Year	2,948,487	3,683,537
Cash and Cash Equivalents at the End of the Year	2,751,749	2,948,487
Components of Cash and Cash Equivalents		
Cash on hand	20,909	44,469
Other Bank Balances		
On Current Accounts	2,730,840	2,904,018
	2,751,749	2,948,487

Note:

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

As per our report of even date attached

For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 6, 2014.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
A. R. Chaturmutha Chief Financial Officer
Dimple Mehta Company Secretary

Mumbai, Dated : May 6, 2014.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION:

The accounts have been prepared on the basis of going concern under historical cost convention as also on accrual basis and in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the 1956 Act"), which have been prescribed by the Companies (Accounting Standards) Rules, 2006, [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs], and the relevant provisions of the 1956 Act / the 2013 Act, as applicable.

1.2 USE OF ESTIMATES:

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

1.3 FIXED ASSETS AND DEPRECIATION:

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

1.4 INVESTMENTS:

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

1.5 INVENTORIES:

Inventories are valued as under:

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

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

By-products are valued at the net realisable value.

1.6 REVENUE RECOGNITION:

- i. Sales are recognised in accordance with Accounting Standard 9 on "Revenue Recognition", that is, when the seller has transferred to the buyer the property in goods for a price or all significant

risks and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods and no uncertainty exists regarding the amount of consideration from the sale of goods.

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

1.7 FOREIGN CURRENCY TRANSACTIONS:

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

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

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

1.8 EMPLOYEE BENEFITS:

i. Defined Contribution Plan

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis. Therefore, any excess payment made will be considered as an advance and shortfall, if any, will be adjusted.

ii. Defined Benefit Plan

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

Compensated Absences - The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company

records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

1.9 BORROWING COSTS:

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

1.10 SEGMENT REPORTING POLICIES:

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

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

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment.
 - Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under Unallocable Expenses.
 - Income which relates to the Company as a whole and not allocable to segments is included in Unallocable Income.
 - Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities are those relate to the Company as a whole and not allocable to any segment.
- ii. The Company prepares its Segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

1.11 TAXES ON INCOME:

- i. Income tax expense comprises of current tax and deferred tax charge/credit.
- ii. Provision for current tax is made on 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.

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

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

1.12 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.13 IMPAIRMENT OF ASSETS:

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

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



	As at March 31, 2014	As at March 31, 2013
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2. Share Capital Authorised

17,500,000 (March 31, 2013: 17,500,000)		
Equity Shares, of ` 10 par value	175,000,000	175,000,000
	175,000,000	175,000,000

Issued, Subscribed and Paid up

9,783,240 (March 31, 2013: 9,783,240)		
Equity Shares, of ` 10 par value	97,832,400	97,832,400
	97,832,400	97,832,400

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

	As At March 31, 2014		As At March 31, 2013	
	No. of shares	No. of shares	No. of shares	No. of shares
Equity shares, of ` 10 par value				
At the beginning	9,783,240	97,832,400	9,783,240	97,832,400
Changes during the year	NIL	NIL	NIL	NIL
At the end	9,783,240	97,832,400	9,783,240	97,832,400

2.2 Rights, preferences and restrictions

- i. The Company has only one class of shares referred to as equity shares having par value of ` 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 6, 2014 has not recommended any dividend for the year ended March 31, 2014.

During the year ended March 31, 2013, the amount of per share dividend recognised as distribution to equity shareholders was ` 0.5. The total dividend appropriation for the year ended March 31, 2013 amounted to ` 5,722,951 including corporate dividend tax of ` 831,331.

- iii. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	As At March 31, 2014		As At March 31, 2013	
	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	695,178	7.11

	As at March 31, 2014	As at March 31, 2013
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2.4 Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceding March 31, 2014)

	No. of shares
Equity Shares allotted as fully paid up Bonus Shares during the year 2011-12 by capitalisation of the following amounts:	3,261,080
Capital Reserve	3,441,635
Capital Redemption Reserve	1,407,000
Securities Premium	18,857,360
General Reserve	8,904,805
	<u>32,610,800</u>

3. Reserves and Surplus

Revaluation Reserve (Refer Note 3.1)

As per last Balance Sheet	30,607,920	31,594,564
Less: Transfer to the Statement of Profit and Loss	<u>986,644</u>	<u>986,644</u>
	29,621,276	30,607,920

General Reserve

As per last Balance Sheet	52,092,444	52,092,444
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Surplus in the Statement of Profit and Loss

As per last Balance Sheet	164,099,153	152,817,497
Add: Net Profit after Tax transferred from Statement of Profit and Loss	7,504,168	17,004,607
Less: Appropriations		
Proposed Dividend	NIL	4,891,620
Tax on Dividend	<u>NIL</u>	<u>831,331</u>
	171,603,321	164,099,153
TOTAL	<u>253,317,041</u>	<u>246,799,517</u>

3.1 Amount withdrawn on account of depreciation on revaluation during the year is ` 986,644 (March 31, 2013: ` 986,644).

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



	As at March 31, 2014	As at March 31, 2013
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4. Long-term borrowings

Term Loans (Refer Note 4.1)

Secured

From Banks

51,942,917	31,118,805
51,942,917	31,118,805

4.1 Nature of Security and Terms of Repayment of Long-term Borrowings

Nature of Security	Rate of Interest	As at March 31, 2014	As at March 31, 2013
--------------------	------------------	----------------------------	----------------------------

I. Loan from Banks:

i. Term loans of ` 44,200,000 repayable in 24 equal quarterly instalments from September 1, 2007, of ` 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ` 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra and factory Land and Building. Ranging from 12.40% p.a. to 14.65% p.a. **29,900,000** 46,300,000

ii. Term loans of ` 50,000,000 repayable in 42 monthly instalments from January 31, 2014 is secured by first charge by way of hypothecation over the entire current assets including stocks of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills /book-debts/ receivables and other current assets. Further, same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill). Base Rate + 4.5% p.a. 47,000,000 NIL

iii. Vehicle Loan of ` 3,950,000 repayable in 60 monthly instalments from August 10, 2010 is secured against hypothecation of specified vehicle. 8.35% p.a. 1,218,805 2,048,114

iv. Vehicle Loan of ` 459,000 repayable in 60 monthly instalments from July 15, 2013 is secured against hypothecation of specified vehicle. 10.75% p.a. 404,790 NIL

78,523,595	48,348,114
26,580,678	17,229,309
51,942,917	31,118,805

Less : Current Maturities of Long-term debt (Refer Note 9)

II. Loan from Other Party:

Vehicle Loan of ` 3,483,623 repayable in 35 monthly instalments from December 10, 2010 is secured against hypothecation of specified vehicles 9.14% p.a. **NIL** 756,794

NIL	756,794
NIL	756,794
NIL	NIL

Less : Current Maturities of Long-term debt (Refer Note 9)



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

	As at March 31, 2014	As at March 31, 2013
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	43,850,370	43,519,060
Deferred Tax Assets		
Contested Disallowances	5,871,000	5,871,000
Provision for doubtful debts, loans and advances	229,301	541,405
Others	1,710,530	1,687,117
	<u>7,810,831</u>	<u>8,099,522</u>
Net deferred Tax (Assets)/ Liabilities	<u>36,039,539</u>	<u>35,419,538</u>
6. Long-term Provisions		
For Employee Benefits		
Gratuity	127,116	202,232
Leave Encashment	1,357,839	1,330,754
	<u>1,484,955</u>	<u>1,532,986</u>
7. Short-term Borrowings		
Loans repayable on demand (Refer Note 7.1)		
Secured		
From Banks	114,210,646	141,395,794
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 31)	2,300,000	2,300,000
Other Loans and Advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>119,010,646</u>	<u>146,195,794</u>
7.1 Working Capital facilities from a bank are secured by first charge by way of hypothecation over the entire current assets including stock of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills/book-debts/receivables and other current assets. Further, the same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill).		
8. Trade Payables		
Micro and Small Enterprises (Refer Note 8.1)	NIL	NIL
Others	44,904,036	55,439,970
	<u>44,904,036</u>	<u>55,439,970</u>
8.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.		
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks [Refer Note 4.1 (I)]	26,580,678	17,229,309
From Other Party [(Refer Note 4.1 (II))	NIL	756,794
	<u>26,580,678</u>	<u>17,986,103</u>
Interest accrued but not due on Borrowings	993,449	569,606
Unclaimed Dividends	1,824,656	2,044,915
Other Payables		
For Capital Expenses	78,199	572,242
Others (Refer Note 9.1)	13,766,778	13,626,200
	<u>13,844,977</u>	<u>14,198,442</u>
	<u>43,243,760</u>	<u>34,799,066</u>
9.1 Others include Statutory Dues, Advance from Customers and other year-end provisions.		
10. Short Term Provisions		
For Employee Benefits		
Gratuity	1,652,774	1,452,125
Leave Encashment	394,766	419,587
	<u>2,047,540</u>	<u>1,871,712</u>
Others		
For Proposed Dividend	NIL	4,891,620
For Tax on Dividend	NIL	831,331
For Contingencies	1,000,000	1,000,000
For Wealth Tax	34,671	29,216
	<u>1,034,671</u>	<u>6,752,167</u>
Provision for Taxes	8,400,000	8,400,000
Less : Taxes paid	7,202,889	7,202,889
	<u>1,197,111</u>	<u>1,197,111</u>
	<u>4,279,322</u>	<u>9,820,990</u>

11. FIXED ASSETS

(Amounts in `)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2013	During the Year		As At March 31, 2014	Upto March 31, 2013	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2014	As At March 31, 2014	As At March 31, 2013
		Additions	For Sale / Adjustments							
Tangible Assets										
Land										
Freehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Leasehold Land	23,585,328	NIL	NIL	23,585,328	3,603,314	327,575	NIL	3,930,889	19,654,439	19,982,014
Buildings	32,169,972	219,571	NIL	32,389,543	15,518,582	917,977	NIL	16,436,559	15,952,983	16,651,389
Plant and Equipments	547,098,013	6,023,578	NIL	553,121,591	270,162,711	21,506,147	NIL	291,668,858	261,452,733	276,935,302
Furniture and Fixtures	21,590,707	959,285	NIL	22,549,992	16,327,383	1,005,011	NIL	17,332,394	5,217,598	5,263,324
Office Equipments	5,129,398	233,046	NIL	5,362,444	3,496,635	252,408	NIL	3,749,043	1,613,401	1,632,763
Vehicles	12,765,082	608,799	NIL	13,373,881	4,038,602	1,244,584	NIL	5,283,186	8,090,695	8,726,480
Current year	645,492,555	8,044,279	NIL	653,536,834	313,147,227	25,253,702	NIL	338,400,929	315,135,904	332,345,327
Previous year	633,372,935	12,536,119	416,500	645,492,555	288,357,888	24,857,120	67,781	313,147,227	332,345,327	345,015,047
Capital Work in progress	4,152,223	3,376,252	7,487,291	41,184	NIL	NIL	NIL	NIL	41,184	4,152,223
	9,298,887	15,036,903	20,183,567	4,152,223	NIL	NIL	NIL	NIL	4,152,223	9,298,887
Current year	4,152,223	3,376,252	7,487,291	41,184	NIL	NIL	NIL	NIL	41,184	4,152,223
Previous year	9,298,887	15,036,903	20,183,567	4,152,223	NIL	NIL	NIL	NIL	4,152,223	9,298,887

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

(Amounts in `)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2013	During the Year		As At March 31, 2014	Upto March 31, 2013	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2014	As At March 31, 2014	As At March 31, 2013
		Additions	For Sale / Adjustments							
Tangible Assets										
Buildings	51,221	NIL	NIL	51,221	1,375	831	NIL	2,206	49,015	49,846
Plant and Equipments	3,259,056	276,553	NIL	3,535,609	920,317	162,022	NIL	1,082,339	2,453,270	2,338,739
	3,211,664	47,392	NIL	3,259,056	767,448	152,869	NIL	920,317	2,338,739	2,444,216
Current year	3,310,277	276,553	NIL	3,586,830	921,692	162,853	NIL	1,084,545	2,502,285	2,388,585
Previous year	3,262,885	47,392	NIL	3,310,277	767,718	153,974	NIL	921,692	2,388,585	2,495,167

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

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



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	As at March 31, 2014	As at March 31, 2013
12. Non-current Investments		
Long-term Investments - valued at cost less provision for diminution in value other than temporary		
Trade		
In Equity Instruments of Subsidiary		
Unquoted		
Diamines Speciality Chemicals Private Limited		
50,000 (March 31, 2013: 50,000) Equity Shares of ` 10 par value of Diamines Speciality Chemicals Private Limited	500,000	500,000
Other Investments (Non-trade)		
In Equity Instruments of Other Companies		
Quoted		
Sintex Industries Limited		
107,950 (March 31, 2013: 107,950) Equity Shares of ` 1 par value of Sintex Industries Limited	967,115	967,115
	1,467,115	1,467,115
	Cost	Market Value
	Cost	Market value
Aggregated amount of Quoted Investments	967,115	4,749,800
Aggregated amount of Unquoted Investments	500,000	Not Applicable
	967,115	4,976,495
	500,000	Not Applicable
13. Long-term Loans and Advances		
Unsecured and considered good		
Security Deposits	10,907,164	10,902,164
Other Loans and Advances		
Advances recoverable in cash or in kind for value to be received		
Considered Good	380,078	288,698
Loans and Advances to Related Party (Refer Note 31)		
To Subsidiary Company		
Diamines Speciality Chemicals Private Limited	75,715,760	43,434,159
	87,003,002	54,625,021
Taxes Paid	34,803,510	46,910,965
Less: Provision for Taxes	21,429,652	35,795,213
	13,373,858	11,115,752
	100,376,860	65,740,773
14. Other Non-current Assets		
Trade Receivables		
Considered Doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	742,075	1,752,119
Less: Provision for Bad and Doubtful Debts	742,075	1,752,119
	NIL	NIL
	NIL	NIL
15. Inventories		
Raw Materials	16,562,605	10,738,951
Raw Materials - Goods-in-transit	17,007,393	36,365,856
Work-in-progress	46,587,509	25,312,001
Finished Goods	39,539,993	38,175,505
Fuel	1,429,348	938,474
Stores and Spares	2,898,276	4,460,418
	124,025,124	115,991,205

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	As at March 31, 2014	As at March 31, 2013
15.1 Details of Inventories :		
a. Work-in-Progress		
Ethylene Amines	42,243,669	19,698,761
Other Products	4,343,840	5,613,240
	46,587,509	25,312,001
b. Finished Goods		
Ethylene Amines	34,701,515	34,210,393
Other Products	4,838,478	3,965,112
	39,539,993	38,175,505
16. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	569,768	592,358
Others	80,102,043	102,839,472
	80,671,811	103,431,830
17. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	20,909	44,469
Balances with Banks		
- On Current Accounts	2,730,840	2,904,018
Other Bank Balances		
- On Fixed Deposit Accounts	6,434,487	17,937,199
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	9,186,236	20,885,686
18. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	4,282,314	4,442,922
Balance with Central Excise and Customs	16,028,175	9,221,294
	20,310,489	13,664,216
19. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	493,573	628,568
Deferred Premium on Forward Contracts	346,320	652,123
	839,893	1,280,691



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	For the Year ended March 31, 2014	For the Year ended March 31, 2013
20. Revenue From Operations		
Sale of products		
Manufactured Goods	470,528,599	616,866,986
Windmill Power Generated	19,976,513	19,627,173
	490,505,112	636,494,159
Other Operating Revenues		
Duty Drawback	401,821	592,666
Sale of Scrap	761,698	1,746,136
	491,668,631	638,832,961
Less: Excise Duty on Sales	(52,280,145)	(64,805,018)
	439,388,486	574,027,943
20.1 Details of Products Sold		
Sale of Manufactured Goods		
Ethylene Amines	441,611,264	578,407,177
Other Products	28,917,335	38,459,809
	470,528,599	616,866,986
21. Other Income		
Interest on Deposits / Margin Money (Refer Note 21.1)	1,739,569	1,733,903
Dividend from Long-term Investment	75,565	70,168
Accounts Written Back	94,587	414,839
Provision No Longer Required Written Back	1,010,043	NIL
Miscellaneous Income	120,321	85,152
	3,040,085	2,304,062
21.1 Other Income includes income for prior period as under:		
Miscellaneous Income		
Interest Deposits / Margin Money	NIL	5,314
	NIL	5,314
22. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	46,418,363	52,041,967
Add : Purchases	255,009,323	275,259,731
Less : Closing Stock of Raw Materials	33,134,907	46,418,363
	268,292,779	280,883,335
Packing Materials		
Opening Stock of Packing Materials	686,444	849,495
Add : Purchases	9,107,599	11,659,485
Less : Closing Stock of Packing Materials	435,091	686,444
	9,358,952	11,822,536
	277,651,731	292,705,871
22.1 Details of Raw Materials Consumed		
Ethylene Amines Feed Stock	248,325,987	228,664,487
Others	19,966,792	52,218,848
	268,292,779	280,883,335

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	For the Year ended March 31, 2014	For the Year ended March 31, 2013
23. Changes in Inventories of Finished Goods and Work-in-progress		
Stocks at the end		
Finished Goods	39,539,993	38,175,505
Work-in-progress	46,587,509	25,312,001
	<u>86,127,502</u>	<u>63,487,506</u>
Less: Stocks at the beginning		
Finished Goods	38,175,505	50,626,846
Work-in-progress	25,312,001	81,220,860
	<u>63,487,506</u>	<u>131,847,706</u>
	<u>22,639,996</u>	<u>(68,360,200)</u>
Excise Duty Provision on Finished Goods		
Closing Stock	6,393,053	6,244,637
Less : Opening Stock	6,244,637	3,291,841
	<u>148,416</u>	<u>2,952,796</u>
	<u>(22,491,580)</u>	<u>65,407,404</u>
24. Employee Benefit Expenses		
Salaries, Wages and Bonus	26,180,087	24,309,567
Contributions to Provident and Other Funds	2,374,412	2,270,315
Gratuity Expenses	625,149	1,243,709
Staff Welfare Expenses	4,352,587	4,292,806
	<u>33,532,235</u>	<u>32,116,397</u>
25. Finance Costs		
Interest Expense		
On Borrowings	23,291,391	23,609,193
On Others	1,669,169	6,919,684
	<u>24,960,560</u>	<u>30,528,877</u>
Other Borrowing Costs		
Processing Fees	813,150	2,060,904
Other Finance Charges	4,050,392	5,522,366
	<u>29,824,102</u>	<u>38,112,147</u>



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	For the Year ended March 31, 2014	For the Year ended March 31, 2013
26. Other Expenses		
Stores and Spares Consumed	7,311,294	6,401,615
Power and Fuel	41,070,287	50,728,243
Repairs and Maintenance		
Building	281,999	460,813
Machinery (Refer Note 26.1)	3,392,865	4,618,439
Others	515,167	971,447
	4,190,031	6,050,699
Insurance	2,412,552	2,365,199
Rates and Taxes (Refer Note 26.1)	954,078	1,621,846
Job Work Charges	325,400	7,448,492
Travelling and Conveyance	2,671,799	3,552,154
Directors' Sitting Fees	801,820	1,367,500
Commission to Directors	142,000	321,150
Legal and Professional Charges	2,980,312	2,466,044
Foreign Exchange Loss (Net)	10,710,766	3,141,598
Auditors' Remuneration		
Audit Fees	300,000	300,000
Tax Audit Fees	80,000	80,000
Certification Work	215,000	215,000
	595,000	595,000
Miscellaneous Expenses	17,548,248	16,558,304
	91,713,587	102,617,844
26.1 Other Expenses include expenses incurred on Windmill Power generation as under:		
Repairs and Maintenance - Machinery	3,903,169	3,547,707
Rates and Taxes	96,034	220,832
	3,999,203	3,768,539
26.2 Expenses incurred on Research and Development during the year are included in the Statement of Profit and Loss as under:		
Employee Benefit Expenses (In Note 24)		
Salaries, Wages and Bonus	858,583	881,479
Contributions to Provident and Other Funds	119,038	100,419
Staff Welfare Expenses	NIL	765
	977,621	982,663
Cost of Materials Consumed (In Note 22)	123,455	60,527
Depreciation (In Note 11)	162,853	153,974
Other Expenses (In Note 26)		
Stores and Spares Consumed	990,444	1,010,446
	2,254,373	2,207,610

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**27. Contingent Liabilities and Commitments :**

	As At March 31, 2014	As At March 31, 2013
27.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	1,506,000	1,436,000
ii. Guarantees issued by the bankers on behalf of the Company	1,046,934	1,046,934
iii. In respect of the various advance licenses issued to the Company for the purposes of fulfilling the export and other related customs formalities, the Company has filed appeals and matters are pending before the Directorate General of Foreign trade (DGFT)	5,364,604	6,472,696
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ` 1,000,000 (March 31, 2013 : ` 1,000,000)]	2,550,000	23,50,000
v. Matters under disputes/appeals :		
a. Income-tax	425,000	425,000
b. Service Tax/ Excise	11,033,773	8,456,482
27.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
Less : Advances	NIL	NIL
Net Estimated Amount	NIL	NIL
ii. Other Commitments	NIL	NIL

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

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Obligation at period beginning	9,487,610	7,907,512	1,750,341	1,941,181
Current Service cost	499,413	464,672	164,842	247,098
Interest cost	759,009	691,907	140,027	169,853
Actuarial (gain) / loss	21,544	722,562	234,986	(323,647)
Benefits paid	(1,121,877)	(299,043)	(537,591)	(284,144)
Obligations at the year end	9,645,699	9,487,610	1,752,605	1,750,341
Change in plan assets				
Plan assets at period beginning, at fair value	7,833,253	6,825,597	NIL	NIL
Expected return on plan assets	665,827	597,240	NIL	NIL
Actuarial gain / (loss)	(11,010)	38,192	NIL	NIL
Contributions	499,616	671,267	NIL	NIL
Benefits paid	(1,121,877)	(299,043)	(537,591)	(284,144)
Plan assets at the year end, at fair value	7,865,809	7,833,253	(537,591)	(284,144)
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	7,865,809	7,833,253	NIL	NIL
Present value of the defined benefit obligations at the end of the year	9,645,699	9,487,610	1,752,605	1,750,341
Liability/(Asset) recognized in the Balance Sheet (Notes 6 and 10)	1,779,890	1,654,357	1,752,605	1,750,341
Cost for the year				
Current service cost	499,413	464,672	164,842	247,098
Interest cost	759,009	691,907	140,027	169,853
Expected return on plan assets	(665,827)	(597,240)	Nil	Nil
Actuarial (gain) / loss	32,554	684,370	234,986	(323,647)
Net Cost recognized in the Statement of Profit and Loss (Note 24)	625,149	1,243,709	539,855	93,304
Category of assets				
Insurer managed funds	7,865,809	7,833,253	N.A.	N.A.
Total	7,865,809	7,833,253	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	9.35%	8.75%	9.35%	8.75%
Estimated rate of return on plan assets	8.70%	8.75%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	654,817	635,432	N.A.	N.A.

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

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

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Experience adjustment					
On plan liability (gain)/ loss (*)	547,608	427,149	675,611	267,052	---
On plan assets gain/ (loss) (*)	(11,010)	38,192	44,696	58,710	---
Present value of benefit obligation	9,645,699	9,487,610	7,907,512	6,937,017	5,826,689
Fair value of plan assets	7,865,809	7,833,253	6,825,597	6,247,804	5,280,705
Excess of obligation over plan assets (net)	1,779,890	1,654,357	1,081,915	689,213	545,984

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

The expected contribution is based on the same assumptions used to measure the Company's Gratuity obligations as at March 31, 2014. The Company is expected to contribute ` 1,652,774 for the year ended March 31, 2015.

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30. Segment Reporting:

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

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	471,692,118	619,205,788
Less: Excise Duty on Sales	<u>52,280,145</u>	<u>64,805,018</u>
	419,411,973	554,400,770
b. Power Generation		
Total Power generated	22,820,095	24,392,066
Less: Captive Power used for Speciality Chemicals	<u>2,843,582</u>	<u>4,764,893</u>
Net as per the Statement of Profit and Loss	<u>19,976,513</u>	<u>19,627,173</u>
Total Revenue	<u>439,388,486</u>	<u>574,027,943</u>
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ` 2,843,582 (Previous Year ` 4,764,893)]	20,490,542	39,968,651
b. Power Generation		
Total	10,537,316	12,363,622
Less: Of Captive Power	<u>(49,006)</u>	<u>2,100,286</u>
Net as per the Statement of Profit and Loss	<u>10,586,322</u>	<u>10,263,336</u>
Total	31,076,864	50,231,987
Less: a. Interest Expense	24,960,560	30,528,877
b. Exceptional Items	NIL	NIL
Add: Interest and Dividend Income	<u>1,815,134</u>	<u>1,798,756</u>
	23,145,426	28,730,121
Profit before Tax	7,931,438	21,501,866
Current Tax	1,331,000	4,000,000
Deferred Tax	620,000	497,259
Current Tax Adjustments of Earlier Years	<u>(1,523,730)</u>	<u>NIL</u>
	<u>427,270</u>	<u>4,497,259</u>
Profit after Tax	<u>7,504,168</u>	<u>17,004,607</u>
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	536,944,088	538,840,042
b. Power Generation	100,269,555	107,536,157
c. Others – Unallocated	<u>14,840,973</u>	<u>12,582,867</u>
Total	<u>652,054,616</u>	<u>658,959,066</u>

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Segment Liabilities		
a. Speciality Chemicals	220,763,992	255,101,726
b. Power Generation	420,477	3,200,453
c. Others – Unallocated	79,720,706	56,024,970
Total	300,905,175	314,327,149
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets – Capital Advances	8,085,463 NIL	16,688,341 NIL
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	8,085,463	16,688,341
Depreciation during the year		
a. Speciality Chemicals	16,420,717	16,024,135
b. Power Generation	7,846,341	7,846,341
c. Others – Unallocated	NIL	NIL
Total	24,267,058	23,870,476

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

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

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

Particulars	Subsidiary Companies		Associate		Key Managerial Personal		Subsidiary of Associate [As in 4(i) of Note 31.2 below]	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Remuneration	NIL	NIL	NIL	NIL	2,718,905	2,481,255	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/ Packing materials	NIL	NIL	NIL	3,997,054	NIL	NIL	NIL	NIL
Sales	NIL	NIL	1,50,832	14,355	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	NIL	NIL	287,342	279,466
Dividend paid	NIL	NIL	1,488,998	2,977,996	NIL	NIL	NIL	NIL
Transaction on behalf:								
Cenvat Credit Paid for	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cenvat Credit Availed for	NIL	NIL	82,738	NIL	NIL	NIL	NIL	NIL
Expenses Reimbursed to	NIL	NIL	26,893	114,340	NIL	NIL	NIL	NIL
Expenses Recovered from	NIL	NIL	606,970	NIL	NIL	NIL	NIL	NIL
Advance given to	3,22,81,601	18,800,685	NIL	NIL	NIL	NIL	NIL	NIL
Investment in shares of	NIL	400,000	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date								
Amounts due from	7,57,15,760	4,34,34,159	NIL	190,486	NIL	NIL	NIL	NIL
Amounts due to	NIL	NIL	NIL	NIL	NIL	NIL	2,300,000	2,300,000
Investments:								
Equity shares of Diamines Speciality Chemicals Private Limited	500,000	500,000	NIL	NIL	NIL	NIL	NIL	NIL

31.2 Relationships:

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

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

Particulars		For the Year ended March 31, 2014	For the Year ended March 31, 2013
Numerator for Basic and diluted earnings per Share			
Net Profit/ (Loss) after tax for the year	(a)	7,504,168	17,004,607
Denominator for Basic and Diluted Earnings per Share			
Weighted average number of Shares	(b)	9,783,240	9,783,240
Basic and Diluted Earnings per Share	[(a)/ (b)]	0.77	1.74
Face value per Share		10	10

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

Particulars	As At April 1, 2013	Additions during the year	Paid/reversed during the year	As At March 31, 2014
Leave Encashment	1,750,341	539,885	537,621	1,752,605
	(1,941,181)	(93,304)	(284,144)	(1,750,341)
Gratuity	1,654,357	625,149	499,616	1,779,890
	(1,081,915)	(1,243,709)	(671,267)	(1,654,357)
Proposed Dividend	4,891,620	NIL	4,891,620	NIL
	(9,783,240)	(4,891,620)	(9,783,240)	(4,891,620)
Tax on Proposed Dividend	831,331	NIL	831,331	NIL
	(1,587,086)	(831,331)	(1,587,086)	(831,331)

34. Consumption of Imported/ Indigenous Materials:

Particulars	For the Year ended March 31, 2014		For the Year ended March 31, 2013	
	Percentage		Percentage	
Raw Materials				
Imported	96.05%	257,688,362	92.96%	261,098,493
Indigenous	3.95%	10,604,417	7.04%	19,784,842
TOTAL	100.00%	268,292,779	100.00%	280,883,335
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	7,311,294	100.00%	6,401,615
TOTAL	100.00%	7,311,294	100.00%	6,401,615



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
35. Value of imports calculated on CIF basis:		
Raw Materials	211,456,564	223,899,906
36. Expenditure in foreign currency:		
Traveling and Conveyance	6,58,295	9,16,485
Subscription	79,434	28,756
Interest - Buyer's Credit	878,505	2,105,996
Total	1,616,234	3,051,237
37. Earnings in foreign currency :		
Export of goods on FOB basis	37,978,608	29,753,664

38. Financial and Other Derivative Instruments:

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

Particulars	Amount in USD		Amount In `	
	As At March 31, 2014	As At March 31, 2013	At March 31, 2014	As At March 31, 2013
Import Trade Payables	429,698	NIL	27,783,803	NIL
Buyer's Credit	NIL	1,225,172	NIL	68,282,364
TOTAL	429,698	1,225,172	27,783,803	68,282,364

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

Particulars	Amount in USD		Amount In `	
	As At March 31, 2014	As At March 31, 2013	At March 31, 2014	As At March 31, 2013
Advance received from/ other payable to customer	NIL	16,300	NIL	886,545
Export Receivables	413,631	NIL	23,876,975	NIL
TOTAL	413,631	16,300	23,876,975	886,545

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

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 6, 2014.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 6, 2014.

**Consolidated Financial Statements
Financial Highlights - Year 2013-2014**

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

in Lacs

PARTICULARS	Diamines and Chemicals Ltd.	Diamines Speciality Chemicals Pvt. Ltd.
Status of Investee	-	Subsidiary Company
% of Holding of DACL	-	100%
Share Capital	978.32	5.00
RESERVES & SURPLUS (excluding revaluation reserve)	2236.96	-
Debit Balance of Profit & Loss A/c.	-	(79.52)
Total Assets	6520.54	695.83
Total Liabilities	6520.54	695.83
Investments	14.67	-
Gross Turnover/Other Income	4947.08	-
Operating Profit/(Loss) (PBIDT)	620.22	(36.15)
Profit/(Loss) Before Tax	79.31	(36.15)
Provision for Taxation	4.27	-
Profit/(Loss) After Tax	75.04	(36.15)
Proposed Dividend	-	-



Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Diamines and Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Diamines and Chemicals Limited** ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date.

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

Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK

Partner
Membership No. 36148
Place : MUMBAI
Dated : May 6, 2014.



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	97,832,400	97,832,400
Reserves and Surplus	4	<u>245,364,528</u>	<u>242,462,757</u>
		343,196,928	340,295,157
Non-Current Liabilities			
Long-term Borrowings	5	51,942,917	31,118,805
Deferred Tax Liabilities (Net)	6	36,039,539	35,419,538
Long-term Provisions	7	<u>1,484,955</u>	<u>1,532,986</u>
		89,467,411	68,071,329
Current Liabilities			
Short-term Borrowings	8	119,010,646	146,195,794
Trade Payables	9	44,917,517	55,453,507
Other Current Liabilities	10	44,550,147	44,761,530
Short-term Provisions	11	<u>4,279,322</u>	<u>9,820,990</u>
		212,757,632	256,231,821
TOTAL		<u>645,421,971</u>	<u>664,598,307</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	315,135,904	332,345,326
Capital Work-in-progress		<u>11,746,067</u>	<u>15,108,321</u>
		326,881,971	347,453,647
Non-current Investments	13	967,115	967,115
Long-term Loans and Advances	14	82,099,697	60,441,895
Other Non-current Assets	15	<u>NIL</u>	<u>NIL</u>
		409,948,783	408,862,657
Current Assets			
Inventories	16	124,025,124	115,991,205
Trade Receivables	17	80,671,811	103,431,830
Cash and Bank Balances	18	9,625,871	21,367,708
Short-term Loans and Advances	19	20,310,489	13,664,216
Other Current Assets	20	<u>839,893</u>	<u>1,280,691</u>
		235,473,188	255,735,650
TOTAL		<u>645,421,971</u>	<u>664,598,307</u>

Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements 1-40

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 6, 2014.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
A. R. Chaturmutha Chief Financial Officer
Dimple Mehta Company Secretary

Mumbai, Dated : May 6, 2014.

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2014**

	Note	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Revenue From Operations	21	491,668,631	638,832,961
Less : Excise Duty on Sales		(52,280,145)	(64,805,018)
Revenue From Operations (Net)		439,388,486	574,027,943
Other Income	22	3,040,085	2,304,062
Total Revenue		442,428,571	576,332,005
Expenses			
Cost of Materials Consumed	23	277,651,731	292,705,871
Changes in Inventories of Finished Goods and Work-in-progress	24	(22,491,580)	65,407,404
Employee Benefits Expenses	25	33,532,235	32,116,397
Finance Costs	26	32,647,084	38,112,147
Depreciation and Amortization Expense	12	25,253,702	24,857,120
Less: Amount withdrawn from Revaluation Reserve		986,644	986,644
Other Expenses	27	92,506,358	106,143,635
Total Expenses		438,112,886	558,355,930
Profit before Exceptional Items and Tax		4,315,685	17,976,075
Exceptional items		NIL	NIL
Profit Before Tax		4,315,685	17,976,075
Tax Expense			
Current Tax		1,331,000	4,000,000
Deferred Tax		620,000	497,259
Current Tax Adjustments of Earlier Years		(1,523,730)	NIL
		427,270	4,497,259
Profit for the year		3,888,415	13,478,816
Earnings Per Equity Share of ` 10 Basic and Diluted (`)	33	0.40	1.38
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-40		

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 6, 2014.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
A. R. Chaturmutha Chief Financial Officer
Dimple Mehta Company Secretary

Mumbai, Dated : May 6, 2014.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the Year ended March 31, 2014	For the Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	4,315,685	17,976,075
Adjustments for :		
Finance Costs	32,647,084	38,112,147
Unrealised Loss on Foreign Exchange	4,033,402	2,457,671
Loss on Sale of Assets discarded	NIL	348,719
Depreciation	24,267,058	23,870,476
Interest Income	(1,739,569)	(1,728,589)
Provision no longer required and Accounts written back	(1,104,631)	(414,839)
Dividend Income	(75,565)	(70,168)
Operating Profit before Working Capital Changes	62,343,464	80,551,492
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	(19,399,696)	60,503
Inventories	(8,033,919)	74,564,168
Trade Receivables and Short-term Loans and Advances	16,113,745	15,041,658
Other Current Assets	440,798	36,956
Long-term Provisions	(48,031)	(80,953)
Trade Payables, Other Current Liabilities and Short-term Provisions	(22,089,435)	(5,478,278)
Cash generated from Operations	29,326,926	164,695,546
Income-tax paid	(2,065,376)	(4,581,741)
Net Cash from Operating Activities	27,261,550	160,113,805
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,682,026)	(54,648,276)
Deposits held as Margin Money	11,502,712	(1,402,686)
Interest Income	1,739,569	1,728,589
Dividend Income	75,565	70,168
Net Cash from Investing Activities	8,635,820	(54,252,205)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	50,000,000	NIL
Repayment of Long-term Borrowings	(20,581,312)	(18,592,157)
Increase/(Decrease) in Short-term Borrowings	(27,185,148)	(38,039,998)
Finance Costs Paid	(32,647,084)	(38,112,147)
Dividend Paid (Including Dividend Distribution Tax)	(5,722,951)	(11,370,326)
Net Cash from Financing Activities	(36,136,495)	(106,114,628)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(239,125)	(253,028)
Cash and Cash Equivalents at the Beginning of the Year	3,430,509	3,683,537
Cash and Cash Equivalents at the End of the Year	3,191,384	3,430,509
Components of Cash and Cash Equivalents		
Cash on hand	20,909	44,469
Other Bank Balances		
On Current Accounts	3,170,475	3,386,040
	3,191,384	3,430,509

Note:

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

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 6, 2014.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 6, 2014.

NOTES FORMING PART OF CONSOLIDATION FINANCIAL STATEMENTS**1. BASIS OF CONSOLIDATION****1.1. Basis of Preparation**

The Consolidated Financial Statements (“CFS”) are prepared in accordance with Accounting Standard - 21 (AS-21) – “Consolidated Financial Statements” as referred to in Section 211 (3C) of the Companies Act, 1956 (“the 1956 Act”), which have been prescribed by the Companies (Accounting Standards) Rules, 2006, [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs], and the relevant provisions of the 1956 Act/2013 Act, as applicable.

1.2. Principles of Consolidation

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

The consolidated statements are prepared on the following basis:

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

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

1.3. Companies included in Consolidation

The following company is considered for CFS:

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

2. SIGNIFICANT ACCOUNTING POLICIES**2.1. ACCOUNTING CONVENTION:**

The accounts have been 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 (“the 1956 Act”), which have been prescribed by the Companies (Accounting Standards) Rules, 2006, [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs], and the relevant provisions of the 1956 Act/2013 Act, as applicable.

2.2. USE OF ESTIMATES:

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

2.3. OTHER SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION:

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



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

	As at March 31, 2014	As at March 31, 2013
3. Share Capital		
Authorised		
17,500,000 (March 31, 2013: 17,500,000)		
Equity Shares, of ` 10 par value	175,000,000	175,000,000
	175,000,000	175,000,000
Issued, Subscribed and Paid up		
9,783,240 (March 31, 2013: 9,783,240)		
Equity Shares, of ` 10 par value	97,832,400	97,832,400
	97,832,400	97,832,400

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

	As At March 31, 2014		As At March 31, 2013	
Equity shares, of ` 10 par value	No. of shares		No. of shares	
At the beginning	9,783,240	97,832,400	9,783,240	97,832,400
Changes during the year	NIL	NIL	NIL	NIL
At the end	9,783,240	97,832,400	9,783,240	97,832,400

3.2 Rights, preferences and restrictions

- i. The Company has only one class of shares referred to as equity shares having par value of ` 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 6, 2014 has not recommended any dividend for the year ended March 31, 2014.

During the year ended March 31, 2013, the amount of per share dividend recognised as distribution to equity shareholders was ` 0.5. The total dividend appropriation for the year ended March 31, 2013 amounted to ` 5,722,951 including corporate dividend tax of ` 831,331.

- iii. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As At March 31, 2014		As At March 31, 2013	
Name of the Shareholder	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	695,178	7.11

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



	As at March 31, 2014	As at March 31, 2013
--	-------------------------	-------------------------

3.4 Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceding March 31, 2014)

	No. of shares
Equity Shares allotted as fully paid up Bonus Shares during the year 2011-12 by capitalisation of the following amounts:	3,261,080
Capital Reserve	3,441,635
Capital Redemption Reserve	1,407,000
Securities Premium	18,857,360
General Reserve	8,904,805
	<u>32,610,800</u>

4. Reserves and Surplus

Revaluation Reserve (Refer Note 4.1)

As per last Balance Sheet	30,607,920	31,594,564
Less: Transfer to the Statement of Profit and Loss	986,644	986,644
	29,621,276	30,607,920

General Reserve

As per last Balance Sheet	52,092,444	52,092,444
---------------------------	-------------------	------------

Surplus in the Statement of Profit and Loss

As per last Balance Sheet	159,762,393	152,006,528
Add: Net Profit after Tax transferred from Statement of Profit and Loss	3,888,415	13,478,816
Less: Appropriations		
Proposed Dividend	NIL	4,891,620
Tax on Dividend	NIL	831,331
	<u>163,650,808</u>	<u>159,762,393</u>

TOTAL

	<u>245,364,528</u>	<u>242,462,757</u>
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4.1 Amount withdrawn on account of depreciation on revaluation during the year is ` 986,644 (March 31, 2013 : ` 986,644).

		As at March 31, 2014	As at March 31, 2013
5. Long-term borrowings			
Term Loans (Refer Note 5.1)			
Secured			
From Banks			
		<u>51,942,917</u>	<u>31,118,805</u>
		<u>51,942,917</u>	<u>31,118,805</u>
5.1 Nature of Security and Terms of Repayment of Long-term Borrowings			
		As at March 31, 2014	As at March 31, 2013
Nature of Security	Rate of Interest		
I. Loan from Banks:			
i. Term loans of ` 44,200,000 repayable in 24 equal quarterly instalments from September 1, 2007, of ` 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ` 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra and Factory Land and Building.	Ranging from 12.40% p.a. to 14.65% p.a.	29,900,000	46,300,000
ii. Term loans of ` 50,000,000 repayable in 42 monthly instalments from January 31, 2014 is secured by first charge by way of hypothecation over the entire current assets including stocks of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills /book-debts/ receivables and other current assets. Further, same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill).	Base Rate + 4.5% p.a.	47,000,000	NIL
iii. Vehicle Loan of ` 3,950,000 repayable in 60 monthly instalments from August 10, 2010 is secured against hypothecation of specified vehicle.	8.35% p.a.	1,218,805	2,048,114
iv. Vehicle Loan of ` 459,000 repayable in 60 monthly instalments from July 15, 2013 is secured against hypothecation of specified vehicle.	10.75% p.a.	404,790	NIL
		<u>78,523,595</u>	<u>48,348,114</u>
Less : Current Maturities of Long-term debt (Refer Note 10)		<u>26,580,678</u>	<u>17,229,309</u>
		<u>51,942,917</u>	<u>31,118,805</u>
II. Loan from Other Party:			
i. Vehicle Loan of ` 3,483,623 repayable in 35 monthly instalments from December 10, 2010 is secured against hypothecation of specified vehicles	9.14% p.a.	NIL	756,794
		<u>NIL</u>	<u>756,794</u>
Less : Current Maturities of Long-term debt (Refer Note 10)		<u>NIL</u>	<u>756,794</u>
		<u>NIL</u>	<u>NIL</u>

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	As at March 31, 2014	As at March 31, 2013
6. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	43,850,370	43,519,060
Deferred Tax Assets		
Contested Disallowances	5,871,000	5,871,000
Provision for doubtful debts, loans and advances	229,301	541,405
Others	1,710,530	1,687,117
	<u>7,810,831</u>	<u>8,099,522</u>
Net deferred Tax (Assets)/ Liabilities	<u>36,039,539</u>	<u>35,419,538</u>
7. Long-term Provisions		
For Employee Benefits		
Gratuity	127,116	202,232
Leave Encashment	1,357,839	1,330,754
	<u>1,484,955</u>	<u>1,532,986</u>
8. Short-term Borrowings		
Loans repayable on demand (Refer Note 8.1)		
Secured		
From Banks	114,210,646	141,395,794
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 32)	2,300,000	2,300,000
Other Loans and Advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>119,010,646</u>	<u>146,195,794</u>
8.1 Working Capital facilities from a bank are secured by first charge by way of hypothecation over the entire current assets including stock of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills/book-debts/receivables and other current assets. Further, the same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill).		
9. Trade Payables		
Micro and Small Enterprises (Refer Note 9.1)	NIL	NIL
Others	44,917,517	55,453,507
	<u>44,917,517</u>	<u>55,453,507</u>
9.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.		
10. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks [Refer Note 5.1 (I)]	26,580,678	17,229,309
From Other Party [(Refer Note 5.1 (II))]	NIL	756,794
	26,580,678	17,986,103
Interest accrued but not due on Borrowings	993,449	569,606
Unclaimed Dividends	1,824,656	2,044,915
Other Payables		
For Capital Expenses	78,199	572,242
Others (Refer Note 10.1)	15,073,165	23,588,664
	<u>15,151,364</u>	<u>24,160,906</u>
	<u>44,550,147</u>	<u>44,761,530</u>
10.1 Others include Statutory Dues, Advance from Customers and other year-end provisions.		
11. Short Term Provisions		
For Employee Benefits		
Gratuity	1,652,774	1,452,125
Leave Encashment	394,766	419,587
	<u>2,047,540</u>	<u>1,871,712</u>
Other Provisions		
For Proposed Dividend	NIL	4,891,620
For Tax on Dividend	NIL	831,331
For Contingencies	1,000,000	1,000,000
For Wealth Tax	34,671	29,216
	<u>1,034,671</u>	<u>6,752,167</u>
Provision for Taxes	8,400,000	8,400,000
Less : Taxes paid	7,202,889	7,202,889
	<u>1,197,111</u>	<u>1,197,111</u>
	<u>4,279,322</u>	<u>9,820,990</u>

12. FIXED ASSETS

(Amounts in `)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2013	During the Year		As At March 31, 2014	Upto March 31, 2013	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2014	As At March 31, 2014	As At March 31, 2013
		Additions	For Sale / Adjustments							
Tangible Assets										
Land										
Freehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Leasehold Land	23,585,328	NIL	NIL	23,585,328	3,603,314	327,575	NIL	3,930,889	19,654,439	19,982,014
Buildings	32,169,972	219,571	NIL	32,389,543	15,518,582	917,977	NIL	16,436,559	15,952,983	16,651,389
Plant and Equipments	547,098,013	6,023,578	NIL	553,121,591	270,162,711	21,506,147	NIL	291,668,858	261,452,733	276,935,302
Furniture and Fixtures	21,590,707	959,285	NIL	22,549,992	16,327,383	1,005,011	NIL	17,332,394	5,217,598	5,263,324
Office Equipments	5,129,398	233,046	NIL	5,362,444	3,496,635	252,408	NIL	3,749,043	1,613,401	1,632,763
Vehicles	12,765,082	608,799	NIL	13,373,881	4,038,602	1,244,584	NIL	5,283,186	8,090,695	8,726,480
	12,765,082	NIL	NIL	12,765,082	2,836,325	1,202,277	NIL	4,038,602	8,726,480	9,928,757
Current year	645,492,555	8,044,279	NIL	653,536,834	313,147,227	25,253,702	NIL	338,400,929	315,135,904	332,345,327
Previous year	633,372,935	12,536,119	416,500	645,492,555	288,357,888	24,857,120	67,781	313,147,227	332,345,326	345,015,047
Capital Work in progress	15,108,321	18,652,902	22,015,156	11,746,067	NIL	NIL	NIL	NIL	11,746,067	15,108,321
	9,298,877	25,993,001	20,183,567	15,108,321	NIL	NIL	NIL	NIL	15,108,321	9,298,877
Current year	15,108,321	18,652,902	22,015,156	11,746,067	NIL	NIL	NIL	NIL	11,746,067	15,108,321
Previous year	9,298,877	25,993,001	20,183,567	15,108,321	NIL	NIL	NIL	NIL	15,108,321	9,298,877

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

(Amounts in `)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2013	During the Year		As At March 31, 2014	Upto March 31, 2013	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2014	As At March 31, 2014	As At March 31, 2013
		Additions	For Sale / Adjustments							
Tangible Assets										
Buildings	51,221	NIL	NIL	51,221	1,375	831	NIL	2,206	49,015	49,846
Plant and Equipments	3,259,056	276,553	NIL	3,535,609	920,317	162,022	NIL	1,082,339	2,453,270	2,338,739
	3,211,664	47,392	NIL	3,259,056	767,448	152,869	NIL	920,317	2,338,739	2,444,216
Current year	3,310,277	276,553	NIL	3,586,830	921,692	162,853	NIL	1,084,545	2,502,285	2,388,585
Previous year	3,262,885	47,392	NIL	3,310,277	767,718	153,974	NIL	921,692	2,388,585	2,495,167

12.2 Sum of ` 11,704,883 (March 31, 2013: ` 10,956,098), including borrowing costs of ` NIL (March 31, 2013: ` 7,350,646), incurred in connection with such acquisition of the land is shown as Capital Work-in-progress under Fixed Assets.

12.3 However, in view of the delay in taking the possession of the land, borrowing costs of ` 2,822,982 incurred during the year has not been capitalised (to Capital Work-in-progress) and charged to the Statement of Profit and Loss.

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

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

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	As at March 31, 2014		As at March 31, 2013	
13. Non-current Investments				
Long-term Investments - valued at cost less provision for diminution in value other than temporary				
Other Investments (Non-trade)				
In Equity Instruments of Other Companies				
Quoted				
Sintex Industries Limited				
107,950 (March 31, 2013: 107,950) Equity Shares of ` 1 par value of Sintex Industries Limited		967,115		967,115
		<u>967,115</u>		<u>967,115</u>
	Cost	Market Value	Cost	Market value
Aggregated amount of Quoted Investments	967,115	4,749,800	967,115	4,976,495
14. Long-term Loans and Advances				
Unsecured and considered good				
Capital Advances	57,438,597			38,135,280
Security Deposits	<u>10,907,164</u>			<u>10,902,164</u>
		68,345,761		49,037,444
Other Loans and Advances				
Advances recoverable in cash or in kind for value to be received				
Considered Good		380,078		288,699
Taxes Paid	34,803,510			46,910,965
Less: Provision for Taxes	<u>21,429,652</u>			<u>35,795,213</u>
		13,373,858		11,115,752
		<u>82,099,697</u>		<u>60,441,895</u>
15. Other Non-current Assets				
Trade Receivables				
Considered Doubtful				
Outstanding for a period exceeding six months from the date they are due for payment	742,075			1,752,119
Less: Provision for Bad and Doubtful Debts	<u>742,075</u>			<u>1,752,119</u>
		NIL		NIL
		<u>NIL</u>		<u>NIL</u>
16. Inventories				
Raw Materials		16,562,605		10,738,951
Raw Materials - Goods-in-transit		17,007,393		36,365,856
Work-in-progress		46,587,509		25,312,001
Finished Goods		39,539,993		38,175,505
Fuel		1,429,348		938,474
Stores and Spares		<u>2,898,276</u>		<u>4,460,418</u>
		<u>124,025,124</u>		<u>115,991,205</u>



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	As at March 31, 2014	As at March 31, 2013
16.1 Details of Inventories :		
a. Work-in-Progress		
Ethylene Amines	42,243,669	19,698,761
Other Products	4,343,840	5,613,240
	46,587,509	25,312,001
b. Finished Goods		
Ethylene Amines	34,701,515	34,210,393
Other Products	4,838,478	3,965,112
	39,539,993	38,175,505
17. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	569,768	592,358
Others	80,102,043	102,839,472
	80,671,811	103,431,830
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	20,909	44,469
Balances with Banks		
- On Current Accounts	3,170,475	3,386,040
Other Bank Balances		
- On Fixed Deposit Accounts	6,434,487	17,937,199
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	9,625,871	21,367,708
19. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	4,282,314	4,442,922
Balance with Central Excise and Customs	16,028,175	9,221,294
	20,310,489	13,664,216
20. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	493,573	628,568
Deferred Premium on Forward Contracts	346,320	652,123
	839,893	1,280,691

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	For the Year ended March 31, 2014	For the Year ended March 31, 2013
21. Revenue From Operations		
Sale of products		
Manufactured Goods	470,528,599	616,866,986
Windmill Power Generated	<u>19,976,513</u>	<u>19,627,173</u>
	490,505,112	636,494,159
Other Operating Revenues		
Duty Drawback	401,821	592,666
Sale of Scrap	<u>761,698</u>	<u>1,746,136</u>
	491,668,631	638,832,961
Less: Excise Duty on Sales	<u>(52,280,145)</u>	<u>(64,805,018)</u>
	<u>439,388,486</u>	<u>574,027,943</u>
21.1 Details of Products Sold		
Sale of Manufactured Goods		
Ethylene Amines	441,611,264	578,407,177
Other Products	<u>28,917,335</u>	<u>38,459,809</u>
	<u>470,528,599</u>	<u>616,866,986</u>
22. Other Income		
Interest on Margin Money (Refer Note 22.1)	1,739,569	1,733,903
Dividend from Long-term Investment	75,565	70,168
Accounts Written Back	94,587	414,839
Provision No Longer Required Written Back	1,010,043	NIL
Miscellaneous Income	<u>120,321</u>	<u>85,152</u>
	<u>3,040,085</u>	<u>2,304,062</u>
22.1 Other Income includes income for prior period as under:		
Miscellaneous Income		
Interest on Deposits / Margin Money	NIL	5,314
	<u>NIL</u>	<u>5,314</u>
23. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	46,418,363	36,270,039
Add : Purchases	255,009,323	254,665,803
Less : Closing Stock of Raw Materials	<u>33,134,907</u>	<u>10,052,507</u>
	268,292,779	280,883,335
Packing Materials		
Opening Stock of Packing Materials	686,444	849,495
Add : Purchases	9,107,599	11,659,485
Less : Closing Stock of Packing Materials	<u>435,091</u>	<u>686,444</u>
	9,358,952	11,822,536
	<u>277,651,731</u>	<u>292,705,871</u>
23.1 Details of Raw Materials Consumed		
Ethylene Amines Feed Stock	248,325,987	228,664,487
Others	<u>19,966,792</u>	<u>52,218,848</u>
	<u>268,292,779</u>	<u>280,883,335</u>



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	For the Year ended March 31, 2014	For the Year ended March 31, 2013
24. Changes in Inventories of Finished Goods and Work-in-progress		
Stocks at the end		
Finished Goods	39,539,993	38,175,505
Work-in-progress	46,587,509	25,312,001
	86,127,502	63,487,506
Less: Stocks at the beginning		
Finished Goods	38,175,505	50,626,846
Work-in-progress	25,312,001	81,220,860
	63,487,506	131,847,706
	22,639,996	(68,360,200)
Excise Duty Provision on Finished Goods		
Closing Stock	6,393,053	6,244,637
Less : Opening Stock	6,244,637	3,291,841
	148,416	2,952,796
	(22,491,580)	65,407,404
25. Employee Benefit Expenses		
Salaries, Wages and Bonus	26,180,087	24,309,567
Contributions to Provident and Other Funds	2,374,412	2,270,315
Gratuity Expenses	625,149	1,243,709
Staff Welfare Expenses	4,352,587	4,292,806
	33,532,235	32,116,397
26. Finance Costs		
Interest Expense		
On Borrowings	23,291,391	23,609,193
On Others	4,492,151	6,919,684
	27,783,542	30,528,877
Other Borrowing Costs		
Processing Fees	813,150	2,060,904
Other Finance Charges	4,050,392	5,522,366
	32,647,084	38,112,147

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	For the Year ended March 31, 2014	For the Year ended March 31, 2013
27. Other Expenses		
Stores and Spares Consumed	7,311,294	6,401,615
Power and Fuel	41,070,287	50,728,243
Repairs and Maintenance		
Building	281,999	460,813
Machinery (Refer Note 27.1)	3,392,865	4,618,439
Others	515,167	971,447
	<u>4,190,031</u>	<u>6,050,699</u>
Insurance	2,412,552	2,365,199
Rates and Taxes (Refer Note 27.1)	955,278	1,637,148
Job Work Charges	325,400	7,448,492
Travelling and Conveyance	2,671,799	3,552,154
Directors' Sitting Fees	801,820	1,367,500
Commission to Directors	142,000	321,150
Legal and Professional Charges	3,007,166	2,865,304
Foreign Exchange Loss (Net)	10,710,766	3,141,598
Auditors' Remuneration		
Audit Fees	313,483	313,730
Tax Audit Fees	80,000	80,000
Certification Work	215,000	215,000
	<u>608,483</u>	<u>608,730</u>
Delay charges for the payment for allotment of Land	750,073	3,039,075
Miscellaneous Expenses	17,549,409	16,616,729
	<u>92,506,358</u>	<u>106,143,635</u>
27.1 Other Expenses include expenses incurred on Windmill Power generation as under:		
Repairs and Maintenance - Machinery	3,903,169	3,547,707
Rates and Taxes	96,034	220,832
	<u>3,999,203</u>	<u>3,768,539</u>
27.2 Expenses incurred on Research and Development during the year are included in the Statement of Profit and Loss as under:		
Employee Benefit Expenses (In Note 25)		
Salaries, Wages and Bonus	858,583	881,479
Contributions to Provident and Other Funds	119,038	100,419
Staff Welfare Expenses	NIL	765
	<u>977,621</u>	<u>982,663</u>
Cost of Materials Consumed (In Note 23)	123,455	60,527
Depreciation (In Note 12)	162,853	153,974
Other Expenses (In Note 27)		
Stores and Spares Consumed	990,444	1,010,446
	<u>2,254,373</u>	<u>2,207,610</u>



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28. Contingent Liabilities and Commitments :

	As At March 31, 2014	As At March 31, 2013
28.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	1,506,000	1,436,000
ii. Guarantees issued by the bankers on behalf of the Company	1,046,934	1,046,934
iii. In respect of the various advance licenses issued to the Company for the purposes of fulfilling the export and other related customs formalities, the Company has filed appeals and matters are pending before the Directorate General of Foreign trade (DGFT)	5,364,604	6,472,696
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ` 1,000,000 (March 31, 2013 : ` 1,000,000)]	2,550,000	23,50,000
v. Matters under disputes/appeals :		
a. Income-tax	425,000	425,000
b. Service Tax/ Excise	11,033,773	8,456,482
28.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	75,245,895	74,174,820
Less : Advances	57,438,597	38,135,280
Net Estimated Amount	17,807,298	36,039,540
ii. Other Commitments	NIL	NIL

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

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Obligation at period beginning	9,487,610	7,907,512	1,750,341	1,941,181
Current Service cost	499,413	464,672	164,842	247,098
Interest cost	759,009	691,907	140,027	169,853
Actuarial (gain) / loss	21,544	722,562	234,986	(323,647)
Benefits paid	(1,121,877)	(299,043)	(537,591)	(284,144)
Obligations at the year end	9,645,699	9,487,610	1,752,605	1,750,341
Change in plan assets				
Plan assets at period beginning, at fair value	7,833,253	6,825,597	NIL	NIL
Expected return on plan assets	665,827	597,240	NIL	NIL
Actuarial gain / (loss)	(11,010)	38,192	NIL	NIL
Contributions	499,616	671,267	NIL	NIL
Benefits paid	(1,121,877)	(299,043)	(537,591)	(284,144)
Plan assets at the year end, at fair value	7,865,809	7,833,253	(537,591)	(284,144)
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	7,865,809	7,833,253	NIL	NIL
Present value of the defined benefit obligations at the end of the year	9,645,699	9,487,610	1,752,605	1,750,341
Liability/(Asset) recognized in the Balance Sheet (Note 7 and Note 11)	1,779,890	1,654,357	1,752,605	1,750,341
Cost for the year				
Current service cost	499,413	464,672	164,842	247,098
Interest cost	759,009	691,907	140,027	169,853
Expected return on plan assets	(665,827)	(597,240)	Nil	Nil
Actuarial (gain) / loss	32,554	684,370	234,986	(323,647)
Net Cost recognized in the Statement of Profit and Loss (Note 25)	625,149	1,243,709	539,855	93,304
Category of assets				
Insurer managed funds	7,865,809	7,833,253	N.A.	N.A.
Total	7,865,809	7,833,253	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	9.35%	8.75%	9.35%	8.75%
Estimated rate of return on plan assets	8.70%	8.75%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	654,817	635,432	N.A.	N.A.

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

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

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Experience adjustment					
On plan liability (gain)/ loss (*)	547,608	427,149	675,611	267,052	---
On plan assets gain/ (loss) (*)	(11,010)	38,192	44,696	58,710	---
Present value of benefit obligation	9,645,699	9,487,610	7,907,512	6,937,017	5,826,689
Fair value of plan assets	7,865,809	7,833,253	6,825,597	6,247,804	5,280,705
Excess of obligation over plan assets (net)	1,779,890	1,654,357	1,081,915	689,213	545,984

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

The expected contribution is based on the same assumptions used to measure the Company's Gratuity obligations as at March 31, 2014. The Company is expected to contribute ` 1,652,774 for the year ended March 31, 2015.

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

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

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	471,692,118	619,205,788
Less: Excise Duty on Sales	52,280,145	64,805,018
	<u>419,411,973</u>	<u>554,400,770</u>
b. Power Generation		
Total Power generated	22,820,095	24,392,066
Less: Captive Power used for Speciality Chemicals	2,843,582	4,764,893
Net as per the Statement of Profit and Loss	19,976,513	19,627,173
Total REVENUE	<u><u>439,388,486</u></u>	<u><u>574,027,943</u></u>
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ` 2,843,582 (Previous Year ` 4,764,893)]	19,697,771	36,442,860
b. Power Generation		
Total	10,537,316	12,363,622
Less: Of Captive Power	(49,006)	2,100,286
Net as per the Statement of Profit and Loss	10,586,322	10,263,336
Total	<u>30,284,093</u>	<u>46,706,196</u>
Less: a. Interest Expense	27,783,542	30,528,877
b. Exceptional Items	NIL	NIL
Add: Interest and Dividend Income	1,815,134	1,798,756
	<u>25,968,408</u>	<u>28,730,121</u>
Profit before Tax	<u>4,315,685</u>	<u>17,976,075</u>
Current Tax	1,331,000	4,000,000
Deferred Tax	620,000	497,259
Current Tax Adjustments of Earlier Years	(1,523,730)	NIL
	<u>427,270</u>	<u>4,497,259</u>
Profit after Tax	<u><u>3,888,415</u></u>	<u><u>13,478,816</u></u>
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	530,811,443	544,979,283
b. Power Generation	100,269,555	107,536,157
c. Others – Unallocated	14,340,973	12,082,867
Total	<u><u>645,421,971</u></u>	<u><u>664,598,307</u></u>

PARTICULARS	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Segment Liabilities		
a. Speciality Chemicals	222,083,860	265,077,727
b. Power Generation	420,477	3,200,453
c. Others – Unallocated	79,720,706	56,024,970
Total	302,225,043	324,303,150
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets – Capital Advances	8,834,248 19,303,317	27,644,439 38,135,280
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	28,137,565	65,779,719
Depreciation during the year		
a. Speciality Chemicals	16,420,717	16,024,135
b. Power Generation	7,846,341	7,846,341
c. Others – Unallocated	NIL	NIL
Total	24,267,058	23,870,476

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

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

32.1 Following transactions were carried out in the ordinary course of business with the parties referred to in (32.2) below. There were no amounts written off or written back from such parties during the year.

Particulars	Associate		Key Managerial Personal		Subsidiary of Associate [As in 4(i) of Note 32.2 below]	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Remuneration	NIL	NIL	2,718,905	2,481,255	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/Packing materials	NIL	3,997,054	NIL	NIL	NIL	NIL
Sales	150,832	14,355	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	287,342	279,466
Dividend paid	1,488,998	2,977,996	NIL	NIL	NIL	NIL
Transaction on behalf:						
Cenvat Credit Paid for	NIL	NIL	NIL	NIL	NIL	NIL
Cenvat Credit Availed for	82,738	NIL	NIL	NIL	NIL	NIL
Expenses Reimbursed to	26,893	114,340	NIL	NIL	NIL	NIL
Expenses Recovered from	606,970	NIL	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date						
Amounts due from	NIL	190,486	NIL	NIL	NIL	NIL
Amounts due to	NIL	NIL	NIL	NIL	2,300,000	2,300,000

32.2 The related parties included in the various categories above, where transactions have taken place are given below:

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

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

Particulars		For the Year ended March 31, 2014	For the Year ended March 31, 2013
Numerator for Basic and diluted earnings per Share			
Net Profit/ (Loss) after tax for the year	(a)	3,888,415	13,478,816
Denominator for Basic and Diluted Earnings per Share			
Weighted average number of Shares	(b)	9,783,240	9,783,240
Basic and Diluted Earnings per Share	[(a)/ (b)]	0.40	1.38
Face value per Share		10	10

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

Particulars	As At April 1, 2013	Additions during the year	Paid/reversed during the year	As At March 31, 2014
Leave Encashment	1,750,341 (1,941,181)	539,885 (93,304)	537,621 (284,144)	1,752,605 (1,750,341)
Gratuity	1,654,357 (1,081,915)	625,149 (1,243,709)	499,616 (671,267)	1,779,890 (1,654,357)
Proposed Dividend	4,891,620 (9,783,240)	NIL (4,891,620)	4,891,620 (9,783,240)	NIL (4,891,620)
Tax on Proposed Dividend	831,331 (1,587,086)	NIL (831,331)	831,331 (1,587,086)	NIL (831,331)

35. Consumption of Imported/ Indigenous Materials:

Particulars	For the Year ended March 31, 2014		For the Year ended March 31, 2013	
	Percentage		Percentage	
Raw Materials				
Imported	96.05%	257,688,362	92.96%	261,098,493
Indigenous	3.95%	10,604,417	7.04%	19,784,842
TOTAL	100.00%	268,292,779	100.00%	280,883,335
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	7,311,294	100.00%	6,401,615
TOTAL	100.00%	7,311,294	100.00%	6,401,615

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



	For the Year ended March 31, 2014	For the Year ended March 31, 2013
36. Value of imports calculated on CIF basis:		
Raw Materials	211,456,564	223,899,906
37. Expenditure in foreign currency:		
Traveling and Conveyance	6,58,295	9,16,485
Subscription	79,434	28,756
Interest – Buyer's Credit	878,505	2,105,996
Total	1,616,234	3,051,237
38. Earnings in foreign currency :		
Export of goods on FOB basis	37,978,608	29,753,664

39. Financial and Other Derivative Instruments:

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

Particulars	Amount in USD		Amount In `	
	As At March 31, 2014	As At March 31, 2013	At March 31, 2014	As At March 31, 2013
Import Trade Payables	429,698	NIL	27,783,803	NIL
Buyer's Credit	NIL	1,225,172	NIL	68,282,364
TOTAL	429,698	1,225,172	27,783,803	68,282,364

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

Particulars	Amount in USD		Amount In `	
	As At March 31, 2014	As At March 31, 2013	At March 31, 2014	As At March 31, 2013
Advance received from/ other payable to customer	NIL	16,300	NIL	886,545
Export Receivables	413,631	NIL	23,876,975	NIL
TOTAL	413,631	16,300	23,876,975	886,545

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

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 6, 2014.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 6, 2014.



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ATTENDANCE SLIP

CIN NO: **L24110GJ1976PLC002905**

NAME OF THE COMPANY: **Diamines and Chemicals Limited**

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

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

I/We hereby record my/our presence at the 38th Annual General Meeting held at Plot No.13, PCC Area,P.O. Petrochemicals,Vadodara –391 346 at 12:00 Noon on Tuesday, the 12th August, 2014.

DP ID No.*:	L.F No:
Client ID No.*:	No. of Shares held:
Name and Address of the Shareholder (s):	
If Shareholder (s), Please Sign here	If Proxy, Please Sign here

.....

Form No: MGT-11

PROXY FORM

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

CIN NO: **L24110GJ1976PLC002905**

NAME OF THE COMPANY: **Diamines and Chemicals Limited**

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

Name of Member (s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

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

- 1) Name: _____
Address: _____

E-mail Id:
Signature: _____, or failing him

- 2) Name: _____
Address: _____

E-mail Id:
Signature: _____, or failing him

- 3) Name: _____
Address: _____

E-mail Id:
Signature: _____,

.....
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th (Thirty-Eighth) Annual General Meeting of the Company, to be held on the 12th day of August, 2014 at 12:00 Noon at Registered office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- 1) To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2014 including the Audited Balance sheet as at March 31, 2014, the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Kirat Patel, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Shreyas Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) Appointment of M/s Bansi S Mehta & Co. Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
- 5) Appointment of Mr. Ghanshyam Govind Chendwankar (DIN: 00031722) as an independent Director of the Company.
- 6) Appointment of Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898) as an independent Director of the Company.
- 7) Appointment of Mr. Dhruv Subodh Kaji (DIN: 00192559) as an independent Director of the Company.
- 8) Appointment of Dr. Ambrish Keshav Dalal (DIN: 02546506) as an independent Director of the Company.
- 9) Appointment of Mr. Rajendra Chhabra (DIN: 00093384) as an independent Director of the Company.
- 10) To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2015.
- 11) Ratification of Borrowing limits in terms of Section 180 (1) (c) of the Companies Act, 2013.
- 12) Ratification of the power to create charges on the asset of the company in terms of Section 180 (1) (a) of the Companies Act, 2013.

Sign this _____ day of _____ 2014

Signature of Shareholder: _____

Signature of proxy holder (s): _____



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

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



Form No: MGT-12
POLLING PAPER

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

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

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

BALLOT PAPER

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

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

No.	Item	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2014 including the Audited Balance sheet as at March 31, 2014, the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon			
2	To appoint a Director in place of Mr. Kirat Patel, who retires by rotation and being eligible, offers himself for re-appointment			
3	To appoint a Director in place of Mr. Shreyas Mehta, who retires by rotation and being eligible, offers himself for re-appointment			
4	Appointment of M/s Bansi S Mehta & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration			
5	Appointment of Mr. Ghanshyam Govind Chendwankar (DIN: 00031722) as an independent Director of the Company			
6	Appointment of Mr. Govindarajapuram Sheshadri Venkatachalam (DIN: 02205898) as an independent Director of the Company			
7	Appointment of Mr. Dhruv Subodh Kaji (DIN: 00192559) as an independent Director of the Company			
8	Appointment of Dr. Ambrish Keshav Dalal (DIN: 02546506) as an independent Director of the Company			
9	Appointment of Mr. Rajendra Chhabra (DIN: 00093384) as an independent Director of the Company			
10	To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2015			
11	Ratification of Borrowing limits in terms of Section 180 (1) (c) of the Companies Act, 2013			
12	Ratification of the power to create charges on the asset of the company in terms of Section 180 (1) (a) of the Companies Act, 2013			

Place:

Date:

(Signature of Shareholder)

To

If undelivered, please return to



Diamines and Chemicals Limited

Regd Office :

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

 **Pratiksha**
98252 62512

FINANCIAL HIGHLIGHTS OF THE LAST DECADE

(₹ in Lacs)

FINANCIAL YEAR ENDING	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014
GROSS SALES (BASIC + EXCISE)	1988.27	2373.60	2325.97	1931.41	3173.97	4686.21	8864.80	7090.85	6168.66	4705.28
OPERATING PROFIT(LOSS)(PBIDT)	847.68	890.06	1045.97	599.83	531.03	1867.79	2552.17	1077.91	834.83	620.22
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	726.75	781.77	801.33	277.56	209.59	1446.93	2028.43	503.45	215.01	79.31
PROFIT (LOSS) AFTER INCOME TAX (As per Note 2)	455.55	611.43	688.38	170.89	136.32	935.42	1470.99	360.42	170.04	75.04
GROSS FIXED ASSETS (As per Note 3)	3244.11	3839.68	4530.78	4566.49	4614.17	5461.06	5782.02	6333.72	6454.92	6535.36
NET FIXED ASSETS	1450.94	1955.51	2485.36	2364.11	2319.15	3002.75	3124.11	3450.15	3323.45	3151.35
NET CURRENT ASSETS	(300.96)	(407.96)	57.55	793.54	708.93	1298.07	63.80	179.35	89.98	235.96
EQUITY SHARE CAPITAL	652.22	652.22	652.22	652.22	652.22	652.22	652.22	978.32	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	822.18	883.32	952.17	966.23	966.23	1449.15	2128.49	2049.10	2161.92	2236.96
BOOK VALUE (₹)	8.30	11.95	17.85	19.29	20.21	32.22	42.63	30.94	32.10	32.87
EARNING PER SHARE (₹)	6.97	9.36	10.54	2.61	2.09	14.34	22.55	3.68	1.74	0.77
EQUITY DIVIDEND (%)	25%	50%	40%	10%	10%	20%	60%	10%	5%	-

Notes:

1. 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.
2. Income Tax includes, both current and deferred tax.
3. Includes revaluation effected on 1.3.97 to Lease hold land & buildings.
4. Book value has been computed considering the networth i.e share capital plus reserves and surplus less accumulated losses and miscellaneous expenditure.

**38th
ANNUAL REPORT
2013- 2014**



Diamines and Chemicals Limited
CIN NO:L24110GJ1976PLC002905

