

Dt: 29th September, 2015

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

Stock Code: 500120

Fax no. 022 – 22722037/39/41/61
22723121/ 22723719

Dear Sir,

Sub: Application for Approval under Clause 24 (f) of the Listing agreement for the proposed Amalgamation of “Diamines Speciality Chemicals Limited”, a wholly owned Subsidiary with “Diamines and Chemicals Limited”, a Holding Company

The Board of Directors of the Company in its Board meeting held on 29th September 2015 has approved the draft scheme of Amalgamation of Diamines Speciality Chemicals Limited (DSCL) with Diamines and Chemicals Limited (DACL).

Documents required to be submitted for approval under Clause 24(f) of the Listing Agreement, for the Scheme of Amalgamation / Arrangement (including reduction in capital, arrangement with creditors, etc.) proposed to be filed under sections 391, 394 and 101 of the Companies Act, 1956:

Sr. No.	Documents to be submitted along with application under Clause 24(f) of the Listing Agreement	Page Nos.
1.	Certified true copy of the resolution passed by the Board of Directors of the company. Attached as Annexure – A	1 to 4
2.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the High Court. Attached as Annexure – B	5 to 28
3.	Valuation report from Independent Chartered Accountant as applicable as per Para 4 of SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. Attached as Annexure – C	29
4.	Report from the Audit Committee recommending the draft scheme taking into consideration, inter alia, the valuation report at sr. no. 3 above. Attached as Annexure – D	30 & 31



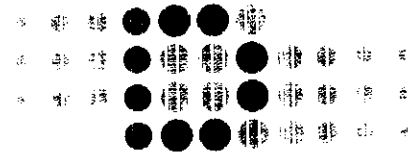
Diamines and Chemicals Limited (CIN No. L24110GJ1976PLC002905)

Plot No. 13 P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara 391 346, Gujarat (India). T: +91 265 2230305, 2230406, F: +91 265 2230218 E: info@dacl.co.in, W: dacl.co.in

5.	Fairness opinion by Merchant Banker. Attached as Annexure - E	32 to 34
6.	Shareholding pattern of all the companies' pre and post Amalgamation / Arrangement as per Clause 35 of the Listing Agreement. Attached as Annexure - F	35 to 46
7.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old). Attached as Annexure - G	47 & 48
8.	Compliance Report as per clause 49 of the listing agreement per Annexure II (Revised) . Attached as Annexure - H	49 & 50
9.	Complaint report as per Annexure III . (To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme).	-
10.	Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 as per Annexure IV . Attached as Annexure - I .	51 & 52
11.	If as per the company, approval from the shareholders through postal ballot and e-voting, as required under Para 5.16(a), is not applicable then as required under Para 5.16 (b), submit the following: a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Para 5.16(a). b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate. Attached as Annexure - J	53 to 56
12.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE. Already submitted and marked as Annexure - A	-
13.	Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure V . Attached as Annexure - K .	57 to 59
14.	Net worth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company. Attached as Annexure - L	60 & 61
15.	Capital evolution details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure VI . Attached as Annexure - M	62 & 63
16.	Confirmation by the Company Secretary as per format enclosed as Annexure VII . Attached as Annexure - N	64
17.	Statutory Auditor's Certificate confirming the compliance of	65 & 66

11/11/2013





Diamines
Quality driven

CERTIFIED TRUE COPY OF AN EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON 29TH SEPTEMBER, 2015 AT MUMBAI.

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("Act") if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Memorandum of Association read with the Articles of Association of Diamines And Chemicals Limited and subject to the requisite approval of the shareholders, creditors and such other governmental/statutory authorities, if required or as may be directed by High Court of Judicature at Ahmedabad, Gujarat, consent of the Board of Directors (hereinafter referred to as the 'Board') be and is hereby accorded for approving the Scheme of Amalgamation (Scheme) between Diamines Speciality Chemicals Limited ("Transferor Company") and Diamines and Chemicals Limited ("Transferee Company") in relation to the consolidation and merger of the business and undertaking of the transferor Company into the Company as per the terms and conditions provided in detail in the Scheme with effect from the Appointed Date, as placed before the Board and initialed by the Chairman for the purpose of identification

"RESOLVED FURTHER THAT "BSE Limited" be the designated Stock Exchange for the purpose of the Scheme.

"RESOLVED FURTHER THAT Mr. G S Venkatchalam, Executive Director and/or Mr. Rajendra Chhabra, director and/or Ms. Dimple Mehta, Company Secretary of the Company be and are hereby jointly and severally authorized to take all actions and decide all matters relating to and/or incidental to the aforesaid Scheme, including but not limited to:

(i) to prepare and sign the scheme of amalgamation, applications, petitions, affidavits', undertakings, vakalatnamas, declarations, letters, notices, documents, papers and the like on behalf of the Company in consultation with the advocates appointed for the purpose of giving effect to the said scheme of amalgamation;

(ii) to file and submit the scheme of amalgamation, necessary petitions, affidavits, letters, documents, papers and the like with the High Court of Judicature at Ahmedabad, Gujarat, Registrar of Companies, Ahmedabad, Gujarat, NCLT, Regional Director (Northern Western Region) and / or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules, regulations;

(iii) to make such modifications/ alterations/ changes therein as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by the High Court, Registrar of Companies, NCLT, Regional

1.

Diamines and Chemicals Limited (CIN No. L24110GJ1976PLC002905)

Plot No. 13 P.C.C. Area, PO Petrochemicals, Dist. Vadodara 391 346, Gujarat (India). T: +91 265 2230305, 2230406, F: +91 265 2230213 E: info@daci.co.in W: daci.co.in

Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;

(iv) To withdraw the Scheme at any stage in case the changes or modifications required in this Scheme or the conditions imposed by the Court, and/or any other authority, are not acceptable, and if the Scheme cannot be implemented otherwise and to do all such acts, deeds and things considered necessary in connection therewith or incidental thereto;

(v) To settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;

(vi) To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from the Court to do or perform such incidental; consequential and supplemental acts as are necessary or considered appropriate to implement the aforesaid scheme of amalgamation."

"RESOLVED LASTLY THAT Core committee viz. "Amalgamation Committee" of the Board of Directors of the Company be and is hereby formed, that shall discharge the functions/decisions/matters relating to Amalgamation for and on behalf of the board of directors and to do all such acts, deeds, things or matters that will be required to give effect to the scheme of amalgamation and matters as prescribed under section 391 to 394 of the Companies Act, 1956 and any other statute for the time being in force. All the decisions taken by the Committee shall be deemed to be validly passed by the Board of Directors of the Company and such resolutions shall be ratified by the Board in the next Board Meeting of the Company. The committee shall comprise of following members:

1. Mr. Rajendra Chhabra, Chairman of the Committee
2. Mr. Kirat Patel, Member
3. Mr. Govindarajapuram Seshadri Venkatachalam, Member

Company Secretary of the Company shall act as a Secretary to the Committee."

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For, Diamines and Chemicals Limited



Dimple Mehta
Company Secretary



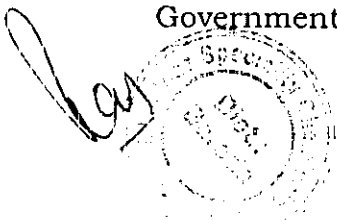
Diamines

**CERTIFIED TRUE COPY OF AN EXTRACT FROM THE MINUTES OF
THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY
HELD ON 29TH SEPTEMBER, 2015 AT MUMBAI.**

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("Act") if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Memorandum of Association read with the Articles of Association of Diamines Speciality Chemicals Limited and subject to the requisite approval of the shareholders, creditors and such other governmental/statutory authorities, if required or as may be directed by High Court of Judicature at Ahmedabad, Gujarat, consent of the Board of Directors (hereinafter referred to as the 'Board') be and is hereby accorded for approving the Scheme of Amalgamation (Scheme) between the Company, viz., Diamines Speciality Chemicals Limited ("Transferor Company") and Diamines and Chemicals Limited ("Transferee Company") in relation to the consolidation and merger of the business and undertaking of the Company into the Transferee Company as per the terms and conditions provided in detail in the Scheme with effect from the Appointed Date, as placed before the Board and initialed by the Chairman for the purpose of identification;

"RESOLVED FURTHER THAT Mr. Yogesh Kothari, and/or Mr. Amit Mehta and/or Mr. Rajendra Chhabra, directors of the Company be and are hereby jointly and severally authorized to take all actions and decide all matters relating to and/or incidental to the aforesaid Scheme, including but not limited to:

- (i) to prepare and sign the scheme of amalgamation, applications, petitions, affidavits, undertakings, vakalatnama, declarations, letters, notices, documents, papers and the like on behalf of the Company in consultation with the advocates appointed for the purpose of giving effect to the said scheme of amalgamation;
- (ii) to file and submit the scheme of amalgamation, necessary petitions, affidavits, letters, documents, papers and the like with the High Court of Judicature at Ahmedabad, Gujarat, Registrar of Companies, Ahmedabad, Gujarat, NCLT, Regional Director (Northern Western Region) and / or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules, regulations;
- (iii) to make such modifications/ alterations/ changes therein as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by the High Court, Registrar of Companies, NCLT, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;



Diamines Speciality Chemicals

Ltd. (CIN : U24100GJ2012PLC068634)

Regd. Office: Plot No.13, P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara 391 346, Gujarat (India). T: +91 265 2230305, 2230406, F: -91 265 2230218 E: dscpl@dacl.co.in

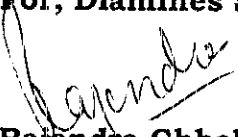
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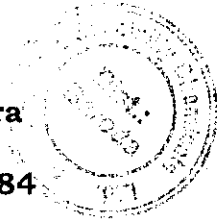


- (iv) to withdraw the Scheme at any stage in case the changes or modifications required in this Scheme or the conditions imposed by the Court, and/or any other authority, are not acceptable, and if the Scheme cannot be implemented otherwise and to do all such acts, deeds and things considered necessary in connection therewith or incidental thereto;
- (v) to settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- (vi) To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from the Court to do or perform such incidental; consequential and supplemental acts as are necessary or considered appropriate to implement the aforesaid scheme of amalgamation."

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For, Diamines Speciality Chemicals Limited


Rajendra Chhabra
Director
DIN NO. 00093384



(CIN: U24100GJ2012PLC068634)

Diamines Speciality Chemicals Ltd.

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SCHEME OF ARRANGEMENT

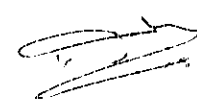
BETWEEN

DIAMINES SPECIALITY CHEMICALS LIMITED

WITH

DIAMINES AND CHEMICALS LIMITED

This Scheme of Amalgamation provides for the amalgamation of **Diamines Speciality Chemicals Limited** with **Diamines And Chemicals Limited** pursuant to Sections 391 read with Section 394 and other applicable provisions of the Companies Act, 1956/2013.



1. GENERAL

This Scheme of Amalgamation (hereinafter referred to as the “Scheme” provides for the amalgamation of **Diamines Speciality Chemicals Limited**, (CIN NO: U24100GJ2012PLC068634) a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 13, PCC Area, Petrochemicals, Vadodara, Gujarat-391346, (hereinafter referred to as the “Transferor Company” or “DSCL” or “Wholly Owned Subsidiary” or “WOS”) with **Diamines and Chemicals Limited**, (CIN No. L24110GJ1976PLC002905) a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 13, PCC Area, Petrochemicals Vadodara, Gujarat-391346 (hereinafter referred to as the “Transferee Company” or “DACL” or “Holding Company” or “Parent Company”), pursuant to Section 394 and the relevant provisions of the Companies Act, 1956 and the dissolution of the Transferor Company without winding up.

2. RATIONALE OF THE SCHEME:

The amalgamation of the Transferor Company/WOS with the Transferee Company/Holding Company is in the interests of both the company and shall result in the following benefits:

1. The consolidated entity shall provide strategic and competitive advantage to achieve its desired object. The proposed amalgamation of the Transferor Company with the Transferee Company is in line with current global trends to achieve size, scale, integration and greater financial strength and flexibility. The consolidated entity is likely to achieve higher long term financial returns than could be achieved individually by the Transferor Company.

3. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

“**Act**” means the Companies Act, 1956 and/or Companies Act, 2013 (to the extent applicable) and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

“**Appointed Date**” means the 1st day of April, 2015 or such other date as may be approved by the Hon’ble High Court, Ahmedabad, Gujarat.

“**Applicable Laws**” means any statutes, notifications, bye-laws, rules, regulations, guidelines, common law, policy code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.

“**Board**”

“Board” means the Board of Directors.

“**Court**” or “**High Court**” shall mean the Hon’ble High Court at Ahmedabad, Gujarat and shall include the Company Law Board (CLB)/ National Company Law Tribunal (NCLT), if applicable in case of Transferee Company.

“**Government Authority**” means any concerned Central, State or Local Government, Statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve bank of India or

arbitration or arbitral body having jurisdiction, Courts and other Government and regulatory authorities in each case.

“Effective Date” means the dates on which certified copies of the Orders of the High Court under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Gujarat at Ahmedabad.

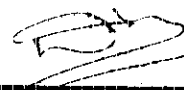
“DACL” means **Diamines And Chemicals Limited**, (CIN No. L24110GJ1976PLC002905) a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 13, PCC Area, Petrochemicals Vadodara, Gujarat-391346.

“DSCL” means **Diamines Speciality Chemicals Limited**, (CIN NO: U24100GJ2012PLC068634) a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 13, PCC Area, Petrochemicals, Vadodara, Gujarat-391346.

“Record Date” means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of Equity Shares to the Equity Shareholders of the Transferor Companies, if any applicable.

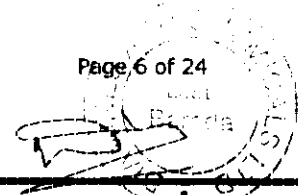
“Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation in its present form submitted to the Gujarat High Court, Ahmedabad or any other appropriate authority/forum formed or to be formed, for sanction with or without any modification(s), approved or imposed or directed by the said High Court.

“Transferor Company” shall mean DSCL or **“Wholly Owned Subsidiary”** or **“WOS”** and **“Transferee Company”** shall mean **“DACL”** or **“Holding Company”** or **“Parent Company”** as the context may require.



“Undertakings” shall mean:

- a) All the investments, assets and properties of the Transferor Company as on the appointed date (hereinafter referred to 'the said Assets');
- b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as “the said liabilities”);
- c) Without prejudice to the generality of the above, the undertaking of the Transferor Company shall include all the Transferor Company's reserves, provisions, funds, moveable and immovable properties including capital work in progress, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licenses, permits, authorizations, quota, rights, trade marks, patents, brands, secret formulae, drawings, research rights and other industrial intellectual properties, imports, telephone/facsimile/ telex and other communication facilities and equipments including Computers, Hardware, Software and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interests including rights & benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, authorized share capital of the Transferor Company, liberties, easements, advantages, and approval of whatsoever nature and where so ever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Company;



organic amines as well as chemicals, products, polymer additives, compounds both organic and inorganic derived from ethylene diamine, diethylene triamine and all other amines mentioned above and derivatives thereof, and all kind of chemicals, heavy chemicals, biochemicals, agro chemicals, acids, salts, alkalies and chemical preparation, articles and compounds, rubber chemicals, industrial and consumer chemicals, cellulose chemicals, electro chemicals, organic chemicals, inorganic chemicals, fine chemicals, pure chemicals, Auxiliaries both textile and paper, resins.. The Transferor Company was originally incorporated as Private Limited Company and consequent upon passing members resolution on 8th June 2015 with special majority converted into Public Limited Company. The certificate of Conversion of Company under Section 18 of the Companies Act, 2013 was issued by Registrar of Companies, Ahmedabad, Gujarat on 28th Day of July 2015.

5. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

6. SHARE CAPITAL

The Share Capital of the Transferor Company and the Transferee Company is described as under:

(All Amounts in Rs.)

DSCL	As on March 31, 2015
The share capital of DSCL as on March 31, 2015 is as under:	
Authorized Capital	
50,000 Equity Shares of Rs. 10/- each	5,00,000
TOTAL	5,00,000



Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs. 10/- each	5,00,000
TOTAL	5,00,000

DACL	As on March 31, 2015
The share capital of DACL as on March 31, 2015 is as under:	
Authorized Capital	
1,75,00,000 Equity Shares of Rs. 10/- each	17,50,00,000
TOTAL	17,50,00,000
Issued, Subscribed and Paid-up	
97,83,240 Equity Shares of Rs. 10/- each	9,78,32,400
TOTAL	9,78,32,400

7. VESTING OF UNDERTAKINGS

- i. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer and vesting, and subject to any corrections and adjustments as may, in the opinion of the board of directors of the Transferee Company be required, the Transferor Company shall dissolve without winding up and whole undertaking including all assets and properties of the Transferor Company as on the Appointed Date, and all the debts, liabilities, advances, duties and obligations of the Transferor Company as on the Appointed Date shall stand transferred to and vested in and/or deemed to be transferred to and vested as a going concern, in the Transferee Company without any further acts of any parties and without the consent of third parties.
- ii. Without prejudice to the generality of the aforesaid, the transfer as aforesaid shall include all the reserves, capital works in progress, tax entitlements and liabilities, movable and immovable assets and properties including land whether leased or otherwise, all other assets (whether tangible or intangible) of whatsoever nature, investments and loans and advances including interest thereon, lease and hire

purchase contracts, powers, authorities, allotments, approvals, consents, letters of intent, industrial and other government or statutory licenses, registrations, rights, leases, leave and license agreements, titles, interests, benefits and advantages of any nature whatsoever and where so ever situated, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by them, including but without being limited to all patents, patent rights applications, trademarks, service marks, trade names, patents, copyrights and/or any pending applications thereto and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, tenancies, easements, advantages, benefits, leases, ownership flats, goodwill, quota rights, permits, approvals, authorizations, right to use and avail telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services of every kind, nature and descriptions whatsoever, earnest monies and/or security deposits, reserves, provisions, funds, benefit of all agreements, arrangements, subsidies, grants, tax credits, sales tax, turnover tax, service tax, customs and all other interests arising to the Transferor Company, the entire business and benefits and advantages of whatsoever nature and where so ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, stand transferred to and vested in and/or be deemed to be and stand transferred to and vested as a going concern, in the Transferee Company pursuant to the provisions of Section 394 of the Act so as to become as and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company. The mode of vesting of the movable property shall be in accordance with Clause 7.iii.

iii. 7.iii The mode of vesting of the properties referred in 7.i and 7.ii shall be as under:

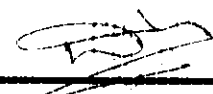
7.iii.a In respect of such of the said properties as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred by the Transferor Company and shall become the property of the Transferee Company without requiring any deed or instrument of conveyance for the same.

7.iii.b In respect of such of the said properties other than those referred to in Clause 7.iii.a above the same shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company as on the Appointed Date.

7.iii.c In respect of the movable properties other than those specified in Clause 7.iii.a above, including sundry debtors, outstanding loans, advances recoverable in cash or in kind or for value to be received, bank balances and deposits with Government, Semi Government, Local and other authorities, bodies etc. the same shall be so transferred by the Transferor Company and shall become the property

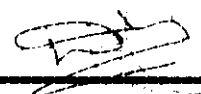
of the Transferee Company without requiring any deed or instrument of conveyance for the same and the same shall become the property of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, loans or advances have arisen in order to give effect to the provisions of this Clause. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to such person or debtor that pursuant to this Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover and realize the same is in substitution of the rights of Transferor Company.

- iv. Upon coming into effect of the Scheme and with effect from the Appointed Date:
- a) All debts, liabilities, duties and obligations of the Transferor Company other than liabilities being extinguished pursuant to the terms of the Scheme, (hereinafter referred to as the "Said Liabilities") shall also be and stand transferred or be deemed to be and stand transferred to the Transferee Company, without any further act, instrument or deed of the Transferee Company, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. Provided always that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the Appointed Date which shall be transferred to and be vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefore after the Appointed Date or otherwise.
 - b) Any loans or other obligations due between the Transferor Company and the Transferee Company shall stand cancelled/ extinguished and there shall be no liability in that behalf from the Appointed Date.
- v. IT IS CLARIFIED THAT all debts, liabilities, duties and obligations of the Transferor Company as on the start of the business on the Appointed Date provided for in the Books of Accounts and all other liabilities which may accrue or arise on or after the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company.
- vi. IT IS CLARIFIED THAT all assets and receivables whether contingent or otherwise of the Transferor Company as on start of business on the Appointed Date provided for in the Books of Accounts and all other assets or receivables



which may accrue or arise on or after the Appointed Date shall be the assets and receivables or otherwise as the case may be of Transferee Company.

- vii. Upon the coming into effect of this Scheme in accordance with the provisions hereof, the borrowings of the Transferee Company, if any, in terms of Section 180(1)(C) of the Act without any further act or deed on the part of the Transferee Company shall stand enhanced equivalent to the authorised borrowing limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company, and if so required, those limits may be increased from time to time by the Transferee Company, by obtaining shareholders approval in accordance with the provisions of section 180(1)(c) of the Act.
- viii. The Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation in favour of any other party to any contract or arrangement to which secured creditors or Transferor Company are party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of Transferor Company and to implement or carry out all such formalities or compliance referred to above on their part to be carried out or performed.
- ix. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements including but not limited to all sales tax exemptions and or deferral benefits and/or any other direct or indirect tax benefits and all other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of Transferor Company, the Transferee Company had been party or beneficiary or obligee thereto. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.
- x. The Transferee Company shall draw up and finalise a consolidated Balance Sheet post-merger as on the Appointed Date (hereinafter the "**Consolidated Balance Sheet**") which shall be the opening Balance Sheet of the Transferee Company as on the Appointed Date.
- xi. The accounts of the Transferee Company as on the Appointed Date, as amalgamated in accordance with the terms of the Scheme shall be finalized on the basis of the Consolidated Balance Sheet as on the Appointed Date pursuant to this Scheme.



- xii. All taxes in respect of the profits and gains, including accumulated losses and unabsorbed depreciation and investment allowance of the business carried on by the Transferor Company before the Appointed Date shall be payable by the Transferee Company subject to such concessions and reliefs as may be allowed under the Income Tax Act, 1961 (43 of 1961) as a consequence of the amalgamation.
- xiii. Without prejudice to the generality of the aforesaid, the Transferee Company is expressly permitted to revise its Income Tax & loss returns and related TDS certificates and to claim refunds, advance tax credits etc., on the basis of the combined accounts of both the companies as reflected in the Consolidated Balance Sheet as on the Appointed Date pursuant to the terms of this Scheme and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.
- xiv. With effect from the Appointed Date in accordance with the CENVAT Credit Rules, 2004 framed under the Central Excise Act, 1944 as are prevalent at the Effective Date, the CENVAT credit lying unutilized in the Transferor Company, shall stand transferred to the Transferee Company as if the same were the CENVAT credit unutilized in the Transferee Company's accounts. It is declared that the transfer of the CENVAT credit stands allowed as stock of inputs as such or in process, including capital goods are also transferred by the Transferor Company to the Transferee Company. The inputs or capital goods on which the credit has been availed of have been duly accounted for.

8. CONSIDERATION

The Transferor Company is wholly owned subsidiary company of the Transferee Company, and accordingly the entire share capital of the Transferor Company is held by the Transferee Company. In view of the same, upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the entire undertaking of the Transferee Company, the Transferee Company shall not issue and allot any equity shares to the shareholders of the Transferor Company as the Transferee Company is itself holding the entire share capital of the Transferor Company.

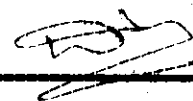
In so far as the equity shares or any other securities of the Transferor Company held by the Transferee Company on the Effective Date are concerned, such equity shares or securities shall be cancelled.

9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature, to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. Any inter se contracts between the Transferor Company and the Transferee Company shall stand merged and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective.

10. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatsoever nature (hereinafter called "The Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted or enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.



11. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

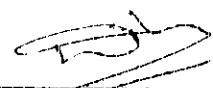
As the Transferor Company does not have any employees, no provision is being made for retaining employees by the Transferee Company under this scheme. However, all the staff, workmen or employees, in the service of the Transferor Company, if any exist, on the date immediately preceding the Effective Date of the merger shall become the employees of the Transferee Company on the basis that :

- a. their service shall have been continuous and shall not have been interrupted by reason of the amalgamation of the Transferor Company on the terms and conditions not less favorable than those subsisting with reference to their employment in the Transferor Company and without entailing any break in the continuity of service to the intent and effect that such employees had always been the employees of the Transferee company. The position, rank and designation of the employee would be decided the Transferee Company;
- b. Without prejudice to the generality of the aforesaid, the Transferee Company shall have the right to transfer the employees of the Transferor Company to any unit, division, profit/cost centre or department of the Transferee Company situated anywhere in India or overseas if warranted and as may be deemed necessary from time to time.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

On the Scheme becoming effective, the Transferee Company shall account for the merger in its books of accounts as under:

- (a) Recognizing that the amalgamation is to be considered as an "amalgamation in nature of merger" in accordance with the provisions of paragraph 29 of Accounting Standard 14-"Accounting for Amalgamations" (AS-14) specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, the accounting treatment in respect of assets, liabilities



and reserves and surplus of Transferor Company in the books of the Transferee Company shall be governed by the provisions of AS 14 “ the Pooling of Interest Method”. Accordingly, all the assets and liabilities of the transferor company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.

- (b) Upon the scheme coming in to effect, the respective balance/s appearing under the head “Miscellaneous Expenditure (to the extent not written off or adjusted)” in the books of the Transferor Company shall be debited by the Transferee Company to Miscellaneous Expenditure (to the extent not written off or adjusted) Account” and the same shall thereafter be dealt with, in the same manner as they would have been, had they been incurred by the Transferee Company.
- (c) As on the Appointed date, the balance lying to the credit/debit of the Statement of Profit and Loss in the books of the Transferor Company shall be credited/debited by the Transferee Company to the balance of its Statement of Profit and Loss and shall constitute (or reduce, as the case may be) the Transferee Company’s balance in Statement of Profit and Loss as effectively as if the same were created by the Transferee Company and credited (or debited, as the case may be) by the Transferee Company out of its own earned and distributable profits.
- (d) Inter Company deposits/loans and advances as also the shareholding between the Transferee Company and the Transferor Company shall stand cancelled.
- (e) Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and appropriately adjusted and reported in accordance with the applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

- (f) The difference, if any, between the net assets (assets less liabilities) and reserves of the Transferor Company transferred to the Transferee Company, after making the adjustments as mentioned in Clause 12(e) above, shall be adjusted in the reserves of the Transferee Company.

**13. AMENDMENT TO THE CAPITAL CLAUSE OF THE MEMORANDUM
OF ASSOCIATION OF THE TRANSFEREE COMPANY**

- a) Upon the scheme becoming effective, the Authorized Share Capital of the Transferor Company shall stand transferred to the Transferee Company without any further act, instrument or deed and without payment of any fees, stamp duty etc. and Clause V of the Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and approval of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 61 of the Companies Act, 2013 or any other applicable provisions of the act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased. Accordingly, Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

*V. The Authorized Share Capital of the Company is Rs. 17,55,00,000/-
(Rupees Seventeen Crore Fifty Five Lacs only) divided into 1,75,50,000*

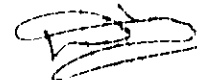
(One Crore Seventy Five Lacs Fifty Thousand only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

- b) Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations in the Capital Clause of Memorandum of Association of the Company, shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 61 and 64 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

14. BUSINESS AND PROPERTY IN TRUST FOR THE TRANSFEROR COMPANY

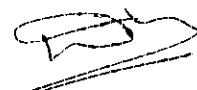
With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall:

- a) Carry on and be deemed to have carried on its business and activities belonging to the Transferor Company and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the entire business and undertakings or the appropriate part thereof belonging to the Transferor Company for and on account of and in trust for the Transferee Company;
- b) Save and Except in the ordinary course of business, Transferor Company shall carry on their business and activities with reasonable diligence, business prudence and shall not (without the prior written consent of Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose off any of their units/undertakings or any part thereof except pursuant to any pre-existing obligation undertaken by Transferor Company prior to the Appointed Date.



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- c) All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company in respect of its business and activities belonging to the Transferor Company, shall for all purposes be treated and deemed to be the profits or income or expenditure or losses of the Transferee Company as the case may be. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.
- d) Other than as provided under this Scheme, the transferor Company shall not make any change in its capital structure either by any increase, (by fresh issue of equity shares whether by way of public issue, private placement, on a rights basis, or issuance of bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect the consideration under this scheme, except by mutual consent of the respective Boards of Directors of both the Transferor Company and Transferee Company.
- e) The transferor Company shall not without prior approval of the Board of Directors of Transferee Company utilize the profits, if any, for any purpose including of declaring or paying any dividend in respect of the period falling on and after the Appointed Date.
- f) The Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business; and
- g) The Transferor Company shall not, without the written consent of the Transferee Company, undertake any new business.



With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by the Transferor Company.

15. DIVIDENDS, PROFITS, BONUS / RIGHTS SHARES

- a) Dividends may be declared or paid by the Transferor Company or Transferee Company after mutual consultation with each other;
- b) Subject to the provisions of the scheme, the profits of the Transferor Company for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed off in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending 31st March, 2015 or any year thereafter.
- c) The Transferor Company shall not issue or allot after the Appointed Date any rights shares, bonus shares or other shares out of their Authorized or unissued share capital for the time being, without the consent of each other.

16. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the entire business and the undertaking of the Transferor Company to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferor Company shall not affect any contracts or proceedings already concluded by the Transferor Company on or after the Appointed Date till the effective date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.



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GENERAL TERMS

It is clarified that all taxes payable by the Transferor Company, relating to the transferred undertaking, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its VAT and Sales tax returns, Excise & Modvat/ Cenvat returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme, if any.

In accordance with the Modvat / Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods lying to the account of the Transferor Company, if any, shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty payable by it.

17. WINDING UP

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.



18. APPLICATION TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the High Court of Gujarat at Ahmedabad under whose jurisdiction the registered offices of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act and for dissolution of the Transferor Company without being wound up.

19. MODIFICATIONS/AMENDMENTS TO THE SCHEME


The Transferor Company and the Transferee Company through their respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to the Scheme which the High Courts, shareholders of the Transferor Company and/or Transferee Company and/or any other competent authority may deem fit to approve and may give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Transferor Company and/or the Transferee Company for any reason whatsoever of the Transferor Company and/or Transferee Company shall be entitled to withdraw from the Scheme.

For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Board of Directors of the Transferor Company and the Transferee Company is authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise or appointing and authorizing any person for exercising the said powers.

20. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

- a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court or other concerned Government authorities in India on the application made for the directions under Section 391 to 394 of the said Act for calling meeting or otherwise and necessary resolutions being passed/consents obtained under the Applicable Laws for the purpose..
- b) The sanction of the High Court under Sections 391 to 394 of the said Act in favour of the Transferor Company and the Transferee Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.
- c) Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat at Ahmedabad by the Transferor Company and the Transferee Company, as the case may be.
- d) The Transferor Company shall have taken all steps to the satisfaction of



27.

the Transferee Company in order to ensure that vacant, lawful, peaceful and unencumbered possession/right/title and/or interest in the immovable properties/premises of the Transferor Company would be available to the Transferee Company on the Effective Date;

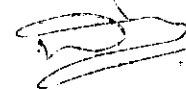
- e) Upon the Scheme finally coming into effect, the Directors of the Transferor Company shall cease to be the Directors of the Transferor Company.

21. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals referred to in Clause 21 not being obtained and/ or the Scheme not being sanctioned by the High Court of Judicature at Ahmedabad or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

22. COSTS, CHARGES & EXPENSES

Subject to Clause 22 of this Part, all costs, charges and expenses including stamp duty and registration fees of or in respect of any deed, document, instrument or Orders of the High Courts in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of the Scheme shall be borne and paid wholly by the Transferee Company.





VINESH MEHTA

To,
The Board of Directors,
Diamines And Chemicals Limited,
Plot No. 13, PCC Area, Petrochemicals,
Vadodara.

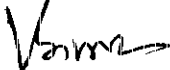
202, Amit Complex,
Opp. Panchratna Apartment,
Subhanpura, Vadodara.
Phone : 0265-6581987
E-mail : vineshmehta_co@yahoo.com

CERTIFICATE

1. We have examined the proposed scheme of Amalgamation between Diamines Speciality Chemicals Limited (DSCL) a wholly owned subsidiary Company with Diamines And Chemicals Limited (DACL) holding company or the transferee Company and their respective shareholders under section 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 or Companies Act, 2013 as the case may be, the proposed scheme of amalgamation of DSCL with DACL. for the purpose of certifying the non applicability of paragraph 5.2 of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as modified by paragraphs 4.2 to 4.4 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013).
2. The Management of the company is responsible for the maintenance of proper books of accounts and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation of the proposed scheme and for ensuing the compliance with the applicable regulations.
3. Our responsibility for the purpose of this certificate, is limited to certifying whether a valuation report is required to be obtained by the Company in terms of the above stated provisions of SEBI Circulars on the basis of proposed scheme, audited books of accounts and other relevant documents and records maintained by the Company, and did not include the evaluation of adherence by the Company with all applicable guidelines. We conducted our verification in accordance with the Guidance Note and Certificate for special purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.
4. On the basis of our verification of the proposed scheme, audited books of accounts and other relevant records and documents as referred to in paragraph 3 above and according to the information and explanations provided to us by the management of the Company, we certify that the condition of obtaining valuation Report mentioned in paragraph 5.2 Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as modified by paragraphs 4.2 to 4.4 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) is not applicable to the proposed scheme for the reason in terms of the proposed scheme;
 - I. there will not be issuance of shares or payment of other consideration by DACL to DSCL.
 - II. The shares of DSCL held by DACL shall stand cancelled; and
 - III. Consequently there will not be any change in the shareholding pattern of DACL.
5. This certificate is issued on the request of the Management of the Company for submission to the Bombay Stock Exchange and the Securities and Exchange Board of India and should not be used for any other purpose.

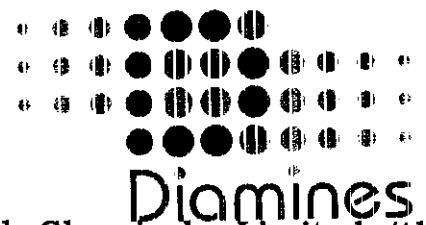
For Vinesh Mehta & Co.

Chartered Accountants
FRN No. 115449W


CA Vinesh Mehta
Proprietor
M No. 049554



Place : Vadodara
Date : Sept 19, 2015



Report of the Audit Committee of Diamines and Chemicals Limited (the "Company") recommending the draft scheme of Amalgamation of Diamines Speciality Chemicals Limited with the Company.

The Committee was informed about the proposal to amalgamate Diamines Speciality Chemicals Limited with Diamines and Chemicals and the draft Scheme of Amalgamation was placed before the meeting.

The Committee was also informed that as per the requirement of SEBI Circular No. CIR/CFD/DIL1/2073 dated February 4, 2013, listed companies are required to place before its Audit Committee, the valuation report obtained from an Independent Chartered Accountant and the Audit Committee shall furnish a report recommending draft scheme, taking in to consideration, the valuation report. The said circular was placed before the table.

The Committee perused the Scheme and noted that the transferor company, Diamines Specialty Chemicals Limited is a wholly owned subsidiary of the Company. The Committee noted following features of the draft Scheme:

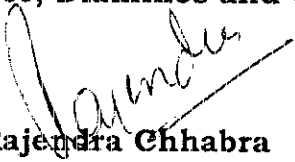
- a) Appointed Date for the amalgamation of Diamines Speciality Chemicals Limited with Diamines And Chemicals Limited to be 1st April, 2015;
- b) Inter-company investments and balances will stand cancelled as a result of amalgamation;
- c) All the assets, liabilities, employees, etc. of Diamines Speciality Chemicals Limited as on the Appointed Date will become the assets, liabilities, employees, etc. of Diamines and Chemicals Limited;
- d) Since Diamines and Chemicals Limited is the sole shareholder of Diamines Speciality Chemicals Limited, the shares of Diamines Speciality Chemicals Limited will stand cancelled as a result of amalgamation.

Since the transferee company is not required to issue to any shares to any person in consideration of and consequent up on the amalgamation and the paid up share capital of the transferor company is going to be extinguished, there is no question of valuation report to be obtained from an Independent Chartered Accountant and placing the same before the Audit Committee.

Recommendations of Audit Committee:-

After perusal of the rational of the Scheme and noting that the scheme will result in consolidation of the business in one entity and strengthen the position of the amalgamated entity, by enabling it to harness and optimize the synergies of the companies and that it would be in the best interests of both the companies and their respective shareholders, the Audit Committee considered, noted and recommended draft Scheme of Amalgamation inter-alia taking into consideration other reports and papers placed before the Committee, for the approval of the Board.

For, Diamines and Chemicals Limited



Rajendra Chhabra
Chairman (Audit Committee)
(DIN: 00093384)

Date: - 22.09.2015

Place: - Vadodara



Tip Sons

To
 The Board of Directors
 Diamines And Chemicals Limited
 Plot No. 13, PCC Area,
 Petrochemicals Vadodara,
 Gujarat-391346

Sub: Fairness opinion on the scheme of amalgamation of Diamines Speciality Chemicals Limited (DSCL) (WOS of DACL) with Diamines and Chemicals Limited (DACL)

Dear Sir,

We refer to our engagement letter dated 17th September, 2015 with Diamines and Chemicals Limited, wherein DACL has requested us to provide fairness opinion the scheme of amalgamation of Diamines Speciality Chemicals Limited (DSCL) (WOS) with Diamines And Chemicals Limited (DACL) (Holding Company).

1. BACKGROUND OF THE COMPANIES

Diamines And Chemicals Limited

Diamines And Chemicals Limited (CIN NO: L24110GJ1976PLC002905) (hereinafter referred to as DACL or Transferee), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 13, PCC Area, Petrochemicals Vadodara, Gujarat-391347 was incorporated on May 12, 1976 under Companies Act, 1956 as public limited companies with the name and style Diamines And Chemicals Limited. The Transferee Company is widely held Public Limited Company and the shares of the company is listed at Bombay Stock Exchange (BSE) vide stock code 500120.

Diamines Speciality Chemicals Limited

Diamines Speciality Chemicals Limited, (CIN NO: U24100GJ2012PLC068634) (hereinafter referred to as DSCL or Transferor), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 13, PCC Area, Petrochemicals, Vadodara, Gujarat-391346 was incorporated on January 16, 2012 under Companies Act, 1956 as Private Limited Company and further by passing members resolution on June 08, 2015 with special majority converted into Public Limited Company. The certificate of Conversion of Company was issued by Registrar of Companies, Ahmedabad, Gujarat on July 28, 2015. DSCL is wholly owned subsidiary company of the DACL.

2. SCOPE AND PURPOSE OF THIS REPORT

- i. DACL has appointed us to issue a fairness opinion on the scheme of amalgamation of Diamines Speciality Chemicals Limited (DSCL) with Diamines And Chemicals Limited (DACL).
- ii. In this connection, the management of DACL has engaged Tipsons to submit a fairness opinion on the Scheme of amalgamation as per requirements of Securities and Exchange Board of India Circular No. CIR / CFD / DIL / 5 / 2013 dated February 04, 2013 read with Circular No. CIR / CFD / DIL / 8 / 2013 dated May 21, 2013 and listing agreement entered by DACL with the BSE Limited. Our scope of work includes commenting only on the fairness of the Scheme of amalgamation.

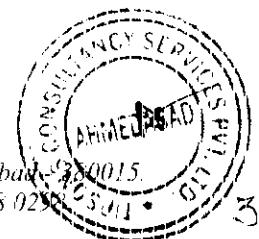
Tipsons Consultancy Services Pvt. Ltd.

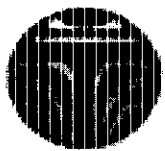
(CIN - U74140GJ2010PTC062799)

(MERCHANT BANKER, SEBI Regn. No. INM000011849)

Regd. Office : 401, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad-380015

Website : www.tipsons.com Phone : 079 - 3000 2004, 3042 7790, 3048 0295 Fax : 079 - 3048 0295





- iii. This report has been issued only for the purpose of facilitating the Scheme amalgamation of Diamines Speciality Chemicals Limited (DSCL) with Diamines and Chemicals Limited (DACL) and should not be used for any other purpose.

3. SOURCES OF INFORMATION

- i. We have relied on the following information for framing our opinion on the fairness of the Scheme of amalgamation.
- ii. Certificate issued by M/S Vinesh Mehta & Co, Chartered Accountants dated September 19, 2015 on the scheme of Amalgamation.
- iii. Draft Scheme of amalgamation.
- iv. Annual report for last three financial years of transferor and transferee companies for year ended on 2012-13, 2013-14 and 2014-15.
- v. Latest share holding pattern of transferee company
- vi. Other relevant information and explanation.

4. RATIONALE AND KEY FEATURES OF THE SCHEME OF AMALGAMATION

- i. The consolidated entity shall provide strategic and competitive advantage to achieve its desired object. The proposed amalgamation of the Transferor Company with the Transferee Company is in line with current global trends to achieve size, scale, integration and greater financial strength and flexibility. The consolidated entity is likely to achieve higher long term financial returns than could be achieved individually by the Transferor Company.
- ii. The proposed amalgamation of both the companies will bring administrative and operational rationalization, organizational efficiencies and rationalization in economies of scale and more optimal utilization of various resources. The synergies created by the merger may increase operational efficiency and integrate marketing functions. This would contribute towards enhancement of shareholders' value of the Transferee Company.

5. LIMITATIONS OF SCOPE AND REVIEW

- i. Our Opinion and analysis is limited to the extent of review of documents as provided to us by DACL and DSCL. We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial forecasts relating to DACL and DSCL.
- ii. We do not express any opinion as to the price at which shares of DACL may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme of amalgamation will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme of amalgamation, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on scheme.

Tipsons Consultancy Services Pvt. Ltd.

CIN - U74140GJ2010PTC062799

(MERCHANT BANKER, SEBI Regn. No. INM000011849)

Regd. & Corp. Office: 401, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015

Website: www.tipsons.com, Phone: 079 - 3000 2004, 3042 7790, 3048 0295, Fax: 079 3048 0298



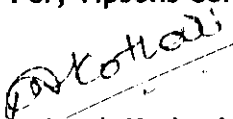


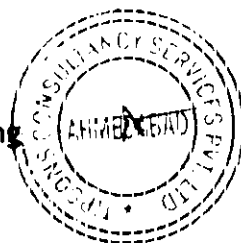
- iii. We do not express any opinion as to any tax or other consequences that might arise from the Scheme of Amalgamation of DACL with DSCL, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company has obtained such advice as it deemed necessary from qualified professionals.
- iv. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as contemplated in the Scheme of Arrangement provided to us and is not valid for any other purpose.
- v. Our engagement and the opinion expressed herein are for the use of the Board of Directors of DACL in connection with the consideration of the Scheme of amalgamation and for none other. Neither Tipsons, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.
- vi. Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of amalgamation, if required or any matter related thereto.

6. OPINION

On the basis of our Scope and Limitations mentioned in this report and after analyzing the Scheme of Amalgamation, we understand that, (DSCL) is a wholly owned subsidiary of (DACL) and no shares will be issued by DACL as consideration for the proposed scheme of amalgamation. Accordingly no valuation is applicable for exchange of shares as certified by M/S Vinesh Mehta & Co, Chartered Accountants. Thus in our opinion, we state that draft scheme of amalgamation is fair and reasonable to equity share holder of DACL.

For, Tipsons Consultancy Services Pvt. Ltd.


Avinash Kothari
Vice President - Merchant Banking



Date: 21st September, 2015
Place: Ahmedabad

Tipsons Consultancy Services Pvt. Ltd.

CIN - U74140GJ2010PTC062799

(MERCHANT BANKER, SEBI Regn. No. INM000011849)

Regd. & Corp. Office: 401, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015
Website: www.tipsons.com, Phone: 079 - 3000 2004, 3042 7790, 3048 0295, Fax: 079 3048 0298

Pre Amalgamation Shareholding pattern

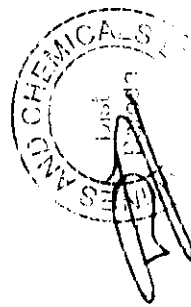
Introductory sub-table (I)(e)

Name of the Company: DIAMINES AND CHEMICALS LIMITED	
Scrip Code, Name of the scrip, class of security: 500120, DIAMINESQ, Class : B	
Quarter ended: 31st March, 2015	
Partly paid-up shares:-	As a % of total no. of shares of the company
Held by promoter/promoter group	No. of partly paid-up shares
	N.A.
Held by public	As a % of total no. of shares of the company
	N.A.
Total	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
	N.A.
Outstanding convertible securities:-	
Held by promoter/promoter group	No. of outstanding securities
	N.A.
Held by public	As a % of total no. of outstanding convertible securities
	N.A.
Total	As a % of total no. of outstanding convertible securities
	N.A.
Warrants:-	
Held by promoter/promoter group	No. of warrants
	N.A.
Held by public	As a % of total no. of warrants
	N.A.
Total	As a % of total no. of shares of the company, assuming full conversion of warrants
	N.A.
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	
	0 N.A.
	N.A.

REGISTRAR OF COMPANIES
MADHYA PRADESH

(e)	Insurance Companies	2	300	100	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	(Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(i)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(i-ii)					0.00	0.00	0	0.00
(i-iii)								
	Sub-Total (B)(1)	11	5250	1599	0.06	0.06	0	0.00
B 2	Non-Institutions							
(a)	Bodies Corporate	110	163478	142959	1.67	1.67	0	0.00
(b)	Individuals							
I	Individuals -i. individual shareholders holding nominal share capital up to Rs 1 lakh.	9432	2115741	1662091	21.62	21.62	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.							
(c)	Qualified Foreign Investor	30	1001845	1001845	10.23	10.23	0	0.00
(d)	Any Other (specify) (NRIs)	0	0	0	0.00	0.00	0	0.00
(d-i)		55	118149	117515	1.22	1.22	0	0.00
(d-ii)								
	Sub-Total (B)(2)	9627	3399213	2924410	34.74	34.74	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	9638	3404463	2926009	34.80	34.80	0	0.00
	TOTAL (A)+(B)	9653	9783240	9304786	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0
2	Public	0	0	0	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	9653	9783240	9304786	100.00	100.00	300000	3.07

Sr.No	Notes
1	
2	
3	
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306

CAN No. L24110GV1976PLC002905

To Whom So Ever It May Concern

Post Amalgamation shareholding pattern of the transferee company:

The transferor company is an unlisted public company and getting amalgamated with Diamines and Chemicals Limited (the transferee Company).

There will not be any significant change on the shareholding pattern of the transferee company. Post amalgamation, the entire equity shares held by the transferee company **shall stand cancelled/ extinguished.**

For, Diamines and Chemicals Limited



Dimple Mehta
Company Secretary

PRE AND POST AMALGAMATION SHAREHOLDING PATTERN OF DIAMINES SPECIALITY CHEMICALS LIMITED (TRANSFEROR COMPANY)

A. Pre-amalgamation shareholding pattern of the transferor company as on 31st March, 2015:

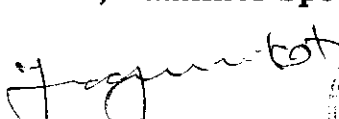
Sr. No.	Category of Shareholder	No. of Shares held	Face Value (In Rs.)	Total (In Rs.)	% of Total Shares
1	Promoter /Body Corporate (Parent Company)	50,000	10	5,00,000	100%
2	Public	Nil	Nil	Nil	Nil
3	Custodian	Nil	Nil	Nil	Nil
	Total	50,000	10	5,00,000	100%

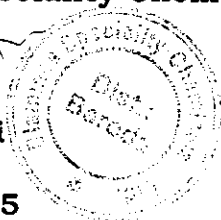
B. Post-amalgamation shareholding pattern of the transferor company:

Sr. No.	Category of Shareholder	No. of Shares held	Face Value (In Rs.)	Total (In Rs.)	% of Total Shares
1	Promoter	Nil*	Nil*	Nil*	Nil*
2	Public	Nil	Nil	Nil	Nil
3	Custodian	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

*The transferor company is an unlisted public company and getting amalgamated with Diamines and Chemicals Limited (the transferee Company). Post amalgamation, the entire equity shares held by the transferee company shall be cancelled.

For, Diamines Speciality Chemicals Limited


Yogesh M Kothari
 Director
 DIN NO. 00010015



CIN: U24100GJ2012PLC068634
Diamines Speciality Chemicals Ltd.

ANNEXURE I

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: DIAMINES AND CHEMICALS LIMITED

	(Amount In Rs.)		
	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2014-15	2013-14	2012-13
Equity Paid up Capital	97,832,400	97,832,400	97,832,400
Reserves and surplus	235,824,203	253,317,041	246,799,517
Carry forward losses	NIL	NIL	NIL
Net Worth	333,656,603	351,149,441	344,631,917
Miscellaneous Expenditure	NIL	NIL	NIL
Secured Loans	198,485,735	192,734,241	189,743,908
Unsecured Loans	2,500,000	2,500,000	4,800,000
Fixed Assets	292,999,059	315,177,088	336,497,550
Revenue from Operations(Net)	390,929,391	439,388,486	574,027,943
Total Revenue	392,763,773	442,428,571	576,332,005
Total Expenditure	395,739,499	434,497,133	554,830,139
Profit /(Loss) before Tax	(2,975,726)	7,931,438	21,501,866
Profit /(Loss) after Tax	(15,538,642)	7,504,168	17,004,607
Cash profit	4,795,282	31,771,226	40,875,083
EPS	(1.59)	0.77	1.74
Book value	31.16	32.87	32.10

Note: The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

Date: 29th September, 2015



Dimple Mehta

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

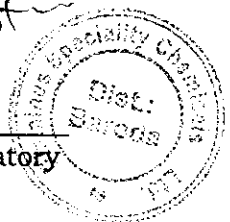
Name of the Company: DIAMINES SPECIALITY CHEMICALS LIMITED

(Amount in Rs.)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2014-15	2013-14	2012-13
Equity Paid up Capital	5,00,000	5,00,000	5,00,000
Reserves and surplus	(83,57,254)	(79,52,515)	(43,36,762)
Carry forward losses	(83,57,254)	(79,52,515)	(43,36,762)
Net Worth	(78,57,254)	(74,52,515)	(38,36,762)
Miscellaneous Expenditure	NIL	NIL	NIL
Secured Loans	NIL	NIL	NIL
Unsecured Loans	97,307,122	75,715,760	43,434,159
Fixed Assets	11,704,883	11,704,883	10,956,098
Income from Operations	NIL	NIL	NIL
Total Income	NIL	NIL	NIL
Total Expenditure	404,739	3,615,753	3,525,793
Profit before Tax	(404,739)	(3,615,753)	(3,525,793)
Profit after Tax	(404,739)	(3,615,753)	(3,525,793)
Cash profit	(404,739)	(3,615,753)	(3,525,793)
EPS	(8.09)	(72.32)	(109.71)
Book value	(83,57,254)	(79,52,515)	(43,36,762)

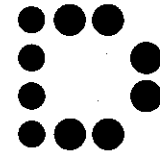
Note: The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

Date: 29th September, 2015

Jagan Kote

 Authorised Signatory

CIN: U24100GJ2012PLCB64634
Diamines Speciality Chemicals Ltd.

48.


Diamines
Quarterly Compliance Report on Corporate Governance under Clause 49 of the Listing Agreement

Name of the Company: **DIAMINES AND CHEMICALS LTD.**
 Quarter ending on: **29.09.2015**

PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS YES/NO/N.A.	REMARK
II. Board Of Directors	49 (II)		
A) Composition of Board	49 (IIA)	YES	
B) Independent Directors	49 (IIB)	YES	
C) Non-Executive Director's compensation & disclosures	49 (IIC)	YES	
D) Other provisions as to Board and Committees	49 (IID)	YES	
E) Code of Conduct	49 (IIE)	YES	
F) Whistle Blower Policy	49 (IIF)	YES	
III. Audit Committee	49 (III)		
A) Qualified & Independent Audit Committee	49 (IIIA)	YES	
B) Meeting of Audit Committee	49 (IIIB)	YES	
C) Power of Audit Committee	49 (IIIC)	YES	
D) Role of Audit Committee	49 (IIID)	YES	
E) Review of information by Audit Committee	49 (IIIE)	YES	
IV. Nomination and Remuneration committee	49 (IV)	YES	
V. Subsidiary Companies	49 (V)	N.A.	
VI. Risk Management	49 (VI)	YES	
VII. Related Party Transactions	49 (VII)	YES	
VIII. Disclosures	49(VIII)		
A) Related party Transactions	49 (VIII A)	YES	
B) Disclosures of Accounting Treatment	49 (VIII B)	N.A.	
C) Remuneration of Directors	49 (VIII C)	YES	Will be made in Annual Report 2015-16.
D) Management	49 (VIII D)	YES	Will be made in Annual Report 2015-16.
E) Shareholders	49 (VIII E)	YES	Will be made in Annual Report 2015-16.
F) Proceeds from public issues, right issues, preferential issues etc.	49 (VIII F)	N.A.	
IX. CEO/CFO Certification	49 (IX)	YES	Will be Complied in Annual Report 2015-16.
X. Report on Corporate Governance	49 (X)	YES	Will be Complied in Annual Report 2015-16.
XI. Compliance	49 (XI)	YES	Will be Complied in Annual Report 2015-16.

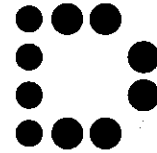
Thanking You,
 For Diamines and Chemicals Limited,

Dimple Mehta (Company Secretary) Vadodara, dated 29th September, 2015

Note:

- 1) The details under each head shall be provided to incorporate all the information required as per the provisions of the Clause 49 of the listing agreement
- 2) In the column No. 3, compliance or Non-compliance may be indicated by Yes/No/N.A. for example, if the Board has been composed in accordance with the Clause 49 I of the Listing agreement, "Yes" may be indicated. Similarly, in case the Company has no related party transactions, the words "N.A." may be indicated against 49 (VII)
- 3) In the remarks column, reasons for non-compliance may be indicated, for example, in case of requirement related to circulation of information to the shareholders, which would be done only in the AGM/EGM, it might be indicated in the "Remarks" column as-"will be complied with the AGM". Similarly, in respect of matters which can be complied with only where the situation arises, for example, "Report on Corporate Governance" is to be a part of Annual Report only, the words "will be complied in the Next Annual Report" may be indicated.





Diamines
Quality driven

ANNEXURE IV

Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013

Sub: Application under Clause 24(f) of the listing agreement for the proposed scheme of Amalgamation of DSCL with DACL

In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013	Whether Complied or not & How
1.	Listed companies shall choose one of the stock exchanges having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	Yes, the company has chosen BSE as designated stock exchange.
Compliance as per Part A, Annexure I to the Circular		
2.	Documents to be submitted:	
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	The scheme of amalgamation is enclosed with the application as per Annexure - B.
2.b	Valuation Report from Independent Chartered Accountant	Complied and attached as per Annexure - C.
2.c	Report from the Audit Committee recommending the Draft Scheme	Report of Audit Committee is enclosed as per Annexure - D.
2.d	Fairness opinion by merchant banker	The Merchant banker's opinion report is attached as per Annexure - E.
2.e	Pre and post amalgamation shareholding pattern of unlisted company	The shareholding pattern is attached as per Annexure - F.
2.f	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Complied and attached the last 3 years financials as per Annexure - G.
2.g	Compliance with Clause 49 of Listing Agreement	The same is complied. The compliance report of clause 49 is enclosed as Annexure - H.
2.h	Complaints Report	The same will be submitted within 7 days from the date of expiry of 21 days from the date of filling of the Scheme with Stock Exchange.
3.	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of	The clause is not applicable as the unlisted (WOS) Wholly Owned Subsidiary will be amalgamated with the Listed Parent Company.

Diamines and Chemicals Limited (CIN No. L24110GJ1976PLC052905)

	reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956	
4.	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	Not Applicable.
5.	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	The clause is not applicable, as no shares or consideration will be issued pursuant to scheme of amalgamation.
6.	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	This clause is not applicable, as there is no instrument/ warrants/ agreements is outstanding in the transferee Company.
7.	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	This clause is not applicable, as pursuant to scheme of amalgamation, there are no shares of the transferee company to be issued and therefore not subject to lock in period.

Date: 29th September, 2015



Company Secretary

CIN No. U74100GJ2012002675

BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D.I.SHAH	Y.A.THAR
A.A.DESAI	P.H.CLERK
K.R.GANDHI (Ms.)	R.G.DOSHI
H.G.BUCH	M.V.SHAH
D.R.DESAI (Ms.)	A.A.AGRawal (Ms.)
	A.B.AGRawal

Admn. Off. :
11/13, Botawala Building, 2nd Floor,
Horniman Circle, Mumbai 400 001.
Tel. : 2266 1255 / 2266 0275 / 2266 5275
2266 0821 / 2266 1557
Fax : (91-22) 2266 5666
E-mail : bsmco1@vsnl.net
Website : www.bsmco.net

To,
The Board of Directors,
Diamines And Chemicals Limited,
Plot No. 13, PCC Area, Petrochemicals,
Vadodara.

AUDITOR'S CERTIFICATE

1. The accompanying undertaking stating the reasons for non-applicability of Paragraph 5.16 of circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 ("the Old Circular") read with Paragraph 7 of circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("Revised Circular"), issued by the Securities Exchange Board of India ("SEBI"), has been prepared by the Management of Diamines And Chemicals Limited ("the Company") pursuant to the requirements of paragraph 5.16(b) of the Revised Circular in connection with the proposed scheme of arrangement between Diamines Speciality Chemicals Limited (DSCL), a wholly owned subsidiary of the Company and the Company and their respective shareholders under Section 391 read with Section 394 and other relevant provisions of the Companies Act, 1956 and provisions of Section 230 to 240 of the Companies Act, 2013 (yet to be notified) ("the Proposed Scheme") , for the purpose of certifying the accompanying "Undertaking in relation to non-applicability of para 5.16 of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as modified by paragraphs 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013)" ("the Undertaking"), prepared by the Company which has been duly stamped and initialed by us for identification purposes.

Management's Responsibility of the Undertaking

2. The preparation of the Undertaking is the responsibility of the Management of the Company including maintenance of all accounting and other records supporting the contents of the Proposed Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.
3. The Management is also responsible for ensuring that the Company complies with the requirements of the Revised Circular and applicable laws in relation to the Scheme and for providing all information to SEBI and the Bombay Stock Exchange.

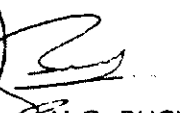


BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS**Auditors' Responsibility**

4. Our responsibility for the purpose of this certificate, is limited to certify whether the requirements set out in Paragraph 5.16(a) of the Revised Circular, as stated in the Undertaking, and did not include the evaluation of adherence by the Company with all applicable guidelines.
5. We conducted our verification in accordance with the Guidance Note on Audit Reports and Certificate for special purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India. Our scope of work did not involve performing any audit test in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Our examination did not extend to any aspects of legal nature covered in the sections mentioned in paragraph 1 above or rest of the Proposed Scheme.
6. On the basis of verification of the Proposed Scheme, audited books of accounts and other relevant records and documents and according to the information and explanations provided to us by the management of the Company, we certify that the conditions mentioned in paragraph 5.16(a) of the Revised Circular are not applicable to the Scheme for the reasons stated in the said Undertaking, is in accordance with the proposed scheme, other relevant records and documents maintained by the Company and the representation made to us in this regards by the management.
7. This certificate is issued on the request of the Management of the Company for submission to the Bombay Stock Exchange and SEBI and should not be used for any other purpose.

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




H.G. BUCH
Partner
Membership No. 33114

DATE : September 29, 2015
PLACE : MUMBAI

**CERTIFIED TRUE COPY OF AN EXTRACT FROM THE MINUTES OF
THE AMALGAMATION COMMITTEE MEETING HELD ON 29TH
SEPTEMBER, 2015 AT MUMBAI.**

"RESOLVED THAT pursuant to the para 5.16(b) of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 which amended the original SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 stating that the Undertaking of the Company for the non-applicability of para 5.16(a) in respect of proposed scheme of Amalgamation of Diamines Speciality Chemicals Limited, a wholly owned subsidiary company with Diamines And Chemicals Limited, Parent Company duly placed and initialed by the Chairman and certified by the Auditors be and is hereby approved.

"RESOLVED FURTHER THAT the conditions prescribed in para 5.16(a) vide point no. 7 of SEBI Circular dated May 21, 2013 are not applicable to the proposed scheme of amalgamation on the following grounds;

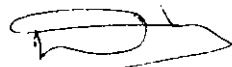
- a) The arrangement does not envisage any issue of additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
- b) There is no Scheme of Arrangement between the Company and any other entity involving the Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.
- c) The Company has not acquired the equity shares of subsidiary company by paying consideration in cash or in kind in the past to any other shareholders of such subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of that parent listed company, and if that subsidiary is being merged with the parent listed company under the scheme.

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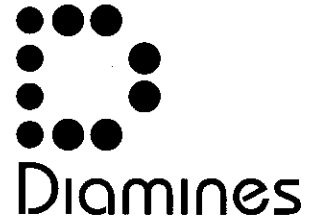
RESOLVED FURTHER THAT, Mr. G.S. Venkatchalam, executive director and/or Mr. Ajay Chaturmutha, CFO and/or Ms. Dimple Mehta, Company Secretary of the Company be and are hereby severally authorized to submit the certificate of Statutory Auditor to the Stock Exchange, sign, execute and submit such undertakings or other documents as may be necessary with the concerned regulatory or statutory authorities and do all such acts, things, deeds and matters as may be necessary or expedient for implementing or giving effect to this resolution.”

CERTIFIED TRUE COPY

For, Diamines and Chemicals Limited



Dimple Mehta
Company Secretary



Quality driven

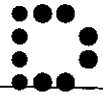
ANNEXURE V

Brief particulars of the transferee/resulting and transferor/demerged companies

Particulars	Transferee/ Resulting Company	Transferor/ Demerged Company
Name of the company	Diamines and Chemicals Limited	Diamines Speciality Chemicals Limited
Date of Incorporation & details of name changes, if any	12.05.1976	16.01.2012
Registered Office	PLOT NO. 13, PCC AREA, PETROCHEMICALS, VADODARA- 391346	PLOT NO. 13, PCC AREA, PETROCHEMICALS, VADODARA- 391346
Brief particulars of the scheme	This Scheme of Amalgamation provides for the amalgamation of Diamines Speciality Chemicals Limited with Diamines And Chemicals Limited pursuant to Sections 391 read with Section 394 and other applicable provisions of the Companies Act, 1956/2013	
Rationale for the scheme	<p>The proposed amalgamation will enable streamlining the activities of the respective companies and will also reduce managerial overlaps, which are necessarily involved in running multiple entities.</p> <p>The banks and creditors will not be affected by the proposed amalgamation as Transferor Company/WOS do not enjoy any secured or other credit facilities and their creditors levels are also at negligible levels. More particularly prescribed in para 2 of the Scheme.</p>	
Date of resolution passed by the Board of Director of the company approving the scheme	29.09.2015	29.09.2015
Date of meeting of the Audit Committee in which the draft scheme has been approved	22.09.2015	NA
Appointed Date	01.04.2015	01.04.2015
Name of Exchanges where securities of the company are listed	Bombay Stock Exchange	NA
Nature of Business	Manufacturing and selling of Ethylene amines and Speciality Chemicals	Manufacturing and selling of Ethylene amines and Speciality Chemicals

Diamines and Chemicals Limited (CIN No. L24110GJ1976PLC002905)

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Diamines

Capital before the scheme	₹ 9,78,32,400/-	₹ 5,00,000/-		
No. of shares to be issued	NA			
Cancellation of shares on account of cross holding, if any	None	Upon scheme become effective, being wholly owned subsidiary the share capital held by the parent company shall stands cancelled		
Capital after the scheme	₹ 9,78,32,400/-	Nil		
Net Worth	(Amount in Rs.)		(Amount in Rs.)	
Pre	₹ 304,855,955	₹ (-) 7,857,254/-		
Post	₹ 296,498,702	NIL		
Valuation by independent Chartered Accountant - Name of the valuer/valuer firm and Regn no.	Vinesh Mehta & Co. M. No.: 049554 FRN No: 115449W			
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	NA		NA	
Fair value per shares	NA		NA	
Exchange ratio	NA			
Name of Merchant Banker giving fairness opinion	Tipsons Consultancy Services Pvt. Ltd. (SEBI Regn. No.: INM000011849)			
Shareholding pattern (As on 31.03.2015)	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	63, 78,777	65.20%	50,000	100%
Public	31,17,586	31.85%	-	-
Custodian	2,86,877	2.95%	-	-
TOTAL	9783240	100%	50,000	100%
No of shareholders	9653		7	
Names of the Promoters	<ol style="list-style-type: none"> 1. Alkyl Amines Chemicals Ltd 2. PerfoChem (India) Pvt. Ltd. 3. S. Amit Speciality Chemicals Pvt. Ltd 4. Finorga (India) Pvt. Ltd. 5. Syk Trading And Consultancy P. Ltd 6. Amit Mahendra Mehta 7. Cherry Amit Mehta 8. Mohak Amit Mehta 9. Harsh Amit Mehta 10. Yogesh Mathradas Kothari 11. Kokila Mahendra Mehta 12. Pinakin Kantilal Patel 		<ol style="list-style-type: none"> 1. Diamines and Chemicals Limited 	

	13. Mohak Amit Mehta 14. Harsh Amit Mehta 15. Yogesh M. Kothari	
Names of the Board of Directors	1. Mr. Yogesh M Kothari 2. Mr. Amit M Mehta 3. Mr. G S Venkatachalam 4. Mr. Kirat Patel 5. Mr. Rajendra Chhabra 6. Mr. Dhruv Kaji 7. Mrs. Darshana Mankad 8. Mr. Shreyas Mehta 9. Dr. Ambrish Dalal	1. Mr. Yogesh M Kothari 2. Mr. Amit M Mehta 3. Mr. Rajendra Chhabra
Details regarding change in management control if any	NA	

Date: 29th September, 2015



Dimple Mehta



Statement of Computation of Provisional Pre merger and Post merger Net worth of M/s.
Diamines And Chemicals Limited as on 31st March 2015:


(Amount in Rs.)

Particulars		Prior to giving effect to proposed scheme see notes (1) & (2) below	After giving effect to the Proposed Scheme having 'Appointed date' of 1 st April, 2015 See Note (3) below
Share Capital Equity Issued & Paid Up Capital	A	₹ 97,832,400	₹ 97,832,400
Reserves & Surplus:			
Capital Reserves		NIL	NIL
Securities Premium Account		NIL	NIL
General Reserve		₹ 50,958,876	₹ 50,958,876
Surplus in Statement of Profit & Loss Account		₹ 156,064,679	₹ 147,707,426
Total Reserves & Surplus	B	₹ 207,023,555	₹ 198,666,302
NET WORTH	C=(A+B)	₹ 304,855,955	₹ 296,498,702

Notes:-

1. The aforesaid computation has been made solely as per the requirements of the Stock exchange for filing along with proposed scheme of Amalgamation between Diamines Speciality Chemicals Limited "DSCL" and Diamines and Chemicals Limited (DACL) and their respective shareholders having the appointed date of 1st April 2015 which has been approved by the board of directors on 29th September 2015, and is not to be considered for any other purpose. The proposed scheme is pending other statutory approvals.
2. The figures stated above have been arrived at on the basis of figures extracted from the audited standalone financials of DACL as at 31st March 2015.
3. The figures stated above have been arrived at on the basis of figures extracted from the audited standalone financials of DACL and DSCL as at 31st March 2015.

For, Diamines and Chemicals Limited


A.R. Chaturmutha
Chief Financial Officer

Date: 29.09.2015
Place: Vadodara

Diamines and Chemicals Limited (CIN No. L24110GJ1976PLC002905)

60.

To Whom So Ever It May Concern

CERTIFICATE OF NETWORTH OF

DIAMINES SPECIALITY CHEMICALS LIMITED
CIN: U24100GJ2012PLC068634

Pre-Amalgamation:

This is to certify that Net Worth as on March 31, 2015 amounted to ₹ (-) 78,57,254/- (₹. Seventy-eight Lakhs fifty-seven thousand two hundred fifty-four)

Share Capital	₹	5,00,000
Reserves and Surplus	₹ (-)	83,57,254

Net Worth	₹ (-)	78,57,254

Post-Amalgamation:

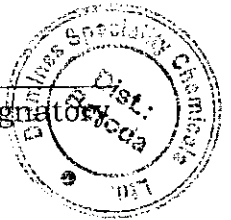
Share Capital		NIL
Reserves and Surplus		NIL

Net Worth		NIL

Date: 29th September, 2015

Jagunbhai

Authorised Signatory



CIN: U24100GJ2012PLC068634

Diamines Speciality Chemicals Ltd.

Regd. Office: Plot No.13, P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara 391 346, Gujarat (India). T: +91 265 2230305, 2230406, F: +91 265 2230218 E: dscpl@dacl.co.in

ANNEXURE VI

EVOLUTION OF CAPITAL

The Evolution of Equity Share Capital of Diamines and Chemicals Ltd Quality driven
(Transferee Company) is as follows:

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
28.01.1980	7,30,000	10/-	Private Issue	1- 7,30,000	Yes
28.01.1980	6,70,000	10/-	Initial Public issue	7,30,000-14,00,000	Yes
27.02.1982	4,98,580	10/-	Right issue	14,00,001-18,98,580	Yes
14.12.1995	18,98,580	10/-	Right issue	18,58,581-37,97,160	Yes
14.03.2001	25,00,000	10/-	Preferential Allotment to Promoters	37,97,160-62,97,160	Yes
28.09.2001	2,25,000	10/-	Preferential Allotment to Promoters	62,97,161-65,22,160	Yes
21.07.2011	32,61,080	10/-	Bonus Issue	65,22,160-97,83,240	Yes

* Overall initial listed capital of 14,00,000/- shares includes 6,70,000 shares which were offered to the public at the time of public issue and balance shares i.e. 7,30,000/- were allotted to the promoters through private placement before the public offer made.

Date: 29th September, 2015

Dimple Mehta

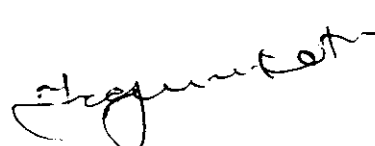

EVOLUTION OF CAPITAL

The Evolution of Equity Share Capital of Diamines Speciality Chemicals Ltd (Transferor Company) is as follows:

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
27.03.2012	10,000	10/-	Issued to Subscribers to Memorandum	1-10,000	NO, it was incorporated as private limited Company
11.09.2012	40,000	10/-	Preferential Allotment	10,001-50,000	NO, it was incorporated as private limited Company

Note: The Said Company was converted into public company w.e.f. 28.07.2015

Date: 29th September, 2015



 Authorised Signatory

**ANNEXURE VII**

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400 001

Dear Sir,

Sub: Application under Clause 24(f) of the listing agreement for the proposed scheme of Amalgamation of DSCL with DACL

In connection with the above application, we hereby confirm that:

- a) The proposed scheme of amalgamation does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956/2013, the rules, regulations and guidelines made under these Acts, and the provisions as explained in clause 24(g) of the Listing agreement or the requirements of BSE Limited.
- b) In the explanatory statement to be forwarded by the company to the shareholders u/s 393 ~~or accompanying a proposed resolution to be passed u/s 100~~ of the Companies Act, it shall disclose:
 - i) the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern and
 - ii) the "fairness opinion" obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.
 - iii) The Complaint report as per Annexure III.
 - iv) The observation letter issued by the stock exchange
- c) The draft scheme of amalgamation together with all documents mentioned in Clause 5.16 (c) SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, has been disseminated on company's website as per <http://www.dacl.co.in/> given hereunder:
- d) The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- e) The company shall obtain shareholders' approval by way of special resolution passed through ~~postal ballot/~~ e-voting and poll at extra ordinary general meeting. Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it **(if applicable)**
- f) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filled by the Company with Registrar of Companies/SEBI/~~Reserve Bank of India~~, wherever applicable.
- g) There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation.



Company Secretary

Date: 29th September, 2015

Diamines and Chemicals Limited (CIN No. L24110GJ1976PLC002905)

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BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D.I.SHAH	Y.A.THAR
A.A.DESAI	P.H.CLERK
K.R.GANDHI (Ms.)	R.G.DOSHI
H.G.BUCH	M.V.SHAH
D.R.DESAI (Ms.)	A.A.AGRAWAL (Ms.)
	A.B.AGRAWAL

Admn. Off. :
11/13, Botawala Building, 2nd Floor,
Horniman Circle, Mumbai 400 001.
Tel. : 2266 1255 / 2266 0275 / 2266 5275
2266 0821 / 2266 1557
Fax : (91-22) 2266 5666
E-mail : bsmco1@vsnl.net
Website : www.bsmco.net

To,
The Board of Directors,
Diamines And Chemicals Limited,
Plot No. 13, PCC Area, Petrochemicals,
Vadodara.

AUDITOR'S CERTIFICATE

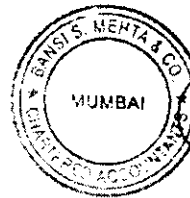
1. We, Bansi S. Mehta & Co., Chartered Accountants, acting as statutory auditors of Diamines And Chemicals Limited ("DACL" or "the Company") having its registered office at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara, have examined the accounting treatment specified in Clause 12 of the proposed Scheme of Amalgamation between DACL and Diamines Speciality Chemicals Limited ("DSCL") ("the Proposed Scheme") in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles in India. The Company proposes to amalgamate DSCL with itself, through the Proposed Scheme, initialed by us for identification purposes (the same is attached herewith), pursuant to the provisions of Section 391 read with Section 394 and other relevant provisions of the Companies Act, 1956 and provisions of Sections 230 to 240 of the Companies Act, 2013 (not yet notified).
2. The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Proposed Scheme complies with the applicable Accounting Standards and other Generally Accepted Accounting Principles in India.
3. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. Our scope of work did not involve performing any audit test in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
4. Our examination did not extend to any aspects of legal nature covered in the sections mentioned in paragraph 1 above or rest of the Proposed Scheme.



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5. Read with the matter stated in paragraph 4 above, based on our examination, we hereby state, that the accounting treatment contained in the Proposed Scheme is not in violation of the requirements of the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
6. This certificate is intended solely for the use of the management of the Company for the purpose of submission to the Bombay Stock Exchange as required by Clause 24(i) of the Listing Agreement, and is not be used, referred to or distributed for any other purpose.
7. This certificate is issued on the request of the Management of the Company and shall not be used purposes other than those mentioned in Paragraph 6 above.

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



H.G. BUCH
Partner
Membership No. 33114

DATE : September 29, 2015
PLACE : MUMBAI

39th
ANNUAL REPORT
2014-2015



Diamines And Chemicals Limited
CIN NO:L24110GJ1976PLC002905

FINANCIAL HIGHLIGHTS OF THE LAST DECADE

(₹ in Lacs)

FINANCIAL YEAR ENDING	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	31.03.2015
GROSS SALES (BASIC + EXCISE)	2373.60	2325.97	1931.41	3173.97	4686.21	8864.80	7090.85	6168.66	4705.28	4167.86
OPERATING PROFIT(LOSS)(PBIDT)	890.06	1045.97	599.83	531.03	1867.79	2552.17	1077.91	834.83	620.22	514.09
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	781.77	801.33	277.56	209.59	1446.93	2028.43	503.45	215.01	79.31	(29.75)
PROFIT (LOSS) AFTER INCOME TAX (As per Note 2)	611.43	688.38	170.89	136.32	935.42	1470.99	360.42	170.04	75.04	(155.38)
GROSS FIXED ASSETS (As per Note 3)	3839.68	4530.78	4566.49	4614.17	5461.06	5782.02	6333.72	6454.92	6535.36	6536.99
NET FIXED ASSETS	1955.51	2485.36	2364.11	2319.15	3002.75	3124.11	3450.15	3323.45	3151.35	2929.99
NET CURRENT ASSETS	(407.96)	57.55	793.54	708.93	1298.07	63.80	179.35	89.98	235.96	387.80
EQUITY SHARE CAPITAL	652.22	652.22	652.22	652.22	652.22	652.22	978.32	978.32	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	883.32	952.17	966.23	966.23	1449.15	2128.49	2049.10	2161.92	2236.96	2070.24
BOOK VALUE (₹)	11.95	17.85	19.29	20.21	32.22	42.63	30.94	32.10	32.87	31.16
EARNING PER SHARE (₹)	9.36	10.54	2.61	2.09	14.34	22.55	3.68	1.74	0.77	(1.59)
EQUITY DIVIDEND (%)	50%	40%	10%	10%	20%	60%	10%	5%	-	-

Notes:

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

BOARD OF DIRECTORS

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

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NOTICE

NOTICE is hereby given that the 39th (**Thirty-Nineth**) 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 **11th Day of August, 2015** at **12:00 Noon** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended March 31, 2015 together with the Reports of the Board of Directors' and Auditors' thereon including the audited consolidated financial statements of the Company for the year ended on March 31, 2015.
2. To appoint a Director in place of **Mr. Yogesh Kothari (DIN: 00010015)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr. Amit Mehta (DIN: 00073907)**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed on August 12, 2014, the appointment of M/s Bansi S Mehta, Chartered Accountants (Firm Registration Number: 100991W) as the Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the Audit Committee in consultation with the auditors, and as may be agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS:

5. To appoint Mrs. Darshana Mankad, Director (DIN:00041675), 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 (The Act) and the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and clause 49 of the Listing Agreement, Mrs. Darshana Mankad (DIN:00041675), who was appointed as an additional Director in category of Independent Director of the Company by the Board of Directors of the Company with effect from 05.11.2014 and who holds office upto the date of this annual general meeting, in terms of section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed and confirmed as an Independent Director of the Company with effect from 05.11.2014 upto 04.11.2019, whose term of office shall not be liable to retire by rotation."

6. To appoint Mr. Shreyas Mehta, Director (DIN: 00211592) 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 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and clause 49 of the Listing Agreement, Mr. Shreyas Mehta, (DIN: 00211592), an Independent Director of the Company, who was already holding position as non-executive Director on the Board of the Company since 29th January, 2010, be and is hereby appointed and re-designated as an Independent Director of the Company with effect from 08.05.2015 upto 07.05.2020, whose term of office shall not be liable to retire by rotation.”

7. To appoint Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898) as an Executive Director and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:-

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898), as an Executive Director of the Company for the period of three (3) years commencing from 7th February, 2015, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company with such powers and duties as set out in the agreement as placed before the members and duly initialed by the Chairman for the purpose of identification and further assented, approved and sanctioned with liberty to the Board of Directors to vary the terms and conditions of the said appointment, as may be agreed to between the Board Members of the Company and Mr. Govindarajapuram Seshadri Venkatachalam, liable to retire by rotation.

RESOLVED FURTHER that the remuneration and perquisites set out in the aforesaid agreement be paid to Mr. Govindarajapuram Seshadri Venkatachalam as minimum remuneration during the tenure of his appointment notwithstanding that in any financial year of the company during the aforesaid period, the Company has made no profits or the profits made are inadequate.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of the Government and/ or other authorities/ agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolutions.”

8. Adoption of new set of Articles of Association of the Company in conformity with provisions of the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in Articles of Association (“AOA”) submitted to this meeting be and is hereby approved and adopted as new set of Articles of Association of the Company in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary be and are hereby authorised severally to do and perform or cause to be done and performed all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto including signing and filing all the e-forms and other documents with any statutory authorities and to settle and finalize all issues that may arise in this regard, without further reference to the shareholders of the Company.”

9. Change in place of keeping of Registers and Returns, to consider and, if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 94 of the Companies Act, 2013 read with Rule 15 of Companies (Management and Administration) Rules, 2014 and other applicable provisions and Rules, if any, of the Companies Act, 2013, the Company hereby approves, the keeping of the Register



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

and Index of Members, Register and Index of Debenture holders, Register of any other security holders and copies of Annual Returns of the Company prepared under Section 92 of the said act, together with copies of certificates and documents as required to be annexed thereto under the said act or any one or more of them, at the office of Registrar and Share Transfer Agent, M/s. MCS Share Transfer Agent Ltd. at 10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, VADODARA – 390 007.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters as deem fit and necessary to give effect to this resolution.”

Mumbai, Dated: May 8, 2015

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 of the Companies Act, 2013, relating to the special business for item no. 5 to 9 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 FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative together with specimen signatures of their authorized representatives to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **6th August, 2015 to 11th August, 2015** (both days inclusive).
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting as an austerity measure.
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 205 (C) 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 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 2006-07 to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their dividend for the financial year 2007-08 are requested to claim their unclaimed dividend before September 4, 2015. 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 mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:
M/s. MCS Share Transfer Agent Limited, (old RTA: MCS Limited)
10, Aram Apartments,
12, Sampatrao Colony,
B/h. Laxmi Hall,
Alkapuri, Vadodara - 390 007
Tel. (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 M/s. MCS Share Transfer Agent Limited, for consolidation into a single folio.
16. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
17. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.

18. The Company has made bonus issue of equity shares at the AGM held on 12th July, 2011 and has made an allotment of Bonus shares on 21.07.2011 to the shareholders, who were eligible. Pursuant to Clause 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 communicate the Company's RTA and claim such shares at their end.
19. 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:
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; **941 Shareholders & 26,281 shares**
 - Number of shareholders who approached issuer for transfer of shares from suspense account during the year: **NIL**
 - Number of shareholders to whom shares were transferred from suspense account during the year: **NIL**
 - Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **941 Shareholders & 26,281 shares**
 - That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
20. The notice of AGM along with the Annual report 2014-15 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.
21. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 4th August, 2015 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 39th Annual General Meeting (AGM) and the business at the 39th AGM may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.
- The facility for voting, either through electronic voting system or ballot/polling paper shall also be made available at the venue of the AGM, apart from the remote e-voting facility provided prior to the date of AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company has appointed Mr. Sandip Sheth, Partner of Sandip Sheth & Associates, Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than three days of conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.
- In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. Instructions for Demat folios:

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

- (i) The voting period begins on <7th August, 2015 at 9:00 a.m.> and ends on <10th August, 2015 at 5:00 p.m.>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of <4th August, 2015>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For members holding shares in Demat Form and Physical Form
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number print in address slip.
Dividend Bank Details or Date of Birth (DOB)	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format Or Enter the Dividend Bank Details as recorded with your DP/RTA. Please note - In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut-off date i.e. "DATE"

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <DIAMINES AND CHEMICALS LIMITED> on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy:

- i. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- ii. The voting period begins on 7th August, 2015, at 9.00 a.m. and ends on 10th August, 2015, at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

- i. The e-voting period commences on Friday, 7th August, 2015 (9.00 a.m. IST) and ends on Monday, 10th August, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 4th August, 2015, 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 August, 2015.
 - 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, after scrutinizing the votes cast at the AGM (poll) and through remote e-voting not later than three days of conclusion of the AGM, make and submit a consolidated Scrutinizer's report and submit to the Chairman. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company and CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.
 - 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, 10th August, 2015 (5.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@dacl.co.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Monday, 10th August, 2015 (5.00 p.m. IST).

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

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

Mumbai, Dated: May 8, 2015

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

Mr. Yogesh Kothari is the Chairman of the Company since March 14, 2001. Mr. Yogesh M Kothari aged 66 years is a Chemical Engineer from Institute of Chemical Technology, Mumbai. He is also Master of Management Science and Master of Science-Chemical Engineering, from the University of Massachusetts, Lowell, U.S.A. He has more than 37 years' experience in Chemical industry.

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



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

He is also on the Board of the following Companies:

- 1) Anjyko Investment Pvt. Ltd.
- 2) YMK Trading & Consultancy Pvt. Ltd.
- 3) SYK Trading & Consultancy Pvt. Ltd.
- 4) Niyoko Trading & Consultancy Pvt. Ltd.
- 5) Reliance sibur Elastomers pvt. Ltd.

In 1998, he was awarded the prestigious Lalit Doshi Memorial Award being promoter of the best SICOM assisted Company for the year 1996-97 in Chemicals and Plastics set up by a first generation entrepreneur. He holds 2,05,393 Equity Shares in the Company.

It will be in the interest of the Company that Mr. Yogesh Kothari continues as a Director of the Company.

Mr. Yogesh Kothari is interested in this resolution since it relates to his reappointment.

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

No Director, key managerial personnel or their relatives, except Mr. Yogesh Kothari, to whom the resolution relates, are interested or concerned, financially or otherwise, in the Resolution.

ITEM NO. 3:

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

Mr. Amit M. Mehta is the Vice Chairman of the Company since March 14, 2001. He is also one of the Promoters of the Company. Mr. Amit Mehta aged 61 years, is a successful businessman, having over 38 years' of experience in the business of chemicals. His skills and knowledge is of immense help to the Company in achieving desired sales target and in maintaining cordial relations with customers at large.

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

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

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

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

No Director, key managerial personnel or their relatives, except Mr. Amit Mehta, to whom the resolution relates, are interested or concerned, financially or otherwise, in the Resolution.

ITEM NO. 5 :

The Board of Directors, as its meeting held on 05.11.2014, appointed Mrs. Darshana Mankad (DIN: 00041675) as an Additional independent Director of the Company with effect from 05.11.2014. Pursuant to Section 161 of the Companies Act, 2013, Mrs. Darshana Mankad will hold office only upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1, 00,000/- (Rupees One Lac Only) proposing the candidature of Mrs. Darshana Mankad for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mrs. Darshana Mankad

- (i) consent in writing to act as Director in Form DIR-2,
- (ii) DIR-8 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and
- (iii) A declaration to the effect that she meets the criteria of independence as provided under Sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mrs. Darshana Mankad as an Independent Director of the Company for a period up to 5 years till 2019 pursuant to Section 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.

In the opinion of the Board, Mrs. Darshana Mankad, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and She is independent of the Management. A copy of the draft letter of appointment of Mrs. Darshana Mankad as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the Company during normal business hours up to the date of the Annual General Meeting.

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

MRS. DARSHANA MANKAD (DIN: 00041675)

Mrs. Darshana Mankad, aged 55 years, is a Chartered Accountant and a partner at K C Mehta & Co, Chartered Accountants, Baroda. She is a fellow member of the Institute of Chartered Accountants of India and holds a Bachelor's degree in Commerce.

She has rich industrial and consulting experience of more than 30 years and carries a balanced mixed of executive and entrepreneurial experience. She has been a part of the top management team of 20 Microns Limited, a listed company.

Her experience includes the whole spectrum of functions starting from setting up new companies and businesses, corporate compliances, treasury management, budgeting, MIS reporting, Corporate Finance, fund management and Corporate Accounting, SAP Implementation, co-ordinating with the Lead Manager for IPO and other areas on the Industrial side.

In the professional practice, she is engaged in handling restructuring transactions, providing end to end transaction support for mergers, acquisitions, joint ventures, acquisitions and other related areas, entire set up compliances for new businesses, corporate compliances on Foreign Exchange Management Act and conversion of accounts of local body from cash basis to accrual basis.

She started her career in the year 1983 and was associated with Practising Chartered Accountants in the capacity of a Partner [1986 – 1991]. She has worked for more than 17 years [1994 -2011] with 20 Microns Ltd in different capacities lastly as Vice President (Finance). She has been with K C Mehta & Co since August 2011.

Resolution placed at item no. 5 of the notice is recommended for approval of the Shareholders as ordinary resolution.

No Director, key managerial personnel or their relatives, except Mrs. Darshana Mankad, to whom the resolution relates, are interested or concerned, financially or otherwise, in the Resolution.

ITEM NO. 6:

The Board of Directors, as its meeting held on 8th May, 2015, has re-designated Mr. Shreyas Mehta (DIN: 00211592) as an Independent Director of the Company with effect from 08.05.2015. Mr. Shreyas Mehta is holding Directorship in the Company since 29th January, 2010; he was non-executive, non-independent Director on the Board of the Company since the date of appointment.

The Company has received a letter confirming from Mr. Shreyas Mehta that he meets the criteria of independence as provided under Sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mr. Shreyas Mehta as an Independent Director of the Company for a period up to 5 years till 2020 pursuant to Section 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Shreyas Mehta, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Shreyas Mehta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the Company during normal business hours up to the date of the Annual General Meeting.

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

MR. SHREYAS MEHTA (DIN:00211592)

Mr. Shreyas Mehta, aged 64 years is an independent Director of the Company. Mr. Shreyas Mehta 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. ArechMarkfin Pvt. Ltd.
3. Ornamentations (I) Pvt. Ltd.
4. Image Computer Systems Pvt. Ltd
5. Rasiklal Hiralal & Co. Pvt. Ltd.

Resolution placed at item no. 6 of the notice is recommended for approval of the Shareholders as ordinary resolution.

No Director, key managerial personnel or their relatives, except Mr. Shreyas Mehta, to whom the resolution relates, are interested or concerned, financially or otherwise, in the Resolution.

ITEM NO. 7:

Mr. G S Venkatachalam is a Chartered Accountant (CA) and holds a Bachelor's Degree in Commerce from Bombay University.

He has more than 30 years of rich experience in the corporate world both in India and Abroad. Mr. G S Venkatachalam joined Alkyl Amines and Chemicals Limited (AACL) as Finance Manager in 1983 and worked with them till 1990. After that he moved to Muscat as Finance Manager of WJ Towells LLC for their motors Division. Motors Division was sold to Inchcape PLC, a London based Co. and Mr. G S Venkatachalam was part of the selling team. He was absorbed by Inchcape LLC as their Finance Manager. In 1994 Mr. G S Venkatachalam was promoted and transferred to Qatar to take care of the FMCG Company of Inchcape LLC in Qatar. This FMCG Company was a partnership between Inchcape & ALIBINALI Est. This FMCG Company was absorbed by ALIBINALI EST. and Mr. G S Venkatachalam became the Finance Director of ALIBINALI Est. a conglomerate with 16 different business units having a turnover of more than a billion dollar. Mr. G S Venkatachalam was actively involved in buying the FMCG Company of Inchcape LLC in Qatar.

Mr. G S Venkatachalam returned to India in 2007 and was appointed as Finance Advisor to AACL. In 2008 he joined Diamines and Chemicals Limited (DACL) board as a Director and in February, 2015 appointed as Whole time Director.

Besides G.S. Venkatachalam is actively involved in many social and philanthropic activities in Mumbai.

Mr. Govindarajapuram Seshadri Venkatachalam, has been appointed as an Executive Director of the Company in place of Mr. Girish Satarkar who has resigned as an Executive Director with effect from 10th November, 2014 and accepted by the Board with effect from 6th February, 2015. Mr. G. S. Venkatachalam has been appointed for a term of **three (3) years w.e.f. 7th February, 2015** with such remuneration and other terms & condition as approved by Board of Directors at the Board Meeting held on 6th February, 2015. The Nomination and Remuneration Committee and Audit Committee has considered the matter and recommended the appointment of him to the Board, subject to the approval of members under various Sections of the Act read with Schedule V of the Companies Act, 2013. Mr. G S Venkatachalam is a Chartered Accountant by profession; having more than 25 years of experience in his core area of competence i.e. Accounts and Finance and has wide exposure to domestic and international markets. To fill vacancy caused upon resignation of Mr. Girish Satarkar as an Executive Director, the Board of Directors of the Company has appointed and re-designated him as an Executive Director of the Company for a **period of three (3) years w.e.f. 7th February, 2015**. The details of terms and conditions and the remuneration payable to Mr. G. S. Venkatachalam, as an Executive Director as contained in the draft agreement to be placed before the members for their approval are set out below:

A. Basic Salary: ` 1,10,000/- Per Month

B. Perquisites/Amenities:

- (i) **HRA:** ` 44,000/- per month (not exceeding 40% p.m. of the Basic Salary)
- (ii) **Medical reimbursement:** Reimbursement of actual medical expenses/premium on Medclaim policy, incurred for self and family not exceeding ` 48,000/- per annum
- (iii) **Leave Travel Concession:** Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ` 54,000/- per annum.
- (iv) Company's Contribution to **Provident Fund** as per rules of the Company (not exceeding 12% p.m. of the Basic Salary)
- (v) **Gratuity** as per the rules of the Company (not exceeding 4.81% p.m. of the Basic Salary)
- (vi) Full use of Company car and driver,
- (vii) **Leave with full pay** and encashment of leave at the end of tenure.
- (viii) **Other Perquisites:**

Subject to overall ceiling on remuneration mentioned in Schedule V of the Companies Act, 2013, he may be given any other allowances, benefits and perquisites as the Board of Directors may decide from time to time.

- (ix) The Company shall pay commission on net profits at such percent to the Executive Director as determined by the Board from year to year provided that the total commission shall not exceed 0.25% of the net profits as calculated under the provisions of the Companies Act, 2013 or 25% of the annual basic salary, whichever is lower, provided that the total remuneration shall not exceed the ceiling limit mentioned in Schedule V of the Companies Act, 2013.

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

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

Mr. G. S. Venkatachalam holds 2269 Equity Shares in the Company and he does not hold Directorship in any other Company.

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

Statement containing information required to be given as per item (iv) of third proviso of Section II of part II of Schedule V of the Companies Act, 2013.

I.	GENERAL INFORMATION:	
	(1) Nature of Industry	Manufacturing range of Ethylene amines at its factory situated at Plot. No. 13, P.C.C Area, P.O. Petrochemicals, Vadodara – 391 346.
	(2) Date of commencement of commercial production.	Existing Company and hence not applicable.
	(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.
	(4) Financial Performance based on given indicators. (As at 31 st March, 2015)	Particulars
		Turnover (Net Sales)
		Operating Profit
		Net Profit/(Loss) Before Tax
		Debt Equity Ratio
		Current Ratio
	Net Worth	
	(5) Export Performance	The Company has achieved export Turnover FOB value of ₹ 55 Lacs for the financial year ended on 31.03.2015
	(6) Foreign Investments or collaborators, if any.	None
II.	INFORMATION ABOUT THE APPOINTEE:	
	(1) Background Details	Mr. G. S. Venkatachalam aged about 60 years, possesses Bachelor's Degree in Commerce and he is also a Chartered Accountant, having more than 30 years of experience in core area of competence i.e. Accounts and Finance. He is with company since 2008 as an Independent Director of the Company and appointed as an Executive Director with effect from 7 th February, 2015. Prior to this he has worked in various companies which exposed him to different corporate cultures and thus has enriched his profile on understanding of human behavior and different business practices.
	(2) Past Remuneration	Availing sitting fees as Independent Director.
	(3) Recognition or Awards	None
	(4) Job Profile and his suitability	Mr. G. S. Venkatachalam as an Executive Director is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company. He has vast experience in the field of Accounts and Finance.

	(5) Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
	(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with skills and experience of the appointee. Mr. G. S. Venkatachalam has been appointed as an Executive Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is not directly and/or indirectly related with Promoters and/or Directors of the Company.
III.	OTHER INFORMATION:	
	(1) Reasons of loss or inadequate profits.	Due to adverse market condition and lower demand the Company incurred losses for the year ended 31 st March, 2015.
	(2) Steps taken or proposed to be taken for improvement	Since the acquisition the Company, it has been putting all its efforts, to improve its financial position. Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.
	(3) Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
IV.	DISCLOSURES:	
(1)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2014-15, wherever applicable .	

Appointment of Mr. G. S. Venkatachalam as an Executive Director of the company requires special majority of the members under Section 196, 197, 198 and 203 read with provisions of Schedule V of the Companies Act, 2013, for payment of remuneration. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013.

Consequently, the said resolution for appointment of Mr. G. S. Venkatachalam as an Executive Director for a period of three (3) years w.e.f. 7th February, 2015 on the remuneration as set out in the Agreement, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution for your approval.

As the resolution for appointment has been proposed for period of three (3) years w.e.f. 7th February, 2015 with remuneration within the limits prescribed under Sub-Clause-A of section II of part II of Schedule V of the Companies Act, 2013, calculated with reference to effective capital and hence the approval of Central Government is not required.

Mr. G. S. Venkatachalam is not related to any Director or Promoters of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution except Mr. G. S. Venkatachalam and recommend your acceptance thereof in the interest of the Company.

ITEM NO 8:

The Company had previously adopted its Articles of Association ("AoA") under the Companies Act, 1956, which contain references to specific sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, several regulations of the existing Articles of Association of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles of Association with a new set of Articles of Association.

The new Articles of Association to be substituted in place of the existing Articles of Association are primarily based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares.

The draft of the new Articles of Association is available for inspection by the members at the registered office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11:00 AM and 1:00 PM. up to the date of Annual General Meeting. The proposed new draft Articles of Association shall also be uploaded on the Company's website for perusal by the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolution, except as shareholders of the Company.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

ITEM NO 9:

The Company's Registrar and Share Transfer Agent viz., M/s. MCS Share Transfer Agent Limited has their regional office at 1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara-07. The Company's RTA has through its letter intimated to the company that they are shifting their office to "10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, VADODARA – 390 007". In view of this, approval of Members is required for keeping the Registers and Returns as mentioned in Section 94 of the Companies Act, 2013 read with applicable Rules made thereunder (as amended from time to time) at the new address of Registrar and Share Transfer Agent or such other place as the Registrar and Share Transfer Agent may change from time to time.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolution, except as shareholders of the Company.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Mumbai, Dated: May 8, 2015

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

BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 39th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS:

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

	(` in Lacs)	
	31 st March, 2015	31 st March, 2014
Total Revenue (including Excise & Sales tax)	4338.38	4947.09
Total Revenue (net of taxes)	3927.63	4424.28
Profit before interest, depreciation & taxation	514.09	620.22
Interest & financial expenses	340.52	298.24
Depreciation	203.33	242.67
Profit/(Loss) before tax	(29.76)	79.31
Provision for tax	125.62	4.27
Net Profit/(Loss) after tax	(155.38)	75.04
Add: balance profit brought forward	1716.03	1640.99
Profit available for appropriation	1560.65	1716.03
Transfer to General Reserve	-	-
Equity Dividend	-	-
Tax on dividends	-	-
Balance profit carried to balance sheet	1560.65	1716.03

2. DIVIDEND:

During the financial year 2014-15 your Company has incurred losses and therefore, your Directors have decided to skip the Dividend for the period under review. Board of Directors sincerely hopes that members would appreciate and understand the situation for non-payment of Dividend.

3. TRASFER TO RESERVES:

Pursuant to provisions of Section 134(1)(j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

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

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

Total income for the year 2014-15 was registered at ` 4338.38 lacs (Gross) as compared to income of ` 4947.09 lacs (Gross) for the year 2013-14, a decline of 12%.

Loss after tax was reported at ` 155.38 lacs for the year 2014-15 as compared to the net profit of ` 75.04 lacs for the period of 2013-14, again a decline of 307%.

Sales volumes for the year 2014-15 were at 1605.375 MT as compared to 1621.265 MT for the year 2013-14.

Further details of Operations are given in the Management discussion and analysis report, which forms part of this report as "**ANNEXURE-A**".

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

In terms of Section 205A read with Section 205C of the Companies Act, 1956, unclaimed or unpaid Dividend relating to the financial year 2008 is due for remittance on 4th September, 2015 which has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Company's RTA, M/s. MCS Share Transfer Agent Limited for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 12th August 2014 (date of the last Annual General Meeting) on the website of the Company (www.dacl.co.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

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

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

Your Company understands and appreciates the responsibility and importance of conservation of energy and 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 steams
- Modification in coal fired boiler to improve efficiency by increasing coal to steam ratio

8. SAFETY, HEALTH AND ENVIRONMENT:

a) Safety:

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

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

Safety promotional activities such as celebration of National Safety day, arranging poster competition, slogan competition and prize distribution are conducted every year to encourage safety culture. Company also conducts Mock drill regularly on quarterly basis and outcome of Mock drill is 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. 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 three (3) Wind Turbine Generators (WTG) of total 3.50 MW Capacity and are always ensured in full operational mode.

9. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND POLICY:

The Company has not implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Act and Rules made thereunder governing Corporate Social Responsibility are not applicable.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The particulars of Loans, guarantees or investments made under Section 186 are furnished as follows:

Sr. No	Company Name	Date of Making Loan	Amount of Loan	Date of Board Approval	Nature of Loan
1	Diamines Speciality Chemicals Private Limited	02.09.2014	2,15,91,362	05.11.2014	Interest free advance

11. MATERIAL ORDERS PASSED BY REGULATORY/COURT:

There were no significant and material orders passed by any regulators and/or courts and tribunals which may have the impact on the going concern status and company's operations in future.

12. INTERNAL FINANCIAL CONTROLS:

The Board of Directors of the Company has laid down adequate internal financial controls which are operating effectively. During the year, policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records and the timely preparations of reliable financial information.

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

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 read with Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no Material Related Party transactions during the year and therefore details as required in AOC-2 is not applicable.

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

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

16. ANNUAL RETURN:

In accordance with Section 134(3)(a), the extracts of Annual Return pursuant to the provisions of Section 92(3) in prescribed form MGT-9 is furnished in "**ANNEXURE C**" and is attached to this Report.

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

The Company had Four (4) Board meetings during the financial year under review. Further details are given in the report of Corporate Governance forming part of this Report.

18. DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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. The Company has Fifty Thousand (50,000) equity shares constituting 100% of the paid-up equity share capital of Diamines Speciality Chemicals Pvt. Ltd.

Pursuant to provisions of Section 2(87) of the Companies Act, 2013, Diamines Speciality Chemicals Pvt. Ltd is the 100% wholly owned subsidiary of our Company. For the financial year ended 31st March, 2015, the Diamines Speciality Chemicals Pvt. Ltd has not started its commercial activity yet. Consolidated financial statement of the Company and of the subsidiary, Diamines Speciality Chemicals Pvt. Ltd, forms part of the Annual Report. A separate statement containing the salient features of the financial

statement of Diamines Speciality Chemicals Pvt. Ltd is part of this Annual Report and given in Form AOC-1.

The Company does not have any associate or Joint Venture Company as on report date.

20. DEPOSITS

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

21. DIRECTORS

Mr. Yogesh M Kothari (DIN: **00010015**) and Mr. Amit M Mehta (DIN: **00073907**) retire at this Annual General Meeting and being eligible offer themselves for re-appointment. The Board of Directors has placed on record its sincere appreciation and gratitude for the very valuable and outstanding contribution made by Mr. Girish Satarkar, Executive Director (DIN: 00340116) of the Company during his association with the Company who has resigned w.e.f. 6th February, 2015.

Mr. G S Venkatchalam (DIN:02205898), was appointed as an Executive Director of the Company w.e.f. February 7, 2015. Earlier he was holding position as Director (Non-Executive Independent) in the Company. During the year under review, Mrs. Darshana Mankad (DIN: 00041675) has been appointed as an Additional Directors of the Company w.e.f. November 11, 2014 and she holds the office of Director upto the date of the forthcoming Annual General Meeting. The Company has received letter from shareholders recommending her appointment as Director of the Company. The proposal of her appointment has been put forth for approval of the shareholders of the Company in the Notice of the AGM. A brief resume of the Directors seeking appointment at the forthcoming Annual General Meeting and other details as required to be disclosed in terms of Clause 49 of the Listing Agreement forms part of the Notice.

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

22. DECLARATION OF INDEPENDENT DIRECTORS:

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

23. BOARD EVALUATION:

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee. None of the independent directors are due for re-appointment.

25. PARTICULARS REGARDING EMPLOYEES REMUNERATION:

The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as "**ANNEXURE-D**".

26. KEY MANAGERIAL PERSONNEL

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

27. AUDITORS

a. STATUTORY AUDITOR

M/s Bansi S Mehta & Co., Chartered Accountants, was appointed as Statutory Auditors for a period of four (4) years in the Annual General Meeting held on 12.08.2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

b. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Sandip Sheth & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Report is annexed herewith as "**ANNEXURE E**".

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

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

29. RISK MANAGEMENT POLICY:

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

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

The Audit Committee consists of the following members:

- a. Mr. Rajendra Chhabra - Chairman
- b. Mr. Kirat Patel - Director
- c. Mrs. Darshana Mankad - Director

The above composition of the Audit Committee consists of independent Directors viz., Mr. Rajendra Chhabra and Mrs. Darshana Mankad who form the majority.

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

31. SHARES

a. BUY BACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

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

33. INSURANCE:

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

34. 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.

35. INSIDER TRADING POLICY:

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

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

36. NOMINATION AND REMUNERATION POLICY:

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The Nomination and Remuneration policy as provided herewith pursuant to provisions of Section 178(4) of the Companies Act, 2013 and Clause 49(IV)(B)(4) of the Listing Agreement. The policy is also available on our website.

Web link is <http://www.dacl.co.in/investors/Remuneration%20policy%20DACL.pdf>.

37. 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 as "**ANNEXURE F**".

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

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2014-15. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

39. ACKNOWLEDGEMENT

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

Mumbai, Dated: May 8, 2015

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

ANNEXURE A
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-391 340. 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 2014-15 amounted to ` 3927.63 Lacs compared to ` 4424.28 Lacs of the previous year 2013-14. The operating profit/ (Loss) before tax amounted to ` (29.76) lacs compared to ` 79.31 lacs in the year 2013-14.

STRENGTHS & OPPORTUNITIES:

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

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

CONCERNS & THREATS:

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

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

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

OUTLOOK:

For the year 2015 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 into 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 2015-16 also. Your company is well aware of the challenging scenario lying ahead and taking necessary steps by planning activities properly at operational stages.

HUMAN RESOURCE:

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. The internal control systems are supplemented by an extensive 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, if any, are identified 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 8, 2015

Chairman

ANNEXURE - B

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND

**OUTGO
FORM A**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2014 – 15	Previous Year 2013 – 14
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased Unit	1340670	1660305
Total Amount (` in lacs)	68.52	93.83
Rate/Unit (`)	5.11	5.65
b) Own Generation		
Through Diesel generator		
Units	16624	29040
Units/Ltr. of Diesel Oil	3.06	4.11
Cost/Unit (`)	19.87	19.65
Coal		
Quantity in tonnes	2381	3580
Total Cost (` in lacs)	127.23	192.14
Average Rate ` /Tonne	5343	5367
LDO & FO		
Quantity (In Tonnes)	250	272
Total cost (` in lacs)	96.22	119.00
Average Rate ` / Tonne	38488	43757
Generation through Wind Turbine Generator		
Units (KWH in thousand)	3754.29	5179.61
Total Amount (` in lacs)	186.58	228.20
Average Generation Rate (` / Unit)	4.97	4.41
B. CONSUMPTION PER TONNE OF PRODUCTION:		
Production of Speciality Chemicals (MT)	1518	1658
Electricity (Unit)	883	1001
Coal (Tonnes)	1.57	2.16
FO/LDO (Tonnes)	0.16	0.16

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 of international quality
2. Improvement of color of Tetraethylenepentamine (TEPA).
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 and Production department for continuous improving the quality of products.

(B) Benefits derived from R&D:

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

(C) Future plans of Action:

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

(D) Expenditure on R&D:

- | | | |
|--------------------------|---|-------------------------|
| a) Capital | : | ` 1,05,759 |
| b) Revenue | : | ` 22,51,800 |
| c) Total | : | ` 23,57,559 |
| d) Total R&D expenditure | : | 0.60% of total turnover |

(E) Technology absorption, adoption and innovation:

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

II FOREIGN EXCHANGE EARNINGS AND OUTGO:

Year ended March 31	2015 (In `)	2014 (In `)
Foreign Exchange Earnings	55,71,848	3,79,78,608
Foreign Exchange Outgo	17,21,62,577	21,30,72,798

ANNEXURE - C

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	L24110GJ1976PLC002905
2. Registration Date	12/05/1976
3. Name of the Company	DIAMINES AND CHEMICALS LIMITED
4. Category/Sub-category of the Company	PUBLIC COMPANY
5. Address of the Registered office & contact details	PLOT NO 13 PCC AREA P.O. PETROCHEMICALS, VADODARA-391346, Gujarat Tel : (91) (0265) - 2230 305 / 2230 406 Fax : (91) (0265) - 2230 218
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. MCS Share Transfer Agent Limited 10, Aram Apartment,12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, VADODARA – 390 007 Tel No:-0265-2339397

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Organic Chemicals Compounds	20119	96.64%
2	Electric Power Generation using other non-Conventional Sources (Windmill)	35106	3.36%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate of the Company	% of Shares held	Applicable Section
Diamines Speciality Chemicals Private Limited	U24100GJ2012PTC068634	Subsidiary	100%	2 (87)

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2382214	0	2382214	24.35	2382214	0	2382214	24.35	NA
b) Central Govt.	0	0	0	0	0	0	0	0	NA
c) State Govt. (s)	0	0	0	0	0	0	0	0	NA
d) Bodies Corp.	3996563	0	3996563	40.85	3996563	0	3996563	40.85	NA
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	6378777	0	6378777	65.20	6378777	0	6378777	65.20	NA
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1363	3076	4439	0.05	1363	3076	4439	0.05	NA
b) Banks / FI	136	375	511	0.01	136	375	511	0.01	NA
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	100	200	300	0.00	100	200	300	0.00	NA
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	1599	3651	5250	0.06	1599	3651	5250	0.06	NA
2. Non-Institutions									
a) Bodies Corp.	139696	20519	160215	1.64	142959	20519	163478	1.67	1.80%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	1506258	467534	1973792	20.17	1662091	453650	2115741	21.62	6.70%
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1164101	0	1164101	11.90	1001845	0	1001845	10.23	-16.32%
c) Others (specify)	100471	634	101105	1.03	117515	634	118149	1.22	15.57%
Non-Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	2910526	488687	3399213	34.74	2924410	474803	3399213	34.74	NA
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2912125	492338	3404463	34.80	2926009	478454	3404463	34.80	NA
C. Shares held by Custodian for GDRs & ADRs	9290902	492338	9783240	100	9304786	478454	9783240	100	NA
Grand Total (A+B+C)									

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ALKYL AMINES CHEMICALS LTD	2977996	30.44		2977996	30.44		NA
2	PERFOCHEM (INDIA) PVT. LTD.	840000	8.59	300000	840000	8.59	300000	NA
3	S. AMIT SPECIALITY CHEMICALS PVT. LTD	128100	1.31		128100	1.31		NA
4	FINORGA (INDIA) PVT. LTD.	44467	0.45		44467	0.45		NA
5	SYK TRADING AND CONSULTANCY P. LTD	6000	0.06		6000	0.06		NA
6	AMIT MAHENDRA MEHTA	862099	8.81		862099	8.81		NA
7	CHERRY AMIT MEHTA	695178	7.11		695178	7.11		NA
8	MOHAK AMIT MEHTA	195904	2.00		195904	2.00		NA
9	HARSH AMIT MEHTA	195750	2.00		195750	2.00		NA
10	YOGESH MATHRADAS KOTHARI	187932	1.92		187932	1.92		NA
11	KOKILA MAHENDRA MEHTA	95178	0.97		95178	0.97		NA
12	PINAKIN KANTILAL PATEL	50212	0.51		50212	0.51		NA
13	MOHAK AMIT MEHTA	41250	0.42		41250	0.42		NA
14	HARSH AMIT MEHTA	41250	0.42		41250	0.42		NA
15	YOGESH M. KOTHARI	17461	0.18		17461	0.18		NA

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

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

D) Shareholding Pattern of top ten Shareholders:

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

For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
Sharad Kanayalal Shah	151500	1.55	0	0	151500	1.55
Dipak Kanayalal Shah	105000	1.07	0	0	105000	1.07
Pradeep R Datar	78100	0.80	8125	0	86225	0.88
Mayur Mangaldas Kothari	57003	0.58	3000	0	60003	0.61
Madan Bhagchand Melwani	0	0	0	0	59395	0.60
Mahesh Kantilal Vakil	55890	0.57	0	7000	48890	0.50
Dhiresbhai T Shah	48232	0.49	0	0	48232	0.49
Jigna Kanayalal Shah	47000	0.48	0	0	47000	0.48
Varsha Sharad Shah	41000	0.42	0	0	41000	0.42
Padma Jitendra Parekh	35541	0.36	0	0	35541	0.36

Note: Top ten (10) shareholders as on 31st March, 2015 have been considered for the above disclosure.

E) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
Mr. Yogesh M Kothari	205393	2.10	0	0	205393	2.10
Mr. Amit M Mehta	862099	8.81	0	0	862099	8.81
Mr. Kirat Patel	10800	0.11	0	0	10800	0.11
Mr. Rajendra Chhabra	7800	0.08	0	0	7800	0.08
Mr. Dhruv Kaji	300	0.00	0	0	300	0.00
Mr. Shreyas Mehta	9000	0.09	0	0	9000	0.09
Dr. Ambrish Dalal	200	0.00	0	0	200	0.00
Mrs. Darshana Mankad	0	0.00	200	0	200	0.00
For Each of the KMP						
Mr. G S Venkatachalam (CEO)	1233	0.01	1036	0	2269	0.02
Ms. Dimple Mehta (CS)	10	0.00	0	0	10	0.00
Mr. A. R. Chaturmutha (CFO)	10	0.00	0	0	10	0.00

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,27,34,241	48,00,000	-	19,75,34,241
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,93,449	-	-	9,93,449
Total (i+ii+iii)	19,37,27,690	48,00,000	-	19,85,27,690
Change in Indebtedness during the financial year				
* Addition	5,00,00,000	2,00,00,000	-	7,00,00,000
* Reduction	4,39,99,714	2,23,00,000	-	6,62,99,714
Net Change	60,00,286	(23,00,000)	-	37,00,286
Indebtedness at the end of the financial year				
i) Principal Amount	19,84,85,735	25,00,000	-	20,09,85,735
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12,42,241	-	-	12,42,241
Total (i+ii+iii)	19,97,27,976	25,00,000	-	20,22,27,976

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. G S Venkatachalam	Mr. Girish R Satarkar	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,75,000	21,70,000	24,45,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	15,018	2,94,160	3,09,178
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission			
	- as % of profit			
	- others, specify...	-		-
5	Others, please specify	-		-
	Total (A)	2,90,018	24,64,160	27,54,178

Note: Mr. G S Venkatachalam was appointed as Executive Director W.e.f. 07.02.2015
Mr. Girish R Satarkar has resigned as Executive Director from the Board w.e.f. 06.02.2015

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

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Rajendra Chhabra	Dhruv Kaji	Ambrish Dalal	Darshana Mankad	
1	Independent Directors					
	Fee for attending board/ committee meetings	3.26	0.40	0.40	0.30	4.36
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	3.26	0.40	0.40	0.30	4.36
2	Other Non-Executive Directors					
	Fee for attending board/ committee meetings	0.85	0.84	3.00	0.20	4.89
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	0.85	0.84	3.00	0.20	4.89
	Total (B)=(1+2)	4.11	1.24	3.40	0.50	9.25

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

SN	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO/ED	CS	CFO		
1	Gross salary	Mr. G S Venkatachalam	Mr. Girish R Satarkar	Ms Dimple Mehta	Mr. A R Chaturmutha	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,75,000	21,70,000	1,89,330	5,98,380	32,32,710
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	15,018	2,94,160	-	-	3,09,178
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	NA	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA	NA
4	Commission	NA	NA	NA	NA	NA
	- as % of profit	NA	NA	NA	NA	NA
	others, specify...	NA	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA	NA
	Total	2,90,018	24,64,160	1,89,330	5,98,380	35,41,888

Note: Mr. G S Venkatachalam was appointed as Executive Director W.e.f. 07.02.2015
Mr. Girish R Satarkar has resigned as Executive Director from the Board w.e.f. 06.02.2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**ANNEXURE-D
PARTICULARS REGARDING EMPLOYEES REMUNERATION**

SR.NO.	REQUIRMENTS	DISCLOSURE
I	The ratio of remuneration of each director to the median remuneration of the employees for the financial year.	Mr. Girish R. Satarkar : 15.68 x Mr. G S Venkatachalam : 11.07 x
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mr. Girish R. Satarkar (CEO) : 8.83% Mr. A R Chaturmutha (CFO) : 10.64% Ms. Dimple Mehta (CS) : 33.34%
III	The percentage increase in the median remuneration of the employees in the financial year.	The median remuneration of the employees in FY 2015 was increased by 15.04%
IV	The number of permanent employees on the rolls of the Company	76 as on March 31, 2015
V	The explanation on the relationship between average increase in remuneration and Company performance	Factors considered for increase in remuneration: - Performance of the company - The bench mark study in the industry - Regulatory provision Variable compensation is an integral part of the total pay package and is based on an individual performance rating
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	As per the Company's policy of rewarding the employees, including Key managerial personnel, the increase in remuneration and variable pay is based on an individual performance rating and bench mark study is also factored.
VII	Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	The Market Capitalization of the Company as at March 31, 2015 was ` 26.61 Crores as compared to ` 20.50 Crores as at March 31, 2014. The earning per share of the Company was ` (1.59) as at March 31, 2015 which was ` 0.77 as at March 31, 2014. The stock price of the Company as at March 31, 2015 has increased by 74.36% to ` 27.20 over the last public offering, i.e. Right Issue in the year 1995 at the price of ` 15.60 per share.
VIII	Average percentile increase already made in the salaries of the employees other than the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with bench mark study and the performance of the company over a period of time. There is no exceptional increase in the managerial remuneration
IX	Comparison of the each remuneration of the Key Managerial personnel against the performance of the Company	Remuneration of Key Managerial personnel is in line with the bench mark study and performance of the Company
X	The key parameters for any variable component of remuneration availed by the director	Depends on the performance parameters set for Key Managerial Personnel as approved by the Nomination and remuneration committee of the Board
XI	The ratio of the remuneration of the highest paid director to that of the employee who are not directors but received remuneration in excess of the highest paid director during the year	None of the employee was drawing remuneration in excess of the highest paid director during the year and hence no comments are offered.
XII	Affirmation that the remuneration is as per the remuneration policy of the company.	We confirm

Note:Mr. G S Venkatachalam was appointed as Executive Director W.e.f. 07.02.2015

Mr. Girish R Satarkar has resigned as Executive Director from the Board w.e.f. 06.02.2015

There was no employee drawing remuneration in excess of the limits prescribed under sub rule (2) of clause 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE-E

FORM NO. MR 3

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2015

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

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

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 (hereinafter referred to as “Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i.) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii.) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv.) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during Audit Period)**
- (v.) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during Audit Period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during Audit Period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during Audit Period)**

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company;

- (a) The Air (Prevention and Control of Pollution) Act, 1981;
- (b) The Water (Prevention and Control of Pollution) Act, 1974;
- (c) The Environment Protection Act, 1986;
- (d) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- (e) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;

We have also examined compliance with the applicable clauses of the following:

- (i.) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified therefore not applicable to the Company during Audit Period)**
- (ii.) The Listing Agreements entered into by the Company with Stock Exchange i.e. Bombay Stock Exchange. **(Except qualification as mentioned hereinbelow)**

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period, except ratification of the powers to borrow funds pursuant to section 180 (1) (c) of the Companies Act, 2013 and ratification of the powers to create charges on the assets of the Company pursuant to section 180 (1) (a) of the Companies Act, 2013, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Signature:
Sandip Sheth & Associates
Practicing Company Secretaries

Sandip Sheth
(Partner)

FCS: 5467

CP No.: 4354

Place : Ahmedabad

Date : May 8, 2015

ANNEXURE-F CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS AND ITS COMPOSITION:

As on 31st March, 2015, the Board of Directors of the Company, comprises of Eight (8) Non-Executive Directors and One (1) Executive Director and amongst them Four (4) are Independent Directors, who brings in a wide range of skills and experience. The Board Members consists of persons with professional expertise and experience in various fields of Chemicals, Marketing, Finance, Management, Accountancy, etc. and the composition of the Board is in conformity with the amendments in the Listing Agreement. The Board members are not inter-se related to each other.

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

Details of the Composition of the Board of Directors as on 31st March, 2015, are as under:

1.	Mr. Yogesh M. Kothari	Chairman, Non-Executive Director
2.	Mr. Amit M. Mehta	Vice Chairman, Non-Executive Director
3.	Mr. G.S.Venkatathalan	Executive Director*
4.	Mrs. Darshana Mankad	Non-Executive Independent Director**
5.	Mr. Kirat Patel	Non-Executive Director
6.	Mr. Dhruv Kaji	Non-Executive Independent Director
7.	Mr. Rajendra Chhabra	Non-Executive Independent Director
8.	Dr. Ambarish Dalal	Non-Executive Independent Director
9.	Mr. Shreyas Mehta	Non-Executive Director

* Mr. G S Venkatachalam was appointed as an Executive Director w.e.f. 7th February, 2015
** Mrs. Darshana Mankad was appointed as (Woman Director) Non-Executive Independent Director w.e.f. 5th November, 2014.
Mr. Girish R Satarkar has resigned as an Executive Director from the Board w.e.f. 6th February, 2015
Mr. G. G. Chendwankar expired on 5th July, 2014.

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 Four (4) times. The maximum gap between any two meetings was not more than one hundred and twenty days.

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

ROLE OF INDEPENDENT DIRECTORS:

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

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on 5th February, 2015 without the attendance of non-independent Directors and members of management, inter alia to:

- Review the performance of the non-independent Directors and the Board as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors;

- c. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

TENURE OF BOARD OF DIRECTORS:

As per the provisions under section 152 of the Companies Act, 2013 and the Companies (Appointment and qualifications of Directors) Rules, 2014 as amended from time to time, Every year one third 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. Yogesh M Kothari and Mr. Amit M Mehta, Directors of the Company 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 regular intervals to review the quarterly performance and the financial results of the Company. The Members of the Board have access to all information on the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management persons are also invited to attend the Board meetings and provide clarifications as and when required.

During the year under review, Four (4) Board Meetings were held respectively on 6th May, 2014, 12th August, 2014, 5th November, 2014 and 6th February, 2015. Details of attendance at the Board Meetings and Annual General Meeting for each Director along with their other Directorships are as stated herein below:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended out of 4 held	Attended last AGM held on 12/08/2014
1	Mr. Yogesh M. Kothari	Chairman – NED / PD	4	Yes
2	Mr. Amit M. Mehta	Vice Chairman – NED/PD	4	Yes
3	Mr. Kirat Patel	NED	4	Yes
4	Mr. Dhruv Kaji	NED – I	2	No
5	Mr. Rajendra Chhabra	NED – I	4	Yes
6	Mr. G.S.Venkatachalam*	ED	4	Yes
7	Dr. Ambrish Dalal	NED – I	1	No
8	Mr. Shreyas Mehta	NED	1	No
9	Mrs. Darshana Mankad**	NED – I	1	No

ED-Executive Director

NED–Non-Executive Director

NED-I : Non-Executive & Independent Director

PD – Promoter Director

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

* Mr. G S Venkatachalam was appointed as an Executive Director of the Company w.e.f. 7th February, 2015 up to which he was Non-executive Independent Director on the Board of the Company

** Mrs. Darshana Mankad was appointed as a (Woman Director) Non-Executive Independent Director w.e.f. 5th November, 2014.

Mr. Girish R Satarkar has resigned as an Executive Director from the Board w.e.f. 6th February, 2015.

Mr. G. G. Chendwankar expired on 5th July, 2014.

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	2
Mr. Amit M. Mehta	3	–	1
Mr. G. G. Chendwankar	–	–	2
Mr. Kirat Patel	3	1	2
Mr. Dhruv Kaji	1	–	–
Mr. Rajendra Chhabra	2	1	1
Mr. G.S.Venkatachalam	–	–	1
Dr. Ambrish Dalal	–	–	–
Mr. Shreyas Mehta	1	1	–
Mr. Girish R. Satarkar	–	–	–
Mrs. Darshana Mankad	–	–	1

* Excluding Diamines and Chemicals Limited.

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

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

BOARD COMMITTEES:

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

Audit Committee:

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the listing agreement. The Audit Committee was formed on 14th March, 2001. The quorum of the said Audit Committee Meetings is Two (2) members.

The present composition of the Committee is as stated below: #

Name	Designation	Category
Mr. Rajendra Chhabra	Chairman	Non-Executive & Independent Director
Mr. Kirat Patel	Member	Non-Executive Director
Mrs. Darshana Mankad*	Member	Non-Executive & Independent Director

*Mrs. Darshana Mankad was appointed as a (Woman Director) Non-Executive Independent Director W.e.f. 5th November, 2014.

Mr. G G Chendwankar expired on 5th July, 2014.

Mr. G S Venkatachalam was appointed as Executive Director of the Company w.e.f. 7th February, 2015 and he has resigned from the Committee with that effect.

The terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines as amended from time to time.

The Chief Financial officer (CFO) and Internal Auditor are permanent invitees to the Committee Meetings. The Statutory Auditors are also invited to attend the Meetings. The Company Secretary acts as the Secretary of the Committee.

The Committee members are paid a sitting fee of ` 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:			
	03.05.2014	11.08.2014	03.11.2014	05.02.2015
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. Kirat Patel	Yes	Yes	Yes	Yes
Mrs. Darshana Mankad*	NA	NA	NA	Yes

*Mrs. Darshana Mankad was appointed as a (Woman Director) Non-Executive Independent Director w.e.f. 5th November, 2014.

Mr. G G Chendwankar expired on 5th July, 2014.

Mr. G S Venkatachalam was appointed as Executive Director of the Company w.e.f. 7th February, 2015 and he has resigned from the Committee with that effect. (He has attended all the meeting of Audit Committee during the year)

The Minutes of Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The Chairman of the Audit Committee (Mr. Rajendra Chhabra) was present at the 38th Annual General Meeting held on 12th August, 2014.

Stakeholders Relationship Committee of Directors:

Stakeholders/Relationship Committee comprises of Three (3) members who are Non-Executive Directors among them one One (1) is Non-Executive & Independent Director of the Company.

Mr. Yogesh M. Kothari who is the Chairman of the Company also chairs the Meeting. During the year under review, the Committee met as and when required.

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

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

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

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

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

Mr. G G Chendwankar expired on 5th July, 2014

*Mr. Amit M Mehta was appointed as member of the committee w.e.f. 12th August, 2014

Ms. Dimple Mehta, Company Secretary is the Compliance Officer and is acting as a Secretary to the Committee.

Nomination and Remuneration Committee:

The erstwhile Remuneration Committee is reconstituted as Nomination and Remuneration Committee, as per the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board. The Nomination and Remuneration Committee consists of Dr. Ambarish Dalal, Chairman, Mr. G.S. Venkatachalam*, Mr. Rajendra Chhabra and Mr. Kirat Patel** whose function is to approve remuneration policy of Directors. During the year the committee meeting were held on 30-04-2014 to consider and approve the remuneration to be paid to Mr. Girish R Satarkar, Executive Director of the Company and on 05.02.2015 to take note of the resignation of Mr. Girish R Satarkar and also to nominate the appointment of Mr. G. S. Venkatachalam, as Executive Director of the Company subject to approval of the Board members and recommend the remuneration of Mr. G S Venkatachalam.

*Mr. G S Venkatachalam was appointed as an Executive Director w.e.f. 7th February, 2015.

**Mr. Kirat Patel was appointed as a member of the Nomination and Remuneration Committee w.e.f. 6th February, 2015.

Details of remuneration paid to the Executive Director(s) for the financial year 2014 – 2015.

(` In Lacs.)

Name of Director	Designation	Salary & Allowance	Perquisite	Commission	Total
Mr. Girish R. Satarkar (01.04.2014 to 06.02.2015)	Executive Director	21.70	2.94	NIL	24.64
Mr. G S Venkatachalam (07.02.2015 to 31.03.2015)	Executive Director	2.75	0.15	NIL	2.90

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS :

The remuneration paid to non-executive Directors for the year from 01.04.2014 to 31.03.2015 are as under:

(` in lacs)

Name	Remuneration	Sitting Fee	Commission*	Total
Mr. Yogesh Kothari	Nil	0.85	NIL	0.85
Mr. Amit M. Mehta	Nil	0.84	NIL	0.84
Mr. Kirat Patel	Nil	3.00	NIL	3.00
Mr. Rajendra Chhabra	Nil	3.26	NIL	3.26
Mr. G.G.Chendwankar	Nil	0.72	NIL	0.72
Mr. G. S.Venkatachalam	Nil	2.20	NIL	2.20
Dr. Ambrish Dalal	Nil	0.40	NIL	0.40
Mr. Dhruv Kaji	Nil	0.40	NIL	0.40
Mr. Shreyas Mehta	Nil	0.20	NIL	0.20
Mrs. Darshana Mankad	Nil	0.30	NIL	0.30

- 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 20th July, 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	2,05,393
2.	Mr. Amit M. Mehta	8,62,099
3.	Mr. Kirat Patel	10,800
4.	Mr. Rajendra Chhabra	7,800
5.	Mr. G.G. Chendwankar	28,345
6.	Mr. G. S. Venkatachalam	2,269
7.	Dr. Ambrish Dalal	200
8.	Mr. Dhruv Kaji	300
9.	Mr. Shreyas Mehta	9,000
10	Mrs. Darshana Mankad	200

DISCLOSURES:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year that may have potential conflict with the interests of the Company at large. Related party transactions have been disclosed in Note 31 to the financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review. Omnibus approval was obtained for transactions which were repetitive in nature. Transactions entered into pursuant to omnibus approval were placed before the Audit Committee for its review during the year. Segment Reporting as per Accounting Standard AS 17 applicable to the Company is given in note no.30.

Material Subsidiaries: The Company does not have a material subsidiary as defined under Clause 49 of the Listing Agreement.

CEO/CFO Certification: A certification from the CEO and CFO in terms of Clause 49(IX) of the Listing Agreement was placed before the Board Meeting held on 8th May, 2015 to approve the Audited Annual Accounts for the year ended 31st March, 2015.

REGULATORY COMPLIANCES:

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

POLICES:

Whistle Blower Policy

Your company has established a Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

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

Related party Transaction policy

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

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

MEANS OF COMMUNICATION:

The Company has approx. Ten Thousand (10,000) shareholders. The main source of information to the Shareholders is Annual Report of the Company, which includes *inter-alia*, the Report of the Board of Directors, Operational and Financial Review and the Audited Financial Results. Shareholders are also informed through press publication about the quarterly financial performance of the Company.

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

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

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date	06.08.2015 to 11.08.2015 (both days inclusive)
2. Date, Time and Venue of the 39 th Annual General Meeting	11 th August, 2015 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 2015 – 2016
5. Registered Office /Plant location and address for correspondence	Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346. Tel: 0265 – 2230 305 / 406 / 929 Fax: 0265 – 2230 218 e-mail: info@dacl.co.in , Website: www.dacl.co.in
6. Place where Share Transfers are to be lodged: (a) In Physical form (b) In Electronic form	In view of the SEBI circular, every listed company is required to appoint one common agency for handling both Physical & Demat related services in respect of its shares. Accordingly, your Company has continued with and appointed M/s. MCS Share Transfer Agent Ltd., Vadodara for the same w.e.f. 01.04.2003. <u>Branch Manager</u> MCS Share Transfer Agent Ltd. 10, Aram Apartment, 12, Sampatrao Colony, Vadodara 390 007 Telephone (0265) 2339397 Fax: (0265) 2341639 ———— As above————
7. International Securities Identification Number (ISIN)	INE 591D01014
8. Compliance Officer	Ms. Dimple Mehta Tel no: 0265 2230305 /406 e-mail: secretarial@dacl.co.in

9. Date, Time and Venue for the last 3 A.G.M.'s.	38 th A.G.M.- 12 th August, 2014 at 12.00 noon held at the Registered Office of the Company. 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. * No Postal Ballots were used/invited for voting at these meetings.			
10. Special Resolutions passed	38 th A.G.M- 2 Special Resolutions were passed 37 th A.G.M. – 1 Special Resolution was passed 36 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, 2015. - Bombay Stock Exchange Ltd. (BSE)	₹ 27.20/-			
12. Financial Year	1 st April to 31 st March each year.			
13. Dividend declared for current and earlier years		2014 - 15	2013 - 14	2012 - 13
	Final	Nil	Nil	5%
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, 2014	26.05	19.00
2	May, 2014	34.00	23.90
3	June, 2014	43.90	27.50
4	July, 2014	39.50	30.70
5	August, 2014	44.00	31.00
6	September, 2014	52.00	36.00
7	October, 2014	41.50	34.00
8	November, 2014	44.50	34.55
9	December, 2014	38.45	30.10
10	January, 2015	37.40	30.10
11	February, 2015	34.00	27.55
12	March, 2015	33.00	25.25

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2015)

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

SHAREHOLDING PATTERN: (as on 31st March, 2015)

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters & Persons acting in concert	6378777	65.20
2	Mutual Funds/Banks & FI's/ Insurance Co.	5250	0.06
3	Other Corporate Bodies	163478	1.67
4	Public	3117586	31.85
5	NRI's	118149	1.22
6	Any Other	0	0.00
	TOTAL	9783240	100.00

DEMATERIALISATION OF SHARES: (as on 31st March, 2015)

Particulars	No. of Equity Shares	% to Share Capital
NSDL	8937971	91.36%
CDSL	366815	3.75%
Physical	478454	4.89%
TOTAL	9783240	100.00%

Details of Plant Locations/Address of Correspondence:

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

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

The Company has not issued any of these instruments.

Non-mandatory disclosures/requirements:

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

FOR DIAMINES AND CHEMICALS LTD.
CIN : L24110GJ1976PLC002905

Yogesh M Kothari
Chairman

Mumbai, Dated: May 8, 2015.



**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 2015, 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 personnel of the company or who are the members of the core team of the management, comprises all members of management, one level below the Executive Director, including all functional head.

**Place : Vadodara
Date : 08.05.2015**

**Sd/-
G S Venkatachalam
Executive Director**

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We 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 2015. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

On the basis of our examination of the records produced, explanation and information furnished, we certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement.

For Sandip Sheth & Associates
Company Secretaries

Sandip Sheth
(Partner)

Membership No. FCS : 5467
COP No. 4354

Ahmedabad, Dated: May 8, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of
Diamines and Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Diamines and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and 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 standalone financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27.1 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Place : MUMBAI

Dated : May 8, 2015.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the standalone financial statements for the year ended March 31, 2015.

We report that:

- i. a. The Company has maintained proper records showing 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.
- ii. a. Inventories, other than stocks-in-transit, have been physically verified by the management during the year or at the year-end. In our opinion, the frequency of such verification is reasonable. For stocks-in-transit at the year-end, the necessary documentary evidences have been obtained.

- b. In our opinion, 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. In our opinion, the Company has maintained proper records of its inventories and no material discrepancies have been noticed on physical verification between the physical stocks and book records.
- iii. a. The Company has granted interest-free advances to its wholly-owned subsidiary covered in the register maintained under Section 189 of the Act. The Company has not granted any other loan to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- b. As regards interest-free advances to the subsidiary, the terms and conditions of the deposit, including repayment thereof have not been stipulated. Accordingly, Clause 3(iii)(a) of the Order regarding regularity of the receipt of principal amount and interest and Clause 3(iii)(b) of the Order regarding steps for recovery of overdue amount of more than rupees one lakh are not applicable.
- 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 for the sale of goods. As informed to us, the Company is not engaged in the sale of services. During the course of our audit, no major weaknesses have been observed in such internal control system.
- v. In our opinion and according to the information and explanations given to us, as the Company has not accepted any deposit from the public, Clause 3(v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under, are not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148(1) of the Act in respect of the its products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year, for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and on the basis of the books and records examined by us, as may be applicable, given hereinbelow are the details of dues of Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Forum where dispute is pending	Nature of the dues	Period to which the amount relates	Amount
The Income-tax Act, 1961	Commissioner of Income-tax (Appeals)	Income-tax	Financial Year 2008-2009	16,034,720
The Income-tax Act, 1961	Commissioner of Income-tax (Appeals)	Income-tax	Financial Year 2009-2010	882,980
The Finance Act, 1994	Commissioner of Central Excise (Appeals)	Service Tax / Excise Duty	Financial Year 2005-06 to 2014-15	11,702,180
The Foreign Trade (Development and Regulation) Act, 1992	Additional Director General of Foreign Trade (Appeals)	Custom Duty	Financial Year 1993-94 to 1997-98	5,364,604

- c. According to the information and explanations given to us, the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under have been transferred to such fund within time.
- viii. There are no accumulated losses of the Company at the end of the financial year and the Company has not incurred any cash losses during such financial year and in the immediately preceding financial year.
- ix. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in the repayment of dues to banks. Since there has not been any borrowing from the financial institutions nor any debenture has been issued by the Company, the question of commenting on whether the Company has defaulted in repayment of dues to a financial institution or debenture holders does not arise.
- x. 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 3(x) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained other than amounts temporarily placed pending utilisation of the funds for the intended use.
- xii. Based on the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

PARESH H. CLERK
Partner

Membership No. 36148

Place : MUMBAI
Dated : May 8, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	97,832,400	97,832,400
Reserves and Surplus	3	235,824,203	253,317,041
		333,656,603	351,149,441
Non-Current Liabilities			
Long-term Borrowings	4	68,187,037	51,942,917
Deferred Tax Liabilities (Net)	5	45,746,780	36,039,539
Long-term Provisions	6	2,702,429	1,484,955
		116,636,246	89,467,411
Current Liabilities			
Short-term Borrowings	7	104,592,818	119,010,646
Trade Payables	8	34,325,027	44,904,036
Other Current Liabilities	9	42,408,010	43,243,760
Short-term Provisions	10	3,459,135	4,279,322
		184,784,990	211,437,764
TOTAL		635,077,839	652,054,616
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	292,999,059	315,135,904
Capital Work-in-progress		NIL	41,184
		292,999,059	315,177,088
Non-current Investments	12	1,467,115	1,467,115
Long-term Loans and Advances	13	117,047,006	100,376,860
Other Non-current Assets	14	NIL	NIL
		411,513,180	417,021,063
Current Assets			
Inventories	15	120,911,792	124,025,124
Trade Receivables	16	77,915,039	80,671,811
Cash and Bank Balances	17	4,413,918	9,186,236
Short-term Loans and Advances	18	19,045,025	20,310,489
Other Current Assets	19	1,278,885	839,893
		223,564,659	235,033,553
TOTAL		635,077,839	652,054,616

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 8, 2015.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

G. S. Venkatachalam

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 8, 2015.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Revenue From Operations	20	432,004,105	491,668,631
Less : Excise Duty on Sales		(41,074,714)	(52,280,145)
Revenue From Operations (Net)		390,929,391	439,388,486
Other Income	21	1,834,382	3,040,085
Total Revenue		392,763,773	442,428,571
Expenses			
Cost of Materials Consumed	22	223,476,914	277,651,731
Changes in Inventories of			
Finished Goods and Work-in-progress	23	15,897,088	(22,491,580)
Employee Benefits Expenses	24	35,555,023	33,532,235
Finance Costs	25	34,052,054	29,824,102
Depreciation, Amortisation and Impairment	11	20,333,924	25,253,702
Less: Amount withdrawn from Revaluation Reserve	3	NIL	986,644
		20,333,924	24,267,058
Other Expenses	26	66,424,496	91,713,587
Total Expenses		395,739,499	434,497,133
Profit/(Loss) before Exceptional Items and Tax		(2,975,726)	7,931,438
Exceptional items		NIL	NIL
Profit/(Loss) before Tax		(2,975,726)	7,931,438
Tax Expense			
Current Tax	39	NIL	1,331,000
Deferred Tax		10,514,938	620,000
Current Tax Adjustments of Earlier Years		2,047,978	(1,523,730)
		12,562,916	427,270
Profit/(Loss) for the year		(15,538,642)	7,504,168
Earnings Per Equity Share of ₹ 10	32		
Basic and Diluted (₹)		(1.59)	0.77
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 8, 2015.

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

Mumbai, Dated : May 8, 2015.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	(2,975,726)	7,931,438
Adjustments for :		
Finance Costs	34,052,054	29,824,102
Unrealised Loss on Foreign Exchange	(862,741)	4,033,402
Profit on Sale of Assets discarded	(98,059)	NIL
Depreciation	20,333,924	24,267,058
Interest Income	(1,077,081)	(1,739,569)
Provision no longer required and Accounts written back	(494,933)	(1,104,631)
Dividend Income	(75,565)	(75,565)
Operating Profit before Working Capital Changes	48,801,873	63,136,236
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	4,771,099	(96,379)
Inventories	3,113,332	(8,033,919)
Trade Receivables and Short-term Loans and Advances	4,022,236	16,113,745
Other Current Assets	(438,992)	440,798
Long-term Provisions	1,217,474	(48,031)
Trade Payables, Other Current Liabilities and Short-term Provisions	(13,029,272)	(13,433,304)
Cash generated from Operations	48,457,750	58,079,146
Income-tax paid	(1,897,861)	(2,065,376)
Net Cash from Operating Activities	46,559,889	56,013,770
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(959,727)	(3,933,240)
Sale of Fixed Assets	666,796	NIL
Advance given to Subsidiary Company	(21,591,362)	(32,281,601)
Deposits held as Margin Money	4,210,565	11,502,712
Interest Income	1,077,081	1,739,569
Dividend Income	75,565	75,565
Net Cash from Investing Activities	(16,521,082)	(22,896,995)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	50,000,000	50,000,000
Repayment of Long-term Borrowings	(32,130,678)	(20,581,312)
Increase/(Decrease) in Short-term Borrowings	(14,417,828)	(27,185,148)
Finance Costs Paid	(34,052,054)	(29,824,102)
Dividend Paid (Including Dividend Distribution Tax)	NIL	(5,722,951)
Net Cash from Financing Activities	(30,600,560)	(33,313,513)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(561,753)	(196,738)
Cash and Cash Equivalents at the Beginning of the Year	2,751,749	2,948,487
Cash and Cash Equivalents at the End of the Year	2,189,996	2,751,749
Components of Cash and Cash Equivalents		
Cash on hand	18,135	20,909
Other Bank Balances		
On Current Accounts	2,171,861	2,730,840
	2,189,996	2,751,749

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

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 8, 2015.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

G. S. Venkatachalam

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 8, 2015.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION:

These financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention except for certain tangible assets which are being carried at revalued amounts as also on accrual basis. These financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of the first proviso to Section 129 (1) of the Act and Schedule III to the Act, the items and terms contained in these financial statements are in accordance with the Accounting Standards.

1.2 USE OF ESTIMATES:

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

1.3 FIXED ASSETS AND DEPRECIATION / AMORTISATION:

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

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

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

1.4 INVESTMENTS:

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

1.5 INVENTORIES:

Inventories are valued as under:

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

By-products are valued at the net realisable value.

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

1.6 REVENUE RECOGNITION:

- i. Sales are recognised in accordance with Accounting Standard 9 on “Revenue Recognition”, that is, when the seller has transferred to the buyer the property in goods for a price or all significant risks and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods and no uncertainty exists regarding the amount of consideration from the sale of goods.
- ii. Dividend income from investments is recognised when the Company’s right to receive the dividend is established.

1.7 FOREIGN CURRENCY TRANSACTIONS:

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

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

- fair value / net realisable value are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - historical cost, are reported at the exchange rate prevalent at the date of transaction.
- iii. Exchange Differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed asset are recognised in the Statement of Profit and Loss.
 - iv. In case of forward contracts, 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 the estimated taxable income at the rate applicable to the relevant assessment year.
- iii. Deferred tax is recognised, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the year end based on tax rates and laws enacted or substantially enacted as of the balance sheet date.

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

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

1.12 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.13 IMPAIRMENT OF ASSETS:

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

	As at March 31, 2015	As at March 31, 2014
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2. Share Capital Authorised

17,500,000 (March 31, 2014: 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, 2014: 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, 2015		As At March 31, 2014	
Equity shares, of ₹ 10 par value	No. of shares		No. of shares	
At the beginning	9,783,240	97,832,400	9,783,240	97,832,400
Changes during the year	NIL	NIL	NIL	NIL
At the end	9,783,240	97,832,400	9,783,240	97,832,400

2.2 Rights, preferences and restrictions

- 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, if any, 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 8, 2015 has not recommended any dividend for the year ended March 31, 2015.

During the year ended March 31, 2014, no amount per share of dividend was distributed to equity shareholders and hence, no amount appropriation for the year ended March 31, 2014 was made on this account.

- 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

	As At March 31, 2015		As At March 31, 2014	
Name of the Shareholder	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	695,178	7.11

		As at March 31, 2015	As at March 31, 2014
4. Long-term borrowings			
Term Loans (Refer Note 4.1)			
Secured			
From Banks		68,187,037	51,942,917
		<u>68,187,037</u>	<u>51,942,917</u>
4.1 Nature of Security and Terms of Repayment of Long-term Borrowings			
Nature of Security	Rate of Interest	As at March 31, 2015	As at March 31, 2014
I. Loan from Banks:			
i. Term loans of ₹ 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ₹ 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra and factory Land and Building.	Ranging from 12.40% p.a. to 14.65% p.a.	16,300,000	29,900,000
ii. Term loans of ₹ 50,000,000 repayable in 16 quarterly instalments from March 31, 2015 and Term loan of ₹ 50,000,000 repayable in 42 monthly instalments from January 31, 2014 is secured by first charge by way of hypothecation over the entire current assets including stocks of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills /book-debts/ receivables and other current assets. Further, same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill).	Base Rate +4.60% p.a.	79,450,000	47,000,000
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.	317,519	1,218,805
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.	325,398	404,790
		<u>96,392,917</u>	<u>78,523,595</u>
Less : Current Maturities of Long-term debt (Refer Note 9)		<u>28,205,880</u>	<u>26,580,678</u>
		<u>68,187,037</u>	<u>51,942,917</u>

	As at March 31, 2015	As at March 31, 2014
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	48,462,563	43,850,370
Deferred Tax Assets		
Contested Disallowances	NIL	5,871,000
Provision for doubtful debts, loans and advances	717,166	229,301
Others	1,998,617	1,710,530
	<u>2,715,783</u>	<u>7,810,831</u>
Net deferred Tax (Assets)/ Liabilities	45,746,780	36,039,539
6. Long-term Provisions		
For Employee Benefits		
Gratuity	1,533,615	127,116
Leave Encashment	1,168,814	1,357,839
	<u>2,702,429</u>	<u>1,484,955</u>
7. Short-term Borrowings		
Loans repayable on demand (Refer Note 7.1)		
Secured		
From Banks	102,092,818	114,210,646
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 31)	NIL	2,300,000
Other Loans and Advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>104,592,818</u>	<u>119,010,646</u>
7.1 Working Capital facilities from a bank are secured by first charge by way of hypothecation over the entire current assets including stock of raw materials, work-in-progress, finished goods, stores and spares, etc. bills / book-debts / receivables and other current assets. Further, the same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building.		
8. Trade Payables		
Micro and Small Enterprises (Refer Note 8.1)	NIL	NIL
Others	34,325,027	44,904,036
	<u>34,325,027</u>	<u>44,904,036</u>
8.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid, as at the year end together with interest paid/payable as required under the said Act has not been given.		
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks (Refer Note 4.1)	28,205,880	26,580,678
Interest accrued but not due on Borrowings	1,242,241	993,449
Unclaimed Dividends	1,414,141	1,824,656
Other Payables		
For Capital Expenses	NIL	78,199
Payable on Forward Contracts	551,823	795,043
Others (Refer Note 9.1)	10,993,925	12,971,735
	<u>11,545,748</u>	<u>13,844,977</u>
	42,408,010	43,243,760
9.1 Others above include Statutory Dues, Advance from Customers and other year-end provisions.		
10. Short Term Provisions		
For Employee Benefits		
Gratuity	1,426,225	1,652,774
Leave Encashment	420,445	394,766
	<u>1,846,670</u>	<u>2,047,540</u>
Others		
For Contingencies	1,000,000	1,000,000
For Wealth Tax	26,959	34,671
	<u>1,026,959</u>	<u>1,034,671</u>
Provision for Taxes	8,400,000	8,400,000
Less : Taxes paid	7,814,494	7,202,889
	<u>585,506</u>	<u>1,197,111</u>
	3,459,135	4,279,322

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION				NET BLOCK		
	As At April 01, 2014	During the Year Additions	As At March 31, 2015	Upto March 31, 2014	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Withdrawal For Sale/ Adjustments	Upto March 31, 2015	As At March 31, 2015	As At March 31, 2014
									(Amounts in `)	(Amounts in `)
Tangible Assets	3,154,055	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055	3,154,055	
Land	3,154,055	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055	3,154,055	
Freehold Land	23,585,328	NIL	23,585,328	3,930,889	NIL	NIL	NIL	19,326,864	19,654,439	
Leasehold Land	23,585,328	NIL	23,585,328	3,603,314	NIL	NIL	NIL	19,654,439	19,654,439	
Buildings	32,389,543	118,705	32,508,248	16,436,559	709,256	770,542	17,436,357	14,591,891	15,952,984	
	32,169,972	219,571	32,389,543	15,518,582		917,977	16,916,559	15,952,984	16,651,389	
Plant and Equipments	403,719,027	653,174	404,372,201	227,981,932	(Refer Note 11.2)	10,668,277	238,714,786	165,657,415	174,882,486	
Wind Electric Generator	397,695,449	6,023,578	403,719,027	215,176,736	64,577	13,659,805	228,836,541	174,882,486	183,418,302	
	148,503,975	NIL	148,503,975	2,832,316	NIL	5,629,574	68,461,890	80,041,085	85,670,659	
	148,503,975	NIL	148,503,975	54,985,975	NIL	7,846,341	62,832,316	85,670,659	93,517,000	
Furniture and Fixtures	17,226,001	48,027	17,274,028	14,879,934	325,289	195,171	15,390,394	1,864,535	2,346,967	
	17,173,300	55,601	17,226,001	14,330,210	191,901	509,724	14,879,934	2,326,927	2,841,089	
Office Equipments	5,162,344	104,315	5,266,659	3,749,643	191,901	92,408	3,541,738	1,538,011	1,632,763	
	5,129,398	233,046	5,362,444	3,495,933	129,902	1,500,041	3,149,033	1,538,011	1,632,763	
Vehicles	12,373,881	NIL	12,373,881	4,038,602	NIL	1,244,584	5,283,186	6,338,816	8,090,695	
	12,165,082	608,799	12,773,881	3,683,991	NIL	1,76,351	538,742	593,152	875,236	
Server	1,131,894	NIL	1,131,894	362,391	NIL	168,506	538,742	875,236	221,179	
	493,701	636,193	1,129,894	2,944,677	1,340,970	395,599	4,681,247	486,229	2,894,983	
Computer	5,090,786	76,690	5,167,476	2,944,677	NIL	285,959	4,681,247	2,894,983	2,201,056	
	4,823,295	267,491	5,090,786	1,909,021	NIL	838,639	2,195,803	2,894,983	2,201,056	
Current year	653,536,834	1,000,911	653,639,106	338,400,927	2,761,895	20,333,924	796,698	360,700,048	292,999,059	
Previous year	645,492,555	8,044,279	653,536,834	313,147,227	NIL	25,253,702	NIL	338,400,929	315,135,904	
Capital Work in progress	4,152,223	438,398	4,590,621	NIL	NIL	NIL	NIL	NIL	4,184	
Current year	4,184	3,376,252	4,590,621	NIL	NIL	7,487,291	NIL	4,184	4,152,223	
Previous year	4,152,223	438,398	4,590,621	NIL	NIL	7,487,291	NIL	NIL	4,184	

11.1 Effective from April 1, 2014, the Company has provided depreciation on its tangible fixed assets as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. Accordingly, in respect of the tangible fixed assets as on April 1, 2014, the carrying amount, net of residual value, has been depreciated over the remaining useful life as on that date. As a result, the charge for depreciation for the year ended March 31, 2015 is lower by ₹ 4,987,720. In cases where the remaining useful life has been completed as on April 1, 2014, the carrying amount of assets after retaining residual value amounting to ₹ 1,884,623 (net of deferred tax credit of ₹ 807,696) has been adjusted against the opening balance of General Reserve.

11.2 Includes impairment loss of ₹ 69,573 provided during the year on Revalued Asset in terms of the Accounting Standard 28 on 'Impairment of Assets' and adjusted against Revaluation Reserve.

11.3 Above Assets include Research and Development Assets as mentioned below.

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION				NET BLOCK		
	As At April 01, 2014	During the Year Additions	As At March 31, 2015	Upto March 31, 2014	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Withdrawal For Sale/ Adjustments	Upto March 31, 2015	As At March 31, 2015	As At March 31, 2014
									(Amounts in `)	(Amounts in `)
Tangible Assets	51,221	NIL	51,221	2,206	NIL	810	NIL	3,016	48,205	
Buildings	51,221	NIL	51,221	1,375	NIL	831	NIL	2,206	49,015	
Plant and Equipments	3,535,609	105,759	3,641,368	1,082,339	NIL	377,465	1,459,805	2,116,988	2,453,270	
	3,259,056	276,553	3,535,609	920,317	NIL	162,072	1,082,339	2,453,270	2,338,739	
Current year	3,586,830	105,759	3,692,589	1,084,545	NIL	378,275	1,462,821	2,165,193	2,502,285	
Previous year	3,310,277	276,553	3,586,830	921,692	NIL	162,853	1,084,545	2,502,285	2,388,585	

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

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

As at
March 31, 2015 As at
March 31, 2014

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, 2014: 50,000) Equity Shares of ₹ 10 par value of Diamines Speciality Chemicals Private Limited

Other Investments (Non-trade)

In Equity Instruments of Other Companies

Quoted

Sintex Industries Limited

107,950 (March 31, 2014: 107,950) Equity Shares of ₹ 1 par value of Sintex Industries Limited

1,467,115 1,467,115

	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market value</u>
Aggregated amount of Quoted Investments	967,115	13,045,758	967,115	4,749,800
Aggregated amount of Unquoted Investments	500,000	Not Applicable	500,000	Not Applicable

13. Long-term Loans and Advances

Unsecured and considered good

Security Deposits

6,174,111 10,907,164

Other Loans and Advances (Refer Note 13.1)

Advances recoverable in cash or in kind for value to be received

Considered Good 342,032 380,078

Loans and Advances to Related Party (Refer Note 31)

To Subsidiary Company

Diamines Speciality Chemicals Private Limited 97,307,122 75,715,760

103,823,265 87,003,002

Taxes Paid

27,612,822 34,803,510

Less: Provision for Taxes

14,389,081 21,429,652

13,223,741 13,373,858

117,047,006 100,376,860

13.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Sales tax set off receivable and Prepaid expenses.

14. Other Non-current Assets

Trade Receivables

Considered Doubtful

Outstanding for a period exceeding six months from the date they are due for payment 2,320,925 742,075

Less: Provision for Bad and Doubtful Debts 2,320,925 742,075

NIL NIL

NIL NIL

15. Inventories

Raw Materials

27,808,733 16,562,605

Raw Materials - Goods-in-transit

20,085,927 17,007,393

Work-in-progress

34,667,724 46,587,509

Finished Goods

34,446,900 39,539,993

Fuel

1,240,009 1,429,348

Stores and Spares

2,662,499 2,898,276

120,911,792 124,025,124

	As at March 31, 2015	As at March 31, 2014
15.1 Details of Inventories :		
a. Work-in-Progress		
Ethylene Amines	31,726,204	42,243,669
Other Products	2,941,520	4,343,840
	<u>34,667,724</u>	<u>46,587,509</u>
b. Finished Goods		
Ethylene Amines	32,672,367	34,701,515
Other Products	1,774,533	4,838,478
	<u>34,446,900</u>	<u>39,539,993</u>
16. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	58,127	569,768
Others	77,856,912	80,102,043
	<u>77,915,039</u>	<u>80,671,811</u>
17. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	18,135	20,909
Balances with Banks		
- On Current Accounts	2,171,861	2,730,840
Other Bank Balances		
- On Fixed Deposit Accounts	2,223,922	6,434,487
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	<u>4,413,918</u>	<u>9,186,236</u>
18. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances (Refer Note 18.1)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	5,855,702	4,282,314
Balance with Central Excise and Customs	13,189,323	16,028,175
	<u>19,045,025</u>	<u>20,310,489</u>
18.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Advances to Suppliers, Prepaid expenses and Advances to Employees.		
19. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	738,847	493,573
Deferred Premium on Forward Contracts	540,038	346,320
	<u>1,278,885</u>	<u>839,893</u>

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
20. Revenue From Operations		
Sale of products		
Manufactured Goods	416,786,166	470,528,599
Windmill Power Generated	<u>14,504,225</u>	<u>19,976,513</u>
	431,290,391	490,505,112
Other Operating Revenues		
Duty Drawback	171,072	401,821
Sale of Scrap	<u>542,642</u>	<u>761,698</u>
	432,004,105	491,668,631
Less: Excise Duty on Sales	<u>(41,074,714)</u>	<u>(52,280,145)</u>
	<u>390,929,391</u>	<u>439,388,486</u>
20.1 Details of Products Sold		
Sale of Manufactured Goods		
Ethylene Amines	389,787,347	441,611,264
Other Products	<u>26,998,819</u>	<u>28,917,335</u>
	<u>416,786,166</u>	<u>470,528,599</u>
21. Other Income		
Interest on Deposits / Margin Money	1,077,081	1,739,569
Dividend from Long-term Investment	75,565	75,565
Accounts Written Back	494,933	94,587
Provision No Longer Required Written Back	NIL	1,010,043
Miscellaneous Income	<u>186,803</u>	<u>120,321</u>
	<u>1,834,382</u>	<u>3,040,085</u>
22. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	33,134,907	46,418,363
Add : Purchases	227,411,845	255,009,323
Less : Closing Stock of Raw Materials	<u>47,417,913</u>	<u>33,134,907</u>
	213,128,839	268,292,779
Packing Materials		
Opening Stock of Packing Materials	435,091	686,444
Add : Purchases	10,389,731	9,107,599
Less : Closing Stock of Packing Materials	<u>476,747</u>	<u>435,091</u>
	10,348,075	9,358,952
	<u>223,476,914</u>	<u>277,651,731</u>
22.1 Details of Raw Materials Consumed		
Ethylene Amines Feed Stock	177,462,222	248,325,987
Others	<u>35,666,617</u>	<u>19,966,792</u>
	<u>213,128,839</u>	<u>268,292,779</u>

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
23. Changes in Inventories of Finished Goods and Work-in-progress		
Stocks at the end		
Finished Goods	34,446,900	39,539,993
Work-in-progress	<u>34,667,724</u>	<u>46,587,509</u>
	69,114,624	86,127,502
Less: Stocks at the beginning		
Finished Goods	39,539,993	38,175,505
Work-in-progress	<u>46,587,509</u>	<u>25,312,001</u>
	86,127,502	63,487,506
	<u>(17,012,878)</u>	<u>22,639,996</u>
Excise Duty Provision on Finished Goods		
Closing Stock	5,277,263	6,393,053
Less : Opening Stock	<u>6,393,053</u>	<u>6,244,637</u>
	(1,115,790)	148,416
	<u>15,897,088</u>	<u>(22,491,580)</u>
24. Employee Benefit Expenses		
Salaries, Wages and Bonus (Refer Note 26.2)	25,968,992	26,180,087
Contributions to Provident and Other Funds (Refer Note 26.2)	2,644,315	2,374,412
Gratuity Expenses	1,781,194	625,149
Staff Welfare Expenses	<u>5,160,522</u>	<u>4,352,587</u>
	<u>35,555,023</u>	<u>33,532,235</u>
25. Finance Costs		
Interest Expense		
On Borrowings	30,478,610	23,291,391
On Others	<u>1,162,455</u>	<u>1,669,169</u>
	31,641,065	24,960,560
Other Borrowing Costs		
Processing Fees	681,800	813,150
Other Finance Charges	<u>1,729,189</u>	<u>4,050,392</u>
	<u>34,052,054</u>	<u>29,824,102</u>

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
26. Other Expenses		
Stores and Spares Consumed (Refer Note 26.2)	3,321,314	7,311,294
Power and Fuel	29,528,064	41,070,287
Repairs and Maintenance		
Building	642,698	281,999
Machinery (Refer Note 26.1)	5,187,962	7,296,034
Others	<u>527,583</u>	<u>515,167</u>
	6,358,243	8,093,200
Insurance	2,496,347	2,412,552
Rates and Taxes (Refer Note 26.1)	407,563	1,050,112
Job Work Charges	90,500	325,400
Travelling and Conveyance	2,054,809	2,671,800
Directors' Sitting Fees	1,216,500	801,820
Commission to Directors	NIL	142,000
Legal and Professional Charges	3,135,103	2,980,312
Foreign Exchange Loss (Net)	3,692,117	10,710,766
Auditors' Remuneration		
Audit Fees	300,000	300,000
Tax Audit Fees	140,000	80,000
Certification Work	<u>225,500</u>	<u>215,000</u>
	665,500	595,000
Miscellaneous Expenses	<u>13,458,435</u>	<u>13,549,044</u>
	<u>66,424,496</u>	<u>91,713,587</u>
26.1 Other Expenses include expenses incurred on Windmill Power generation as under:		
Repairs and Maintainance - Machinery	3,965,357	3,903,169
Rates and Taxes	<u>62,709</u>	<u>96,034</u>
	<u>4,028,066</u>	<u>3,999,203</u>
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	1,055,917	858,583
Contributions to Provident and Other Funds	<u>136,461</u>	<u>119,038</u>
	1,192,378	977,621
Cost of Materials Consumed (In Note 22)	250,286	123,455
Depreciation (In Note 11)	378,275	162,853
Other Expenses (In Note 26)		
Stores and Spares Consumed	<u>430,861</u>	<u>990,444</u>
	<u>2,251,800</u>	<u>2,254,373</u>

27. Contingent Liabilities and Commitments :

	As At March 31, 2015	As At March 31, 2014
27.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	1,546,000	1,506,000
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	5,364,604
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ₹ 1,000,000 (March 31, 2014 : ₹ 1,000,000)]	2,750,000	2,550,000
v. Matters under disputes/appeals :		
a. Income-tax	16,917,700	425,000
b. Service Tax/ Excise	11,843,151	11,033,773
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, 2015	For the Year ended on March 31, 2014	For the Year ended on March 31, 2015	For the Year ended on March 31, 2014
Obligation at period beginning	9,645,699	9,487,610	1,752,605	1,750,341
Current Service cost	521,514	499,413	124,546	164,842
Interest cost	901,873	759,009	163,869	140,027
Actuarial (gain) / loss	1,074,722	21,544	540,264	234,986
Benefits paid	(1,610,284)	(1,121,877)	(992,025)	(537,591)
Obligations at the year end	10,533,524	9,645,699	1,589,259	1,752,605
Change in plan assets				
Plan assets at period beginning, at fair value	7,865,809	7,833,253	NIL	NIL
Expected return on plan assets	684,325	665,827	NIL	NIL
Actuarial gain / (loss)	32,590	(11,010)	NIL	NIL
Contributions	601,244	499,616	NIL	NIL
Benefits paid	(1,610,284)	(1,121,877)	(992,025)	(537,591)
Plan assets at the year end, at fair value	7,573,684	7,865,809	(992,025)	(537,591)
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	7,573,684	7,865,809	NIL	NIL
Present value of the defined benefit obligations at the end of the year	10,533,524	9,645,699	1,589,259	1,752,605
Liability/(Asset) recognized in the Balance Sheet (Notes 6 and 10)	2,959,840	1,779,890	1,589,259	1,752,605
Cost for the year				
Current service cost	521,514	499,413	124,546	164,842
Interest cost	901,873	759,009	163,869	140,027
Expected return on plan assets	(684,325)	(665,827)	Nil	Nil
Actuarial (gain) / loss	1,042,132	32,554	540,264	234,986
Net Cost recognized in the Statement of Profit and Loss (Note 24)	1,781,194	625,149	828,679	539,855
Category of assets				
Insurer managed funds	7,573,684	7,865,809	N.A.	N.A.
Total	7,573,684	7,865,809	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	7.90%	9.35%	7.90%	9.35%
Estimated rate of return on plan assets	7.90%	8.70%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	716,915	654,817	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	2014-15	2013-14	2012-13	2011-12	2010-11
Experience adjustment					
On plan liability (gain)/ loss (*)	547,453	547,608	427,149	675,611	267,052
On plan assets gain/ (loss) (*)	32,590	(11,010)	38,192	44,696	58,710
Present value of benefit obligation	10,533,524	9,645,699	9,487,610	7,907,512	6,937,017
Fair value of plan assets	7,573,684	7,865,809	7,833,253	6,825,597	6,247,804
Excess of obligation over plan assets (net)	2,959,840	1,779,890	1,654,357	1,081,915	689,213

(*) 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, 2015. The Company is expected to contribute ` 1,426,225 for the year ended March 31, 2016.

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, 2015	For the Year ended March 31, 2014
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	417,499,880	471,692,118
Less: Excise Duty on Sales	41,074,714	52,280,145
	<u>376,425,166</u>	419,411,973
Add: Other Income	681,736	1,224,951
	377,106,902	420,636,924
b. Power Generation		
Total Power generated	18,658,922	22,820,095
Less: Captive Power used for Speciality Chemicals	4,154,697	2,843,582
Net as per the Statement of Profit and Loss	14,504,225	19,976,513
Total Revenue	391,611,127	440,613,437
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ` 4,154,697 (Previous Year ` 2,843,582)]	20,728,174	20,490,542
b. Power Generation		
Total	8,496,789	10,537,316
Less: Of Captive Power	1,712,270	(49,006)
Net as per the Statement of Profit and Loss	6,784,519	10,586,322
Total	27,512,693	31,076,864
Less: a. Interest Expense	31,641,065	24,960,560
b. Exceptional Items	NIL	NIL
Add: Interest and Dividend Income	1,152,646	1,815,134
	<u>30,488,419</u>	23,145,426
Profit/(Loss) before Tax	(2,975,726)	7,931,438
Current Tax	NIL	1,331,000
Deferred Tax	10,514,938	620,000
Current Tax Adjustments of Earlier Years	2,047,978	(1,523,730)
	<u>12,562,916</u>	427,270
Profit/(Loss) after Tax	(15,538,642)	7,504,168
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	531,018,903	536,944,088
b. Power Generation	89,368,079	100,269,555
c. Others – Unallocated	14,690,856	14,840,973
Total	635,077,838	652,054,616

PARTICULARS

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Segment Liabilities		
a. Speciality Chemicals	204,442,813	220,763,992
b. Power Generation	NIL	420,477
c. Others – Unallocated	96,978,423	79,720,706
Total	301,421,236	300,905,175
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets – Capital Advances	1,000,911	8,085,463
	NIL	NIL
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	1,000,911	8,085,463
Depreciation during the year		
a. Speciality Chemicals	14,743,542	16,420,717
b. Power Generation	5,590,382	7,846,341
c. Others – Unallocated	NIL	NIL
Total	20,333,924	24,267,058

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

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

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

Particulars	Subsidiary Companies		Associate		Key Managerial Personal		Subsidiary of Associate [As in 3 of Note 31.2 below]	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Remuneration	NIL	NIL	NIL	NIL	*2,464,160 **290,018	*2,718,905	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/ Packing materials	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sales	NIL	NIL	NIL	150,832	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	NIL	NIL	80,280	287,342
Dividend paid	NIL	NIL	NIL	1,488,998	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	NIL	82,738	NIL	NIL	NIL	NIL
Expenses Reimbursed to	NIL	NIL	15,000	26,893	NIL	NIL	NIL	NIL
Expenses Recovered from	NIL	NIL	NIL	606,970	NIL	NIL	NIL	NIL
Advance given to	21,591,362	32,281,601	NIL	NIL	NIL	NIL	NIL	NIL
Investment in shares of	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date								
Amounts due from	9,73,07,122	75,715,760	NIL	NIL	NIL	NIL	NIL	NIL
Amounts due to	NIL	NIL	NIL	NIL	NIL	NIL	NIL	2,300,000

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 (Upto February 6, 2015 **Mr.G.S.Venkatachalam (From February 7, 2015)
3	Enterprise over which key management personnel exercises significant influence	None
4	Entity over which Associate exercises significant influence - Subsidiary of Associate	Alkyl Speciality Chemicals Limited
5	Subsidiary	Diamines Speciality Chemicals Private Limited

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

Particulars	As At March 31, 2015	As At March 31, 2014
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year	(a) (15,538,642)	7,504,168
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares	(b) 9,783,240	9,783,240
Basic and Diluted Earnings per Share	[(a)/ (b)] (1.59)	0.77
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, 2014	Additions during the year	Paid/reversed during the year	As At March 31, 2015
Leave Encashment	1,752,605 (1,750,341)	828,679 (539,885)	992,025 (537,621)	1,589,259 (1,752,605)
Gratuity	1,779,890 (1,654,357)	1,781,194 (625,149)	646,481 (499,616)	2,959,840 (1,779,890)

Figures in brackets represent previous year's figures.

34. Consumption of Imported/ Indigenous Materials:

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
	Percentage		Percentage	
Raw Materials				
Imported	83.26%	177,462,222	96.05%	257,688,362
Indigenous	16.74%	35,666,617	3.95%	10,604,417
TOTAL	100.00%	213,128,839	100.00%	268,292,779
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	3,321,314	100.00%	7,311,294
TOTAL	100.00%	3,321,314	100.00%	7,311,294

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
35. Value of imports calculated on CIF basis:		
Raw Materials	172,117,464	211,456,564
36. Expenditure in foreign currency:		
Traveling and Conveyance	NIL	658,295
Subscription	45,113	79,434
Interest - Buyer's Credit	NIL	878,505
Total	45,113	1,616,234
37. Earnings in foreign currency :		
Export of goods on FOB basis	5,571,848	37,978,608

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, 2015	As At March 31, 2014	At March 31, 2015	As At March 31, 2014
Import Trade Payables	474,895	429,698	30,275,880	27,783,803

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

Particulars	Amount in USD		Amount In `	
	As At March 31, 2015	As At March 31, 2014	At March 31, 2015	As At March 31, 2014
Export Receivables	NIL	413,631	NIL	23,876,975

39. In view of the loss for the current year, as per the provisions of the Income-tax Act, 1961, the Company is neither liable to tax as per the normal provisions nor liable under the provisions of Section 115JB and accordingly, no provision for tax is required to be made.

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 8, 2015.

For and on behalf of the Board of Directors

Yogesh Kothari Chairman

Amit Mehta Vice Chairman

G. S. Venkatachalam Executive Director

A. R. Chaturmutha Chief Financial Officer

Dimple Mehta Company Secretary

Mumbai, Dated : May 8, 2015.

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/
joint ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in `)

1. Sl. No.:	01
2. Name of the subsidiary:	Diamines Speciality chemicals (pvt.) Ltd
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	NA
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. :	NA
5. Share capital:	500,000
6. Reserves & surplus:	(83,57,254)
7. Total assets:	8,94,63,351
8. Total Liabilities:	8,94,63,351
9. Investments:	—
10. Turnover:	—
11. Profit/(Loss) before taxation:	(4,04,739)
12. Provision for taxation:	—
13. Profit/(Loss) after taxation:	(4,04,739)
14. Proposed Dividend:	—
15. % of shareholding:	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

Yogesh Kothari (Chairman)	Amit Mehta (Vice-Chairman)	G S Venkatachalam (Executive Director)
A. R. Chaturmutha (Chief Financial Officer)	Dimple Mehta (Company Secretary)	

PLACE : VADODARA
DATE : 08.05.2015

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of **Diamines and Chemicals Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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, of the consolidated state of affairs of the Group, as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms Section 143 (11) of the Act, based on our comments in the annexure to the auditor's report to the standalone financial statements of the Holding Company, to whom the Order applies, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable. In respect of the Holding Company's only subsidiary which is incorporated in India and financial statements of which have been included in the consolidated financial statements, the Order is not applicable and hence, the question of having any report of the subsidiary under the said Order does not arise.
2. **As required by Section 143 (3) of the Act, we report, to the extent applicable, that:**
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law have been kept by the companies included in the Group, so far as it appears from the examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant financial statements adopted and related working statements maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and our report as the auditor of its subsidiary, none of the directors of the companies in the Group is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on our report as the auditor of its subsidiary:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 28.1 to the consolidated financial statements;
 - ii. the companies in the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company which is so required to transfer.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : May 8, 2015.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the consolidated financial statements for the year ended March 31, 2015.

We report that:

- i. a. The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 Holding 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 of the Holding Company for the first time during the financial year 2012-13 and no material discrepancies were noticed on such verification.
- ii. a. Inventories, other than stocks-in-transit, have been physically verified by the management of the Holding Company during the year or at the year-end. In our opinion, the frequency of such verification is reasonable. For stocks-in-transit at the year-end, the necessary documentary evidences have been obtained.
- b. In our opinion, the procedures of physical verification of inventories followed by the management of the Holding Company are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- c. In our opinion, the Holding Company has maintained proper records of its inventories and no material discrepancies have been noticed on physical verification between the physical stocks and book records.
- iii. a. The Holding Company has granted interest-free advances to its wholly-owned subsidiary covered in the register maintained under Section 189 of the Act. The Holding Company has not granted any other loan to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- b. As regards interest-free advances to its subsidiary, the terms and conditions of the deposit, including repayment thereof have not been stipulated. Accordingly, Clause 3(iii)(a) of the Order regarding regularity of the receipt of principal amount and interest and Clause 3(iii)(b) of the Order regarding steps for recovery of overdue amount of more than rupees one lakh are not applicable.
- 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 Holding Company and the nature of its business for the purchase of inventory, and fixed assets and for the sale of goods. As informed to us, the Holding Company is not engaged in the sale of services. During the course of our audit, no major weaknesses have been observed in such internal control system.
- v. In our opinion and according to the information and explanations given to us, as the Holding Company has not accepted any deposit from the public, Clause 3(v) of the Order to comment on whether the Holding Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under, are not applicable.
- vi. We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148 (1) of the Act in respect of its products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Holding Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities and there are no arrears of outstanding statutory

dues as at the last day of the financial year, for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and on the basis of the books and records examined by us, as may be applicable, given hereinbelow are the details of dues of Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Forum where dispute is pending	Nature of the dues	Period to which the amount relates	Amount
The Income-tax Act, 1961	Commissioner of Income-tax (Appeals)	Income-tax	Financial Year 2008-2009	16,034,720
The Income-tax Act, 1961	Commissioner of Income-tax (Appeals)	Income-tax	Financial Year 2009-2010	882,980
The Finance Act, 1994	Commissioner of Central Excise (Appeals)	Service Tax / Excise Duty	Financial Year 2005-06 to 2014-15	11,702,180
The Foreign Trade (Development and Regulation) Act, 1992	Additional Director General of Foreign Trade(Appeals)	Custom Duty	Financial Year 1993-94 to 1997-98	5,364,604

- c. According to the information and explanations given to us, the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under have been transferred to such fund within time by the Holding Company to which such provisions are applicable.
- viii. The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during such financial year and in the immediately preceding financial year.
- ix. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Holding Company has not defaulted in the repayment of dues to banks. Since there has not been any borrowing from the financial institutions nor any debenture has been issued by the Holding Company, the question of commenting on whether the Holding Company has defaulted in repayment of dues to a financial institution or debenture holders does not arise.
- x. According to the information and explanations given to us, as the Holding Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirement of Clause 3(x) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Holding Company, is not applicable.
- xi. According to the information and explanations given to us, the term loans obtained by the Holding Company have been applied for the purpose for which they were obtained other than amounts temporarily placed pending utilisation of the funds for the intended use.
- xii. Based on the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Holding Company has been noticed or reported during the year.

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

PARESH H. CLERK

Partner

Membership No. 36148

Place : MUMBAI
Dated : May 8, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	97,832,400	97,832,400
Reserves and Surplus	4	227,466,950	245,364,528
		325,299,350	343,196,928
Non-Current Liabilities			
Long-term Borrowings	5	68,187,037	51,942,917
Deferred Tax Liabilities (Net)	6	45,746,780	36,039,539
Long-term Provisions	7	2,702,429	1,484,955
		116,636,246	89,467,411
Current Liabilities			
Short-term Borrowings	8	104,592,818	119,010,646
Trade Payables	9	34,338,510	44,917,517
Other Current Liabilities	10	42,408,010	44,550,147
Short-term Provisions	11	3,459,135	4,279,322
		184,798,473	212,757,632
TOTAL		626,734,069	645,421,971
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	292,999,059	315,135,904
Capital Work-in-progress		11,704,883	11,746,067
		304,703,942	326,881,971
Non-current Investments	13	967,115	967,115
Long-term Loans and Advances	14	97,094,536	82,099,697
Other Non-current Assets	15	NIL	NIL
		402,765,593	409,948,783
Current Assets			
Inventories	16	120,911,792	124,025,124
Trade Receivables	17	77,915,039	80,671,811
Cash and Bank Balances	18	4,817,734	9,625,871
Short-term Loans and Advances	19	19,045,026	20,310,489
Other Current Assets	20	1,278,885	839,893
		223,968,476	235,473,188
TOTAL		626,734,069	645,421,971

Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements 1-38

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 8, 2015.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

G. S. Venkatachalam

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 8, 2015.

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2015**

	Note	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Revenue From Operations	21	432,004,105	491,668,631
Less : Excise Duty on Sales		<u>(41,074,714)</u>	<u>(52,280,145)</u>
Revenue From Operations (Net)		390,929,391	439,388,486
Other Income	22	1,834,382	3,040,085
Total Revenue		<u>392,763,773</u>	<u>442,428,571</u>
Expenses			
Cost of Materials Consumed	23	223,476,914	277,651,731
Changes in Inventories of			
Finished Goods and Work-in-progress	24	15,897,088	(22,491,580)
Employee Benefits Expenses	25	35,555,023	33,532,235
Finance Costs	26	34,052,054	32,647,084
Depreciation, Amortisation and Impairment	12	20,333,924	25,253,702
Less: Amount withdrawn from			
Revaluation Reserve	4	<u>NIL</u>	986,644
		20,333,924	24,267,058
Other Expenses	27	66,829,236	92,506,358
Total Expenses		<u>396,144,239</u>	<u>438,112,886</u>
Profit/(Loss) before Exceptional Items and Tax		<u>(3,380,466)</u>	<u>4,315,685</u>
Exceptional items		NIL	NIL
Profit/(Loss) before Tax		<u>(3,380,466)</u>	<u>4,315,685</u>
Tax Expense			
Current Tax	40	NIL	1,331,000
Deferred Tax		10,514,938	620,000
Current Tax Adjustments of Earlier Years		<u>2,047,978</u>	<u>(1,523,730)</u>
		12,562,916	427,270
Profit/(Loss) for the year		<u>(15,943,382)</u>	<u>3,888,415</u>
Earnings Per Equity Share of ` 10	33		
Basic and Diluted (`)		(1.63)	0.40
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-38		

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 8, 2015.

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

Mumbai, Dated : May 8, 2015.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	(3,380,466)	4,315,685
Adjustments for :		
Finance Costs	34,052,054	32,647,084
Unrealised Loss on Foreign Exchange	(862,741)	4,033,402
Profit on Sale of Assets discarded	(98,059)	NIL
Depreciation	20,333,924	24,267,058
Interest Income	(1,077,081)	(1,739,569)
Provision no longer required and Accounts written back	(494,933)	(1,104,631)
Dividend Income	(75,565)	(75,565)
Operating Profit before Working Capital Changes	48,397,133	62,343,464
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	(15,144,956)	(19,399,696)
Inventories	3,113,332	(8,033,919)
Trade Receivables and Short-term Loans and Advances	4,022,235	16,113,745
Other Current Assets	(438,992)	440,798
Long-term Provisions	1,217,474	(48,031)
Trade Payables, Other Current Liabilities and Short-term Provisions	(14,335,657)	(22,089,435)
Cash generated from Operations	26,830,568	29,326,926
Income-tax paid	(1,897,861)	(2,065,376)
Net Cash from Operating Activities	24,932,707	27,261,550
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(959,727)	(4,682,026)
Sale of Fixed Assets	666,796	NIL
Deposits held as Margin Money	4,210,565	11,502,712
Interest Income	1,077,081	1,739,569
Dividend Income	75,565	75,565
Net Cash from Investing Activities	5,070,280	8,635,820
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	50,000,000	50,000,000
Repayment of Long-term Borrowings	(32,130,678)	(20,581,312)
Increase/(Decrease) in Short-term Borrowings	(14,417,828)	(27,185,148)
Finance Costs Paid	(34,052,054)	(32,647,084)
Dividend Paid (Including Dividend Distribution Tax)	NIL	(5,722,951)
Net Cash from Financing Activities	(30,600,560)	(36,136,495)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(597,572)	(239,125)
Cash and Cash Equivalents at the Beginning of the Year	3,191,384	3,430,509
Cash and Cash Equivalents at the End of the Year	2,593,812	3,191,384
Components of Cash and Cash Equivalents		
Cash on hand	18,135	20,909
Other Bank Balances		
On Current Accounts	2,575,677	3,170,475
	2,593,812	3,191,384

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

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated : May 8, 2015.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

G. S. Venkatachalam

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 8, 2015.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation

These consolidated financial statements ('CFS') are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention except for certain tangible assets which are being carried at revalued amounts as also on accrual basis. These consolidated financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of the first proviso to Section 129 (1) of the Act and Schedule III to the Act, the items and terms contained in these consolidated financial statements are in accordance with the Accounting Standards as referred to herein.

1.2. Principles of Consolidation

- a. The CFS relate to Diamines and Chemicals Limited ("the Company") and its subsidiary Diamines Speciality Chemicals Private Limited (the "Group"). The financial statements of the subsidiary 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 have been combined on line to line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra group balances and intra group transactions and the unrealised profits/losses, if any, as per Accounting Standard on "Consolidated Financial Statements" ("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. 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.

1.4. FIXED ASSETS AND DEPRECIATION / AMORTISATION:

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

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

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

1.5. INVESTMENTS:

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

1.6. INVENTORIES:

Inventories are valued as under:

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

By-products are valued at the net realisable value.

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

1.7. 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 right of the companies in the Group to receive the dividend is established.

1.8. 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.

1.9. 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 Group 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 Group. 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 Group has an employee's gratuity fund managed by the Life Insurance Corporation of India ("LIC").

Compensated Absences - The Group provides for the encashment of absence or absence with pay based on policy of the Group in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group 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.

1.10. 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.

1.11. 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 Group 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 Group and not allocable to any segment.

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

1.12. 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 Group 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.

1.13. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.14. IMPAIRMENT OF ASSETS:

If internal / external indications suggest that an asset of the Group 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.

2 2.1 Companies included in Consolidation

Name of Company	Subsidiary / Associate	Country of incorporation	% of holding	
			As At March 31, 2015	As At March 31, 2014
Diamines Speciality Chemicals Private Limited	Subsidiary	India	100.00	100.00

- 2.2 Significant Accounting Policies and Notes to these CFS are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

As at
March 31, 2015 As at
March 31, 2014

3.4 Shares allotted as fully paid up by way of Bonus Shares (during 5 years immediately preceding March 31, 2015)

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

4. Reserves and Surplus

Revaluation Reserve

As per last Balance Sheet	29,621,276	30,607,920
Less: Provision for Impairment Loss (Refer Note 4.2)	69,573	NIL
Less: Transfer to the Statement of Profit and Loss (Refer Note 4.1)	NIL	986,644
Less: Transfer to General Reserve (Refer Note 4.1)	751,055	NIL
	28,800,648	29,621,276

General Reserve

As per last Balance Sheet	52,092,444	52,092,444
Add: Transfer from Revaluation Reserve (Refer Note 4.1)	751,055	NIL
Less: Adjustment in terms of Schedule II of the Companies Act, 2013 (Refer Note 12.1)	1,884,623	NIL
	50,958,876	52,092,444

Surplus in the Statement of Profit and Loss

As per last Balance Sheet	163,650,808	159,762,393
Add: Net Profit after Tax transferred from Statement of Profit and Loss	(15,943,382)	3,888,415
Less: Appropriations		
Proposed Dividend	NIL	NIL
Tax on Dividend	NIL	NIL
	147,707,426	163,650,808
TOTAL	227,466,950	245,364,528

4.1 As per the Guidance Note on "Treatment on General Reserve on Revaluation of Fixed Assets" issued by the Institute of Chartered Accountants of India (ICAI), for the year ended March 31, 2014, the amount of depreciation, amounting to ₹ 986,644 on the revaluation of Fixed Assets, is transferred to the Statement of Profit and Loss. However, for the year ended March 31, 2015, as suggested in the Application Guide on the Provisions of Schedule II to The Companies Act, 2013 issued by ICAI, the amount of depreciation on the revaluation, amounting to ₹ 751,055, is withdrawn and transferred to General Reserve.

4.2 In terms of the Accounting Standard 28 on "Impairment of Assets", impairment loss of ₹ 69,573 on Revalued Asset provided during the year is adjusted against Revaluation Reserve.

As at
March 31, 2015 As at
March 31, 2014

5. Long-term borrowings

Term Loans (Refer Note 5.1)

Secured

From Banks

68,187,037 51,942,917

68,187,037 **51,942,917**

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

Nature of Security

**Rate of
Interest**

**As at
March 31,
2015**

**As at
March 31,
2014**

I. Loan from Banks:

i. Term loans of ₹ 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ₹ 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra and factory Land and Building. Ranging from 12.40% p.a. to 14.65% p.a. **16,300,000** 29,900,000

ii. Term loans of ₹ 50,000,000 repayable in 16 quarterly instalments from March 31, 2015 and Term loan of ₹ 50,000,000 repayable in 42 monthly instalments from January 31, 2014 is secured by first charge by way of hypothecation over the entire current assets including stocks of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills /book-debts/ receivables and other current assets. Further, same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill). Base Rate +4.60% p.a. **79,450,000** 47,000,000

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. **317,519** 1,218,805

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. **325,398** 404,790

96,392,917 78,523,595

28,205,880 26,580,678

68,187,037 **51,942,917**

Less : Current Maturities of Long-term debt (Refer Note 10)

	As at March 31, 2015	As at March 31, 2014
6. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	48,462,563	43,850,370
Deferred Tax Assets		
Contested Disallowances	NIL	5,871,000
Provision for doubtful debts, loans and advances	717,166	229,301
Others	1,998,617	1,710,530
	<u>2,715,783</u>	<u>7,810,831</u>
Net deferred Tax (Assets)/ Liabilities	45,746,780	36,039,539
7. Long-term Provisions		
For Employee Benefits		
Gratuity	1,533,615	127,116
Leave Encashment	1,168,814	1,357,839
	<u>2,702,429</u>	<u>1,484,955</u>
8. Short-term Borrowings		
Loans repayable on demand (Refer Note 8.1)		
Secured		
From Banks	102,092,818	114,210,646
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 32)	NIL	2,300,000
Other Loans and Advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>104,592,818</u>	<u>119,010,646</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.		
9. Trade Payables		
Micro and Small Enterprises (Refer Note 9.1)	NIL	NIL
Others	34,338,510	44,917,517
	<u>34,338,510</u>	<u>44,917,517</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 has not been given.		
10. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks [Refer Note 5.1]	28,205,880	26,580,678
Interest accrued but not due on Borrowings	1,242,241	993,449
Unclaimed Dividends	1,414,141	1,824,656
Other Payables		
For Capital Expenses	NIL	78,199
Payable on Forward Contracts	551,823	795,043
Others (Refer Note 10.1)	10,993,925	14,278,122
	<u>11,545,748</u>	<u>15,151,364</u>
	42,408,010	44,550,147
10.1 Others above include Statutory Dues, Advance from Customers and other year-end provisions.		
11. Short Term Provisions		
For Employee Benefits		
Gratuity	1,426,225	1,652,774
Leave Encashment	420,445	394,766
	<u>1,846,670</u>	<u>2,047,540</u>
Other Provisions		
For Contingencies	1,000,000	1,000,000
For Wealth Tax	26,959	34,671
	<u>1,026,959</u>	<u>1,034,671</u>
Provision for Taxes	8,400,000	8,400,000
Less : Taxes paid	7,814,494	7,202,889
	<u>585,506</u>	<u>1,197,111</u>
	3,459,135	4,279,322

12. FIXED ASSETS

(Amounts in `)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION					NET BLOCK		
	As At April 01, 2014	During the Year Additions	For Sale/ Adjustments	As At March 31, 2015	Up to March 31, 2014	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Withdrawal For Sale/ Adjustments	Up to March 31, 2015	As At March 31, 2015	As At March 31, 2014
	Tangible Assets	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	NIL	3,154,055
Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Freehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Leasehold Land	23,595,328	NIL	NIL	23,595,328	3,930,899	NIL	327,575	NIL	4,258,444	19,326,884	19,654,439
Buildings	33,389,343	118,705	NIL	32,508,248	16,436,559	709,256	770,575	NIL	17,916,357	14,591,891	10,089,014
	219,571	NIL	NIL	15,518,582	15,518,582	(Refer Note 122)	917,976	NIL	16,436,558	15,592,861	15,925,985
Plant and Equipments	403,719,027	653,174	NIL	404,372,201	227,981,932	64,577	10,668,277	NIL	238,714,786	165,657,415	174,882,485
Wind Electric Generator	397,695,449	6,023,578	NIL	403,719,027	215,176,736	64,577	13,659,806	NIL	228,836,542	174,882,485	183,418,302
Furniture and Fixtures	148,502,975	NIL	NIL	148,502,975	62,832,316	NIL	5,629,574	NIL	68,461,890	80,041,085	85,670,659
Office Equipments	17,171,300	48,027	NIL	17,274,928	14,879,934	325,289	185,171	NIL	15,390,394	1,884,535	2,346,967
Vehicles	5,129,398	55,601	NIL	5,466,759	3,749,043	NIL	600,794	NIL	4,541,738	925,022	1,613,401
Server	13,373,881	233,046	838,639	15,362,444	3,496,635	191,901	252,408	NIL	3,749,043	1,613,401	1,632,763
Computer	12,765,082	608,799	NIL	13,373,881	4,038,602	129,902	1,580,041	796,698	5,283,186	8,090,695	8,090,695
	1,131,894	636,193	NIL	1,131,894	362,391	NIL	176,351	NIL	538,742	875,152	875,236
	495,701	76,690	NIL	1,131,894	88,152	NIL	256,658	NIL	538,742	875,152	875,236
	5,090,786	267,491	NIL	5,167,476	2,944,677	1,340,970	395,599	NIL	4,681,247	486,229	2,894,983
	4,823,295	1,000,911	NIL	5,090,786	1,909,021	NIL	286,782	NIL	2,195,803	2,894,983	2,201,056
Current year	653,536,834	8,044,279	838,639	653,699,106	338,400,927	2,761,895	20,333,924	796,698	360,700,048	292,999,059	315,135,904
Previous year	645,492,555	438,398	NIL	653,536,834	313,147,227	NIL	25,253,702	NIL	338,400,929	315,135,904	332,345,327
Capital Work in progress	15,108,321	18,652,902	479,582	11,704,883	NIL	NIL	NIL	NIL	NIL	11,704,883	11,746,067
Current year	11,746,067	438,398	479,582	11,704,883	NIL	NIL	NIL	NIL	NIL	11,704,883	11,746,067
Previous year	15,108,321	18,652,902	22,015,156	11,746,067	NIL	NIL	NIL	NIL	NIL	11,746,067	15,108,321

12.1 Effective from April 1, 2014, the Company has provided depreciation on its tangible fixed assets as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. Accordingly, in respect of the tangible fixed assets as on April 1, 2014, the carrying amount, net of residual value, has been depreciated over the remaining useful life as on that date. As a result, the charge for depreciation for the year ended March 31, 2015 is lower by ₹ 4,987,720, in cases where the remaining useful life has been completed as on April 1, 2014, the carrying amount of assets after retaining residual value amounting to ₹ 1,884,623 (net of deferred tax credit of ₹ 807,696) has been adjusted against the opening balance of General Reserve.

12.2 In terms of the Accounting Standard 28 on 'Impairment of Assets', impairment loss of ₹ 69,573 on Revalued Asset provided during the year is adjusted against Revaluation Reserve.

(Amounts in `)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION					NET BLOCK		
	As At April 01, 2014	During the Year Additions	For Sale/ Adjustments	As At March 31, 2015	Up to March 31, 2014	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Withdrawal For Sale/ Adjustments	Up to March 31, 2015	As At March 31, 2015	As At March 31, 2014
	Tangible Assets	51,221	NIL	NIL	51,221	2,206	NIL	810	NIL	3,016	48,205
Buildings	51,221	NIL	NIL	51,221	1,375	NIL	831	NIL	2,206	49,015	49,846
Plant and Equipments	3,535,609	105,759	64,575	3,576,793	1,082,339	NIL	377,465	NIL	1,459,805	2,116,988	2,453,270
Current year	3,586,830	105,759	64,575	3,628,014	1,084,545	NIL	378,275	NIL	1,462,821	2,165,193	2,502,285
Previous year	3,310,277	276,553	NIL	3,586,830	921,692	NIL	162,853	NIL	1,084,545	2,502,285	2,388,585

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

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

As at
March 31, 2015 As at
March 31, 2014

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, 2014: 107,950) Equity Shares of ₹ 1 par value of Sintex Industries Limited	967,115	967,115
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	<u>967,115</u>	<u>967,115</u>
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	Cost	Market Value	Cost	Market value
Aggregated amount of Quoted Investments	<u>967,115</u>	<u>13,045,758</u>	967,115	4,749,800

14. Long-term Loans and Advances

Unsecured and considered good

Capital Advances	77,354,652		57,438,597
Security Deposits	<u>6,174,111</u>		<u>10,907,164</u>

	83,528,763		68,345,761
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Other Loans and Advances (Refer Note 14.1)

Advances recoverable in cash or in kind for
value to be received

Considered Good		342,032	380,078
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Taxes Paid	27,612,822		34,803,510
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Less: Provision for Taxes	<u>14,389,081</u>		<u>21,429,652</u>
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	<u>13,223,741</u>		<u>13,373,858</u>
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	<u>97,094,536</u>		<u>82,099,697</u>
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14.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Sales tax set off receivable and Prepaid expenses.

15. Other Non-current Assets

Trade Receivables

Considered Doubtful

Outstanding for a period exceeding six months from the date they are due for payment	2,320,925		742,075
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Less: Provision for Bad and Doubtful Debts	<u>2,320,925</u>		742,075
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	NIL		NIL
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	<u>NIL</u>		<u>NIL</u>
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16. Inventories

Raw Materials	27,808,733		16,562,605
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Raw Materials - Goods-in-transit	20,085,927		17,007,393
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Work-in-progress	34,667,724		46,587,509
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Finished Goods	34,446,900		39,539,993
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Fuel	1,240,009		1,429,348
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Stores and Spares	2,662,499		2,898,276
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	<u>120,911,792</u>		<u>124,025,124</u>
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	As at March 31, 2015	As at March 31, 2014
16.1 Details of Inventories :		
a. Work-in-Progress		
Ethylene Amines	31,726,204	42,243,669
Other Products	2,941,520	4,343,840
	<u>34,667,724</u>	<u>46,587,509</u>
b. Finished Goods		
Ethylene Amines	32,672,367	34,701,515
Other Products	1,774,533	4,838,478
	<u>34,446,900</u>	<u>39,539,993</u>
17. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	58,127	569,768
Others	77,856,912	80,102,043
	<u>77,915,039</u>	<u>80,671,811</u>
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	18,135	20,909
Balances with Banks		
- On Current Accounts	2,575,677	3,170,475
Other Bank Balances		
- On Fixed Deposit Accounts	2,223,922	6,434,487
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	<u>4,817,734</u>	<u>9,625,871</u>
19. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances (Refer Note 19.1)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	5,855,703	4,282,314
Balance with Central Excise and Customs	13,189,323	16,028,175
	<u>19,045,026</u>	<u>20,310,489</u>
19.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Advances to Suppliers, Prepaid expenses and Advances to Employees.		
20. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	738,847	493,573
Deferred Premium on Forward Contracts	540,038	346,320
	<u>1,278,885</u>	<u>839,893</u>

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
21. Revenue From Operations		
Sale of products		
Manufactured Goods	416,786,166	470,528,599
Windmill Power Generated	<u>14,504,225</u>	<u>19,976,513</u>
	431,290,391	490,505,112
Other Operating Revenues		
Duty Drawback	171,072	401,821
Sale of Scrap	<u>542,642</u>	<u>761,698</u>
	432,004,105	491,668,631
Less: Excise Duty on Sales	<u>(41,074,714)</u>	<u>(52,280,145)</u>
	<u>390,929,391</u>	<u>439,388,486</u>
21.1 Details of Products Sold		
Sale of Manufactured Goods		
Ethylene Amines	389,787,347	441,611,264
Other Products	<u>26,998,819</u>	<u>28,917,335</u>
	<u>416,786,166</u>	<u>470,528,599</u>
22. Other Income		
Interest on Margin Money	1,077,081	1,739,569
Dividend from Long-term Investment	75,565	75,565
Accounts Written Back	494,933	94,587
Provision No Longer Required Written Back	NIL	1,010,043
Miscellaneous Income	<u>186,803</u>	<u>120,321</u>
	<u>1,834,382</u>	<u>3,040,085</u>
23. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	33,134,907	46,418,363
Add : Purchases	227,411,845	255,009,323
Less : Closing Stock of Raw Materials	<u>47,417,913</u>	<u>33,134,907</u>
	213,128,839	268,292,779
Packing Materials		
Opening Stock of Packing Materials	435,091	686,444
Add : Purchases	10,389,731	9,107,599
Less : Closing Stock of Packing Materials	<u>476,747</u>	<u>435,091</u>
	10,348,075	9,358,952
	<u>223,476,914</u>	<u>277,651,731</u>
23.1 Details of Raw Materials Consumed		
Ethylene Amines Feed Stock	177,462,222	248,325,987
Others	<u>35,666,617</u>	<u>19,966,792</u>
	<u>213,128,839</u>	<u>268,292,779</u>

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
24. Changes in Inventories of Finished Goods and Work-in-progress		
Stocks at the end		
Finished Goods	34,446,900	39,539,993
Work-in-progress	34,667,724	46,587,509
	<u>69,114,624</u>	<u>86,127,502</u>
Less: Stocks at the beginning		
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>
	<u>(17,012,878)</u>	<u>22,639,996</u>
Excise Duty Provision on Finished Goods		
Closing Stock	5,277,263	6,393,053
Less : Opening Stock	6,393,053	6,244,637
	<u>(1,115,790)</u>	<u>148,416</u>
	<u>15,897,088</u>	<u>(22,491,580)</u>
25. Employee Benefit Expenses		
Salaries, Wages and Bonus (Refer Note 27.2)	25,968,992	26,180,087
Contributions to Provident and Other Funds (Refer Note 27.2)	2,644,315	2,374,412
Gratuity Expenses	1,781,194	625,149
Staff Welfare Expenses	5,160,522	4,352,587
	<u>35,555,023</u>	<u>33,532,235</u>
26. Finance Costs		
Interest Expense		
On Borrowings	30,478,610	23,291,391
On Others	1,162,455	4,492,151
	<u>31,641,065</u>	<u>27,783,542</u>
Other Borrowing Costs		
Processing Fees	681,800	813,150
Other Finance Charges	1,729,189	4,050,392
	<u>34,052,054</u>	<u>32,647,084</u>

	For the Year ended March 31, 2015	For the Year ended March 31, 2014
27. Other Expenses		
Stores and Spares Consumed (Refer Note 27.2)	3,321,314	7,311,294
Power and Fuel	29,528,064	41,070,287
Repairs and Maintenance		
Building	642,698	281,999
Machinery (Refer Note 27.1)	5,187,962	7,296,034
Others	527,583	515,167
	<u>6,358,243</u>	<u>8,093,200</u>
Insurance	2,496,347	2,412,552
Rates and Taxes (Refer Note 27.1)	411,163	1,051,312
Job Work Charges	90,500	325,400
Travelling and Conveyance	2,054,809	2,671,800
Directors' Sitting Fees	1,216,500	801,820
Commission to Directors	NIL	142,000
Legal and Professional Charges	3,152,603	3,007,166
Foreign Exchange Loss (Net)	3,692,117	10,710,766
Auditors' Remuneration		
Audit Fees	313,483	313,483
Tax Audit Fees	140,000	80,000
Certification Work	225,500	215,000
	<u>678,983</u>	<u>608,483</u>
Delay charges for the payment for allotment of Land	368,920	750,073
Miscellaneous Expenses	13,459,673	13,550,205
	<u>66,829,236</u>	<u>92,506,358</u>
27.1 Other Expenses include expenses incurred on Windmill Power generation as under:		
Repairs and Maintenance - Machinery	3,965,357	3,903,169
Rates and Taxes	62,709	96,034
	<u>4,028,066</u>	<u>3,999,203</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	1,055,917	858,583
Contributions to Provident and Other Funds	136,461	119,038
	<u>1,192,378</u>	<u>977,621</u>
Cost of Materials Consumed (In Note 23)	250,286	123,455
Depreciation (In Note 12)	378,275	162,853
Other Expenses (In Note 27)		
Stores and Spares Consumed	430,861	990,444
	<u>2,251,800</u>	<u>2,254,373</u>

28. Contingent Liabilities and Commitments :

	As At March 31, 2015	As At March 31, 2014
28.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	1,546,000	1,506,000
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	5,364,604
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ₹ 1,000,000 (March 31, 2014 : ₹ 1,000,000)]	2,750,000	2,550,000
v. Matters under disputes/appeals :		
a. Income-tax	16,917,700	425,000
b. Service Tax/ Excise	11,843,151	11,033,773
28.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	NIL	75,245,895
Less : Advances	NIL	57,438,597
Net Estimated Amount	NIL	17,807,298
ii. Other Commitments	NIL	NIL
29. Credit balances remaining unclaimed beyond the limitation period are written back except where obligations are perceived by management to be reasonably confirmed. Balances of creditors/advances from customers are subject to confirmation and consequent adjustments, if any.		

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the Year ended on March 31, 2015	For the Year ended on March 31, 2014	For the Year ended on March 31, 2015	For the Year ended on March 31, 2014
Obligation at period beginning	9,645,699	9,487,610	1,752,605	1,750,341
Current Service cost	521,514	499,413	124,546	164,842
Interest cost	901,873	759,009	163,869	140,027
Actuarial (gain) / loss	1,074,722	21,544	540,264	234,986
Benefits paid	(1,610,284)	(1,121,877)	(992,025)	(537,591)
Obligations at the year end	10,533,524	9,645,699	1,589,259	1,752,605
Change in plan assets				
Plan assets at period beginning, at fair value	7,865,809	7,833,253	NIL	NIL
Expected return on plan assets	684,325	665,827	NIL	NIL
Actuarial gain / (loss)	32,590	(11,010)	NIL	NIL
Contributions	601,244	499,616	NIL	NIL
Benefits paid	(1,610,284)	(1,121,877)	(992,025)	(537,591)
Plan assets at the year end, at fair value	7,573,684	7,865,809	(992,025)	(537,591)
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	7,573,684	7,865,809	NIL	NIL
Present value of the defined benefit obligations at the end of the year	10,533,524	9,645,699	1,589,259	1,752,605
Liability/(Asset) recognized in the Balance Sheet (Note 7 and Note 11)	2,959,840	1,779,890	1,589,259	1,752,605
Cost for the year				
Current service cost	521,514	499,413	124,546	164,842
Interest cost	901,873	759,009	163,869	140,027
Expected return on plan assets	(684,325)	(665,827)	Nil	Nil
Actuarial (gain) / loss	1,042,132	32,554	540,264	234,986
Net Cost recognized in the Statement of Profit and Loss (Note 25)	1,781,194	625,149	828,679	539,855
Category of assets				
Insurer managed funds	7,573,684	7,865,809	N.A.	N.A.
Total	7,573,684	7,865,809	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	7.90%	9.35%	7.90%	9.35%
Estimated rate of return on plan assets	7.90%	8.70%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	716,915	654,817	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	2014-15	2013-14	2012-13	2011-12	2010-11
Experience adjustment					
On plan liability (gain)/ loss (*)	547,453	547,608	427,149	675,611	267,052
On plan assets gain/ (loss) (*)	32,590	(11,010)	38,192	44,696	58,710
Present value of benefit obligation	10,533,524	9,645,699	9,487,610	7,907,512	6,937,017
Fair value of plan assets	7,573,684	7,865,809	7,833,253	6,825,597	6,247,804
Excess of obligation over plan assets (net)	2,959,840	1,779,890	1,654,357	1,081,915	689,213

(*) 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, 2015. The Company is expected to contribute ₹ 1,426,225 for the year ended March 31, 2016.

31. 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, 2015	For the Year ended March 31, 2014
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	417,499,880	471,692,118
Less: Excise Duty on Sales	41,074,714	52,280,145
	<u>376,425,166</u>	<u>419,411,973</u>
Add: Other Income	681,736	1,224,951
	377,106,902	420,636,924
b. Power Generation		
Total Power generated	18,658,922	22,820,095
Less: Captive Power used for Speciality Chemicals	4,154,697	2,843,582
Net as per the Statement of Profit and Loss	<u>14,504,225</u>	<u>19,976,513</u>
Total REVENUE	391,611,127	440,613,437
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ` 4,154,697 (Previous Year ` 2,843,582)]	20,323,434	19,697,771
b. Power Generation		
Total	8,496,789	10,537,316
Less: Of Captive Power	1,712,270	(49,006)
Net as per the Statement of Profit and Loss	<u>6,784,519</u>	<u>10,586,322</u>
Total	27,107,953	30,284,093
Less: a. Interest Expense	31,641,065	27,783,542
b. Exceptional Items	NIL	NIL
Add: Interest and Dividend Income	1,152,646	1,815,134
	<u>30,488,419</u>	<u>25,968,408</u>
Profit/(Loss) before Tax	(3,380,466)	4,315,685
Current Tax	NIL	1,331,000
Deferred Tax	10,514,938	620,000
Current Tax Adjustments of Earlier Years	<u>2,047,978</u>	<u>(1,523,730)</u>
	12,562,916	427,270
Profit/(Loss) after Tax	(15,943,382)	3,888,415
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	523,175,134	530,811,443
b. Power Generation	89,368,079	100,269,555
c. Others – Unallocated	14,190,856	14,340,973
Total	626,734,069	645,421,971

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Segment Liabilities		
a. Speciality Chemicals	204,456,296	222,083,860
b. Power Generation	NIL	420,477
c. Others – Unallocated	96,978,423	79,720,706
Total	301,434,719	302,225,043
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets	1,000,911	8,834,248
– Capital Advances	19,916,055	19,303,317
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	20,916,966	28,137,565
Depreciation during the year		
a. Speciality Chemicals	14,743,542	16,420,717
b. Power Generation	5,590,382	7,846,341
c. Others – Unallocated	NIL	NIL
Total	20,333,924	24,267,058

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 3 of Note 32.2 below]	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Remuneration	NIL	NIL	*2,464,160 **290,018	*2,718,905	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/Packing materials	NIL	NIL	NIL	NIL	NIL	NIL
Sales	NIL	150,832	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	80,280	287,342
Dividend paid	NIL	1,488,998	NIL	NIL	NIL	NIL
Transaction on behalf:						
Cenvat Credit Paid for	NIL	NIL	NIL	NIL	NIL	NIL
Cenvat Credit Availed for	NIL	82,738	NIL	NIL	NIL	NIL
Expenses Reimbursed to	15,000	26,893	NIL	NIL	NIL	NIL
Expenses Recovered from	NIL	606,970	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date						
Amounts due from	NIL	NIL	NIL	NIL	NIL	NIL
Amounts due to	NIL	NIL	NIL	NIL	NIL	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	<u>Executive Director</u> – *Mr. Girish .R. Satarkar (Upto February 6, 2015 **Mr.G.S.Venkatachalam (From February 7, 2015)
3	Entity over which Associate exercises significant influence - Subsidiary of Associate	Alkyl Speciality Chemicals Limited

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

Particulars		As At March 31, 2015	As At March 31, 2014
Numerator for Basic and diluted earnings per Share			
Net Profit/ (Loss) after tax for the year	(a)	(15,943,382)	3,888,415
Denominator for Basic and Diluted Earnings per Share			
Weighted average number of Shares	(b)	9,783,240	9,783,240
Basic and Diluted Earnings per Share	[(a)/ (b)]	(1.63)	0.40
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, 2014	Additions during the year	Paid/reversed during the year	As At March 31, 2015
Leave Encashment	1,752,605 (1,750,341)	828,679 (539,885)	992,025 (537,621)	1,589,259 (1,752,605)
Gratuity	1,779,890 (1,654,357)	1,781,194 (625,149)	646,481 (499,616)	2,959,840 (1,779,890)

Figures in brackets represent previous year’s figures.

35. Financial and Other Derivative Instruments:

35.1 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, 2015	As At March 31, 2014	At March 31, 2015	As At March 31, 2014
Import Trade Payables	474,895	429,698	30,275,880	27,783,803

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

Particulars	Amount in USD		Amount In `	
	As At March 31, 2015	As At March 31, 2014	At March 31, 2015	As At March 31, 2014
Export Receivables	NIL	413,631	NIL	23,876,975

36. In view of the loss for the current year, as per the provisions of the Income-tax Act, 1961, the companies in the Group are neither liable to tax as per the normal provisions nor liable under the provisions of Section 115JB and accordingly, no provision for tax is required to be made.

37. Disclosure by way of Additional information as required for the preparation of Consolidated Financial Statements under Schedule III to the Companies Act, 2013 :

Name of the entities in the Consolidated Financial Statements	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount in `	As % of Consolidated Profit or Loss	Amount in `
Parent Company:				
Diamines And Chemicals Limited	72.50% (80.11%)	235,849,481 (274,933,681)	97.46% (192.99%)	(15,538,642) (7,504,168)
Indian Subsidiary Company:				
Diamines Speciality Chemicals Private Limited	(27.50%) (-19.89%)	(89,449,869) (68,263,245)	2.54% (-92.99%)	(404,740) (-3,615,753)
Current Year Total	100.00%	325,299,350	100.00%	(15,943,382)
Previous Year Total	100.00%	343,196,926	100.00%	3,888,415
Minority interest in the Subsidiary:				
Current Year Total	NIL	NIL	NIL	NIL
Previous Year Total	NIL	NIL	NIL	NIL

Figures in brackets represent previous year's figures.

38. 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 8, 2015.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

G. S. Venkatachalam

Executive Director

A. R. Chaturmutha

Chief Financial Officer

Dimple Mehta

Company Secretary

Mumbai, Dated : May 8, 2015.

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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 39th Annual General Meeting held at Plot No.13, PCC Area,P.O. Petrochemicals,Vadodara –391 346 at 12:00 Noon on Tuesday, the 11th August, 2015.

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 39th (Thirty-Nineth) Annual General Meeting of the Company, to be held on the 11th day of August, 2015 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 Statements of the Company for the Financial Year ended March 31, 2015 together with the Reports of the Board of Directors' and Auditors' thereon including the audited consolidated financial statements of the Company for the year ended on March 31, 2015.
2. To appoint a Director in place of Mr. Yogesh Kothari (DIN: 00010015), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Yogesh Kothari (DIN: 00010015), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary resolution:
5. To appoint Mrs. Darshana Mankad Director (DIN:00041675), 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:**
6. To appoint Mr. Shreyas Mehta Director (DIN: 00211592) 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:**
7. To appoint Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898) as an Executive Director and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION:-**
8. Adoption of new Articles of Association of the Company in conformity with provisions of the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION:**
9. Change in place of keeping of Registers and Returns and to consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

Sign this _____ day of _____ 2015

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.

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 Statements of the Company for the Financial Year ended March 31, 2015 together with the Reports of the Board of Directors' and Auditors' thereon including the audited consolidated financial statements of the Company for the year ended on March 31, 2015:			
2	To appoint a Director in place of Mr. Yogesh Kothari (DIN: 00010015), who retires by rotation and being eligible, offers himself for re-appointment:			
3	To appoint a Director in place of Mr. Yogesh Kothari (DIN: 00010015), who retires by rotation and being eligible, offers himself for re-appointment:			
4	To ratify the appointment of Statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary resolution:			
5	To appoint Mrs. Darshana Mankad Director (DIN:00041675), 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:			
6	To appoint Mr. Shreyas Mehta Director (DIN: 00211592) 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:			
7	To appoint Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898) as an Executive Director and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:			
8	Adoption of new Articles of Association of the Company in conformity with provisions of the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:			
9	Change in place of keeping of Registers and Returns and to consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:			

Place:

Date:

 (Signature of Shareholder)

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To

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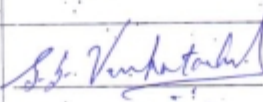
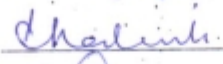
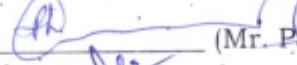
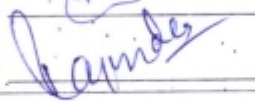


Diamines and Chemicals Limited

Regd Office :

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

FORM-A

1. Name of the Company	Diamines and Chemicals Ltd.
2. Annual Financial Statement for the year ended	March 31, 2015
3. Type of Audit Observation	Un-qualified
4. Frequency of Observation	Not Applicable
5. To be Signed by	
• CEO/Managing Director	 (Mr. G.S Venkatachalam)
• CFO	 (Mr. A.R Chaturmutha)
• Auditor of the Company	 (Mr. Paresh H. Clerk)
• Audit Committee Chairman	 (Mr. Rajendra Chhabra)



Date: 08.05.2015

NOTICE

Notice is hereby given that the 4th (Fourth) Annual General Meeting of the Members of **DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED** will be held at the Registered Office of the Company at Plot no. 13, P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara on Tuesday, the 11th day of August, 2015, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2015, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Amit Mehta (DIN: 00073907), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary resolution:

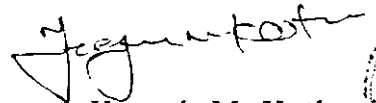
“RESOLVED THAT pursuant to the provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, and pursuant to the resolution passed in the Annual General Meeting held on August 12, 2014, the appointment of M/s Bansi S Mehta, Chartered Accountants (Firm Registration Number: 100991W) as the Auditors of the Company be and is hereby ratified for the financial year 2015-16 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on March 31, 2016, in consultation with the Auditors.”

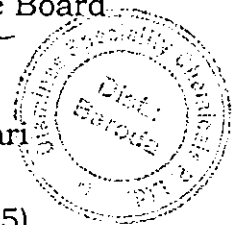
Mumbai, Dated: May 8, 2015

REGISTERED OFFICE:

U24100GJ2012PTC068634
Plot No. 13, PCC Area,
P.O. Petrochemicals,
Vadodara-391346

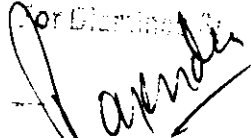
For & on behalf of the Board


Yogesh M. Kothari
Chairman



CERTIFIED TRUE COPY (DIN: 00010015)

For Diamines Speciality Chemicals Pvt. Ltd.


Director

Diamines Speciality Chemicals Pvt. Ltd.

CIN No. U24100GJ2012PTC068634

NOTES:

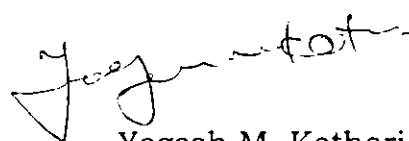
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. a member holding more than 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 Shareholders are requested to notify the change, if any, in their registered address to the Company immediately.
4. Members/ proxies should bring the attendance slip duly filled in for attending the meeting.

Mumbai, Dated: May 8, 2015

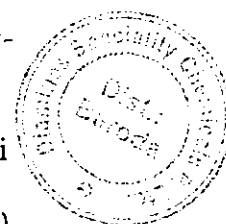
REGISTERED OFFICE:

U24100GJ2012PTC068634
Plot No. 13, PCC Area,
P.O. Petrochemicals,
Vadodara-391346

For & on behalf of the Board



Yogesh M. Kothari
Chairman
(DIN: 00010015)





DIRECTORS' REPORT

To,
THE MEMBERS,

Diamines

Your Directors present this the **Fourth Annual Report** of the Company together with Audited statement of Accounts for the year ended 31st March, 2015.

1) FINANCIAL RESULTS:-

Financial Results	(Rs. In Lacs)	
	Current Year 31.03.2015	Previous Year 31.03.2014
Sales	-	-
Other Income	-	-
Loss before taxation	4,04,739	36,15,753
Less: Depreciation	-	-
Less: Provision for taxation	-	-
Less: Deferred Tax Liabilities	-	-
Loss for the year	4,04,739	36,15,753
Add : Loss B/F from Previous year	79,52,515	43,36,762
Loss c/f to balance sheet	83,57,254	79,52,515

2) PERFORMANCE OVERVIEW:

During the year under review, the company has not started its commercial activity. The application for industrial land is under consideration with GIDC (Gujarat Industrial Development Corporation). Your Directors are making all possible efforts to start the industrial activity as per the set parameters and are confident to put the plans in motion once the GIDC makes allotment of land.

3) DETAILS REGARDING SUBSIDIARY COMPANIES, ASSOCIATE COMPANIES AND JOINT VENTURE COMPANIES:

No company during the year has become or ceased to be Company's Subsidiary, Joint Ventures or Associate Companies. (Form AOC-1)

4) PERFORMANCE AND FINANCIAL POSITION OF ASSOCIATE, JOINT VENTURE OR SUBSIDIARY COMPANIES:

The Company does not have any Associate or Joint Venture or Subsidiary Company; hence disclosure requirement with respect to performance and financial position of such Associate or Joint Venture or Subsidiary Company is not applicable during the year under review.

Diamines Speciality Chemicals Pvt. Ltd.

Regd. Office: Plot No.13, P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara 391 346, Gujarat (India). T: +91 265 2230305, 2230406, F: +91 265 2230218 E: dscpl@dacl.co.in

CIN No. U24100GJ2012P700938894

5) MATERIAL CHANGES AND COMMITMENTS:

During the year there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of the Board of Director's report.

6) REASONS FOR REVISION OF FINANCIAL STATEMENT OR REPORT:

During the year, the financial statements or report was not revised. Hence disclosures requirement is not applicable.

7) DIVIDEND:

As the Company not having made any profit during the financial year 2014-2015, is incapable of distributing any amount as dividend.

8) RESERVES:

The Company has not proposed to carry or transfer any amount to reserves during the financial year under review.

9) DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year, the requirement to appoint Key Managerial Personnel was not applicable to the Company. No Director has been appointed or resigned from the Company during the period under review.

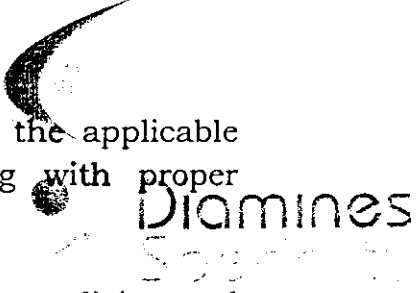
Mr. Amit Mehta, Director (DIN:00073907), is liable to retire by rotation at ensuing Annual General Meeting and being eligible for re-appointment offer himself for re-appointment.

10) INDEPENDENT DIRECTOR:

Our Company is not covered under class of Company as prescribed under Section 149(3) of the Companies Act, 2013 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, hence, no disclosures required under sections 134(3)(d), Section 149(6) and 149(10) of the Companies Act, 2013.

11) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- 
1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
 2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company
 3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 4. that the Directors had prepared the annual accounts on a going concern basis; and
 5. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12) DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organisation to maintain with the same standard of the control systems and helps them in managing any default on timely basis because of strong reporting mechanisms followed by the Company.

13) FORMAL EVALUATION BY BOARD OF ITS OWN PERFORMANCE:

Being an unlisted Company or having paid up capital of less than Rs. 25 Crores, the Statement in respect of Formal Evaluation by the Board of its own performance and that of its committees and individual directors are not applicable to the Company.

14) NUMBER OF MEETINGS OF BOARD:

The Board of Directors duly met 4 (four) times during the financial year under review.

Sr. No.	Date of Board Meeting	Name of Directors		
		Yogesh Kothari	Amit Mehta	Rajendra Chhabra
2	06.05.2014	Yes	Yes	Yes
3	12.08.2014	Yes	Yes	Yes
4	05.11.2014	Yes	Yes	Yes
5	06.02.2015	Yes	Yes	Yes

Diamines

The Prescribed quorum was present for all the Meetings.

15) ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS / SWEAT EQUITY SHARES / EMPLOYEE STOCK OPTION SCHEME:

During the year under review, the Company has not issued any equity shares with differential voting rights or sweat equity shares or employee stock option scheme. Hence disclosure regarding the same is not required to be given.

16) AUDITORS & AUDITORS' REPORT:

M/s. Bansi S Mehta, Chartered Accountants (Firm Registration Number: 100991W) the existing auditors of the Company was appointed as auditors of the Company at the **THIRD** AGM for holding the office from the conclusion of **THIRD** AGM till the conclusion of the **SEVENTH** AGM (Subject to ratification by the members at every subsequent Annual General Meetings).

As per Section 139(1) every company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be such as may be prescribed.

Hence the members are requested to consider the matter of ratification of appointment of Auditors made and also to fix their remuneration.

The Board has duly reviewed the Statutory Auditor's Report on the Accounts. The observations comments and notes of Auditor are self explanatory and do not call for any further explanation /clarification.

17) VIGIL MECHANISM:

As the Company is neither listed Company nor falling under criteria laid down under rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, hence the vigil mechanism is not applicable to the Company during the financial year under review.

18) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has not in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, as the Company has not yet started their operation. Once the operations of the Company will start the same policy will be implemented on immediate effect. Internal Complaints Committee (ICC) will be set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) will be covered under this policy.

19) CORPORATE SOCIAL RESPONSIBILITY (CSR):

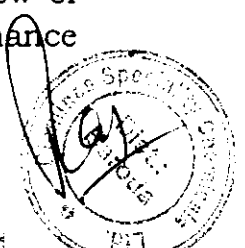
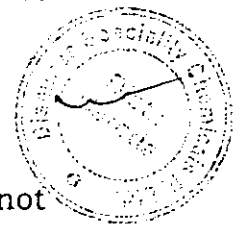
The Company is not covered under class of Companies as specified under Section 135 of the Companies Act, 2013, hence, reporting requirement pertaining to CSR Committee and CSR is not applicable to our Company during the year under review under section Sec 134(3)(o) read with Rule 9 of Companies (Accounts) Rules, 2014 and Section 135 of the Companies Act, 2013.

20) ANALYSIS OF REMUNERATION:

The Company is not listed on any recognized stock exchange; hence disclosure regarding the ratio of the remuneration of each Director to the median employee's remuneration and other details are not applicable to the Company.

21) POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION:

Requirement of Nomination and Remuneration Committee is not applicable to the Company; however, the Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.



22) RISK MANAGEMENT POLICY:

As per the applicable requirements of the Companies Act, 2013 a risk management policy/plan of the Company is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, Company has not implemented the same as the Company has not yet started its operations.

23) PARTICULARS OF EMPLOYEES:

The details as required under Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 with respect to particulars of employees drawing remuneration in excess of the limits specified are as follows:

Name	Designation/ Nature of duties	Relation with Director or Manager of Company	Remuneration (Rs. in lacs)	Qualification	Experience (Years)	Date of joining	Age (Years)	Last employment before	% of Equity shares held
1	2	3	4	5	6	7	8	9	10
NONE									



24) DETAILS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Diamines

(A) Conservation of energy	
(i) the steps taken or impact on conservation of energy	There is no manufacturing activity carried out by the Company during the financial year under review.
(ii) the steps taken by the company for utilizing alternate sources of energy	
(iii) the capital investment on energy conservation equipments	
(B) Technology absorption	
(i) the efforts made towards technology absorption	The Company has not imported any technology during the year.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development	
(C) Foreign exchange earnings and Outgo	
The Foreign Exchange earned in terms of actual inflows during the year and	NONE
The Foreign Exchange outgo during the year in terms of actual outflows	



25) FIXED DEPOSITS:

During the year under report, your Company has not accepted any fixed deposits pursuant to Section 73 of the Companies Act, 2013. Hence, disclosures as required pursuant to Rule 8(5)(v) of Companies (Accounts) Rules, 2014 are not applicable for the financial year under review.



26) CORPORATE GOVERNANCE:

Our Company is an unlisted entity; hence the requirement of Corporate Governance is not applicable to our Company during the financial year under review.

27) EXTRACT OF ANNUAL RETURN:

The Extracts of Annual Return as per Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is enclosed herewith as **Annexure – A** and forms part of the report.

28) PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

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

29) RELATED PARTY TRANSACTION:

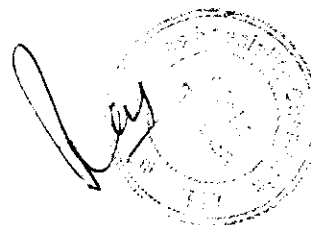
Annexure – C contains details with respect to Related Party Transaction in prescribed Form AOC-2, which shall form part of this Board Report.

30) MATERIAL ORDERS PASSED BY THE REGULATOR/COURT:

During the year under review there is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

31) ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation to the Customers, Employees, Suppliers, Professionals, and Bankers to the Company for their Cooperation and contribution in the affairs of the Company.



Annexure- A
CIN: U24100GJ2012PTC068634
FORM No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR
ENDED ON 31ST MARCH, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule
12(1) of the Companies (Management and Administration) Rules,
2014]



I. REGISTRATION AND OTHER DETAILS:

CIN:	U24100GJ2012PTC068634
Name of the Company	Diamines Speciality Chemicals Private Limited.
Address	Plot no. 13, P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara
Whether Shares Listed	NA

Details of Registrar and Transfer Agent

Name	NA
Address	
Contact Details	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and description of main products /services	NIC code of the product/service	% of total turnover of the company
1.	NA		

Diamines Speciality Chemicals Pvt. Ltd.

CIN No. U24100GJ2012PTC068634

Regd. Office: Plot No. 13, P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara 391 346, Gujarat (India). T: +91 265 2230305, 2230406, F: +91 265 2230218 E: dscpl@dacl.co.in

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

[No. of Companies for which information is being filled] - 1

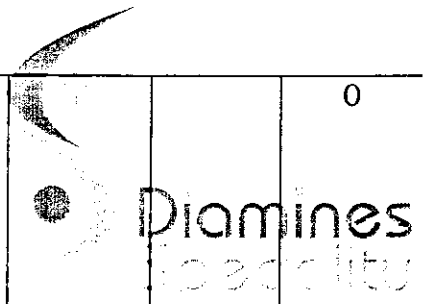
Diamines

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
1	DIAMINES AND CHEMICALS LIMITED	L24110GJ1976PLC002905	HOLDING COMPANY	50,000	2 (46)

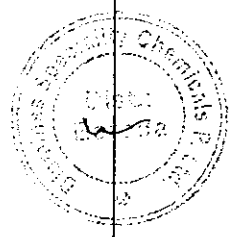
IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dema	Physical	Total	% of Total Shares	Der	Physical	Total	% of Total Shares	
A. Promoters & Promoters Group									
(1) Indian	-								-
a) Individual / HUF	-								0
b) Central Govt	-								-
c) State Govt(s)	-								-
d) Bodies Corp.	-								-
e) Banks / FI	-								-
Any Other	-								-
Sub-total (A) (1)									



<p>(2) Foreign a) NRIs - Individuals b) Other - Individuals c) Bodies Corp. d) Banks / FI e) Any Other.... Sub-total (A) (2)</p> <p>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</p>	-	-	-	-	-	-	-	-	-	-	0
<p>B. Public Shareholding 1. Institutions: a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds i) Others (specify) Sub-total (B)(1)</p> <p>2. Non Institutions: a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh</p>	-	-	-	-	-	-	-	-	-	-	-



ii) Individual Shareholder holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B)(2)									
Total Public Shareholding (B) = (B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)									

(ii) SHAREHOLDING OF PROMOTERS:

Sr.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	Diamines and chemicals limited	50,000	100%	NA	50,000	100%	NA	NA

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sr.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares of the company	% of total shares of the company	No. of shares of the company	% of total shares of the company

	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			NA	
	At the End of the year				

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

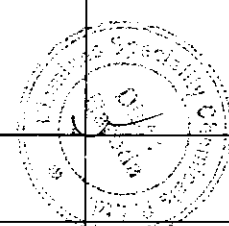
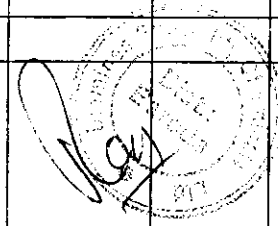
Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
	For Each of the Top 10 Shareholders				
	NA				
1.	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				
2.	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				
3.	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

Diamines Speciality Chemicals Pvt. Ltd. CIN No. U24100GJ2012PTC069684

Regd. Office: Plot No.13, P.C.C. Area, P.O. Petrochemicals, Dist. Vadodara 391 346, Gujarat (India). T: +91 265 2230305, 2230406, F: +91 265 2230218 E: dscpl@dacl.co.in

4.				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			
5.				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			
6.				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			
7.				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			
8.				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			
9.				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for			

Diamines



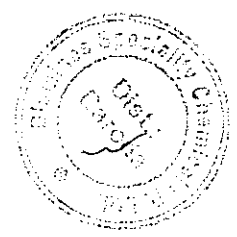
	increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			Diamines
10.				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.		NA			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)				
2.					
	At the beginning of the year				



	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)				
3.					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

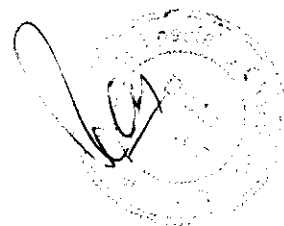


V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Diamines

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	75715760	NIL	75715760
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	75715760	NIL	75715760
Change in Indebtedness during the financial year	NIL	21591362		21591362
• Addition				
• Reduction				
Total (i+ii+iii)	NIL	21591362	NIL	21591362
Indebtedness at the end of the financial year	NIL	97307122	NIL	97307122
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	97307122	NIL	97307122



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Diamines

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		NA	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others, specify...	-	-
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act	NA	

B. REMUNERATION TO OTHER DIRECTORS: NONE (NOT APPLICABLE)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
	NONE		
	1. Independent Directors • Fee for attending board /committee meetings • Commission • Others, please specify		
	Total (1)		
	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		

Overall Ceiling as per the Act		
--------------------------------	--	--

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (NOT APPLICABLE)

DIAMINES

Sr. No	Particulars of Remuneration	Name of Directors			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NA		
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - Others, specify...				
5.	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES


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

Annexure - B

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

Sr. No	Company Name	Date of Making Guarantees or Providing Security	Amount of Loan	Date of Board Approval	Nature of Loan
1	Diamines and Chemicals Limited	12.08.2014	5.00 Crore	12.08.2014	Providing Guarantee and/or Providing Security in connection with loan taken by parent Company





FORM AOC-1 (NOT APPLICABLE TO THE COMPANY)
(Pursuant to first proviso to sub-section (3) of section 129 read
with rule 5 of Companies (Accounts) Rules, 2014)

Diamines

Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures

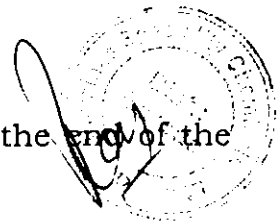
Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.....)

1. Sl. No. :
2. Name of Subsidiary :
3. Reporting period for the subsidiary :
concerned, if different from the
holding company's reporting period
4. Reporting currency and Exchange :
rate as on the last date of the relevant
Financial year in the case of foreign
subsidiaries
5. Share Capital :
6. Reserves & Surplus :
7. Total assets :
8. Total Liabilities :
9. Investments :
10. Turnover :
11. Profit before taxation :
12. Provision for taxation :
13. Profit after taxation :
14. Proposed Dividend :
15. % of shareholding :

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.



Part "A": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

Diamines

Name of Associate/Joint Venture	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet date			
2. Shares of Associate/Joint Ventures held by the Company on the year end			
No.			
Amount of Investment in Associate/Joint Venture			
Extend of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.



Annexure-C

FORM No. AOC-2 (NOT APPLICABLE TO THE COMPANY)

Diamines

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name of the Related Party & Nature of Relationship	Nature of Contracts/ Arrangements/ transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/ Transactions including value, if any	Justification for entering into such Contracts/ Arrangements/ Transactions	Date of Approval by the Board	Amount paid as advances, if any	Date of passing Special Resolution
NA							

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party & Nature of Relationship	Nature of Contracts/ Arrangements/ transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/ Transactions including value, if any	Date of Approval by the Board, if any	Amount paid as advances, if any
Not Applicable to the Company					

Form shall be signed by the persons who have signed the Board's report.

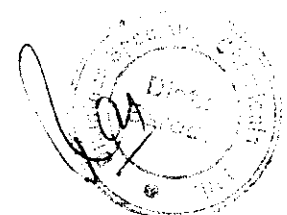
Mumbai, Dated: May 8, 2015

REGISTERED OFFICE:

U24100GJ2012PTC068634
Plot No. 13, PCC Area,
P.O. Petrochemicals,
Vadodara-391346

For & on behalf of the Board


Yogesh M. Kothari
Chairman



BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D.I.SHAH	Y.A.THAR
A.A.DESAI	P.H.CLERK
K.R.GANDHI (Ms.)	R.G.DOSHI
H.G.BUCH	M.V.SHAH
D.R.DESAI (Ms.)	A.A.AGRAWAL (Ms.)
	A.B.AGRAWAL

Admn. Off. :
11/13, Botawala Building, 2nd Floor,
Horniman Circle, Mumbai 400 001.
Tel. : 2266 1255 / 2266 0275 / 2266 5275
2266 0821 / 2266 1557
Fax : (91-22) 2266 5666
E-mail : bsmco1@vsnl.net
Website : www.bsmco.net

INDEPENDENT AUDITOR'S REPORT

To the Members of **Diamines Speciality Chemicals Private Limited**

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **Diamines Speciality Chemicals Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and 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 standalone financial statements based on our audit.

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



CERTIFIED TRUE COPY
For **Diamines Speciality Chemicals Private Limited**

Director

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

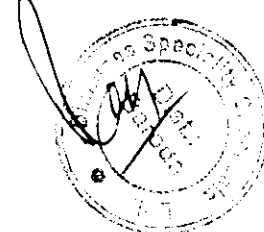
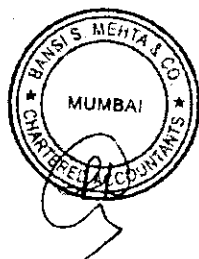
We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

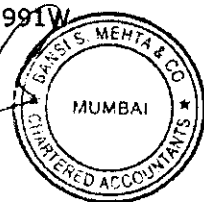
1. The Company is a private limited company and at any time during the financial period, its paid-up capital and reserves did not exceed rupees fifty lakhs, it did not have any loan from bank or financial institution and it did not have turnover exceeding rupees five crores, as it did not carry out any activity during the year. In view of foregoing, the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of Section 143(11) of the Act, 1956, is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would affect its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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


PARESH H. CLERK
Partner
Membership No. 36148



PLACE : MUMBAI
DATED : May 8, 2015



DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED


BALANCE SHEET AS AT MARCH 31, 2015

	Note	As At March 31, 2015	As At March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	500,000	500,000
Reserves and Surplus	3	(8,357,254)	(7,952,515)
		(7,857,254)	(7,452,515)
Non-current liabilities			
Long-term Borrowings	4	97,307,122	75,715,760
Current liabilities			
Trade Payables	5	13,483	13,483
Other Current Liabilities	6	NIL	1,306,387
		13,483	1,319,870
TOTAL		89,463,351	69,583,115
ASSETS			
Non-current Assets			
Fixed Assets			
Capital Work-in-progress	7	11,704,883	11,704,883
Deferred Tax Asset (Net)	8	NIL	NIL
Long-term Loans and Advances	9	77,354,652	57,438,597
		89,059,535	69,143,480
Current Assets			
Cash and Cash Equivalents	10	403,816	439,635
TOTAL		89,463,351	69,583,115
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements 1 - 17			

As per our Report of even date attached

For and on behalf of the Board of Directors

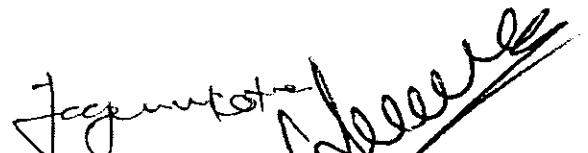
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W



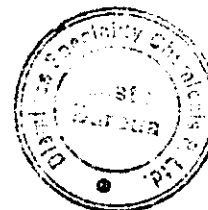
PARESH H. CLERK
Partner
Membership No. 36148



PLACE : MUMBAI
DATED : May 8, 2015

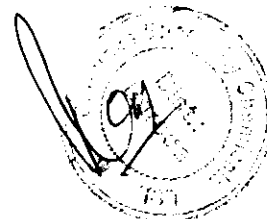


YOGESH KOTHARI Chairman
AMIT MEHTA Vice Chairman



RAJENDRA CHHABRA
Director

PLACE : MUMBAI
DATED : May 8, 2015



DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

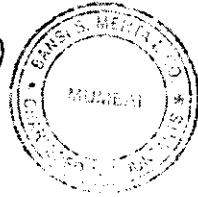
	Note	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Revenue from Operations		NIL	NIL
Less: Excise Duty on Sales		NIL	NIL
Revenue from Operations (Net)		NIL	NIL
Other Income		NIL	NIL
Total Revenue		NIL	NIL
Expenses			
Finance Costs	11	NIL	2,822,982
Other Expenses	12	404,739	792,771
Total Expenses		404,739	3,615,753
Profit/(Loss) before exceptional items		(404,739)	(3,615,753)
Exceptional Items		NIL	NIL
Profit/(Loss) Before Tax		(404,739)	(3,615,753)
Tax Expense		NIL	NIL
Profit/(Loss) for the year		(404,739)	(3,615,753)
Earnings Per Equity Share of ₹ 10 Basic and Diluted (₹)	15	(8.09)	(72.32)
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1 - 17		

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

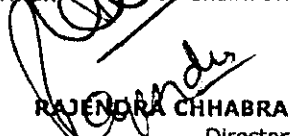


PLACE : MUMBAI
DATED : May 8, 2015

For and on behalf of the Board of Directors


YOGESH KOTHARI
Chairman


ANIL MEHTA
Vice Chairman


RAJENDRA CHHABRA
Director



PLACE : MUMBAI
DATED : May 8, 2015



DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the Year ended March 31, 2015	For the Period ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	(404,739)	(3,615,753)
Adjustments for		
Increase / (Decrease) in Current Liabilities	(1,306,387)	(8,656,133)
Cash generated from Operations	(1,711,126)	(12,271,886)
Income-tax paid	NIL	NIL
Net Cash from Operating Activities	(1,711,126)	(12,271,886)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Capital Work-in-progress)	0	(748,785)
Advance given to GIDC for allotment of Land	(19,916,055)	(19,303,317)
Net Cash from Investing Activities	(19,916,055)	(20,052,102)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	NIL	NIL
Proceeds from Long-term Borrowings	21,591,362	32,281,601
Net Cash from Financing Activities	21,591,362	32,281,601
Increase in Cash and Cash Equivalents (A+B+C)	(35,819)	(42,387)
Cash and Cash Equivalents at the beginning of the Year	439,635	482,022
Cash and Cash Equivalents at the end of the Year	403,816	439,635
Components of Cash and Cash Equivalents :		
Balance with Bank		
On Current Account	403,816	439,635
	403,816	439,635

Note:

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

As per our Report of even date attached

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



PARESH H. CLERK
Partner
Membership No. 36148



PLACE : MUMBAI
DATED : May 8, 2015

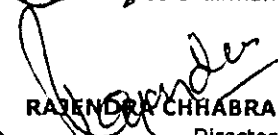
For and on behalf of the Board of Directors



YOGESH KOTHARI
Chairman



AMIT MEHTA
Vice Chairman



RAVENDRA CHHABRA
Director



PLACE : MUMBAI
DATED : May 8, 2015



DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED

Notes forming part of the financial statements

1 Significant Accounting Policies

1.1 Basis Of Preparation :

These financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention as also on accrual basis. These financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of the first proviso to Section 129 (1) of the Act and Schedule III to the Act, the items and terms contained in these financial statements are in accordance with the Accounting Standards.

1.2 Use of Estimates :

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions 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 the financial statements. Examples of such estimates include useful life of Fixed Assets, provision for doubtful debts/ advances, deferred tax, etc. Actual results could differ from those estimates. Such difference is recognised in the year/s in which the results are known / materialised.

1.3 Fixed Assets :

Fixed Assets are valued at cost less accumulated depreciation. 'Cost' for the aforesaid purposes comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use, net of recoverable duties and interest on borrowings attributable to the acquisition of qualifying Fixed Assets upto the date on which the Asset is ready for its intended use, if any. However, at the year end, Fixed Assets comprise of only Capital Work-in-progress.

1.4 Taxes on Income :

- i. Income tax expense comprises of current tax and deferred tax charge/credit.
- ii. Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- iii. Deferred tax is recognised, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the year end based on tax rates and laws enacted or substantially enacted as of the balance sheet date.

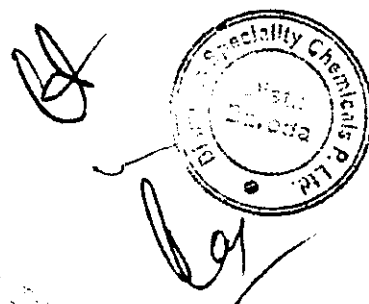
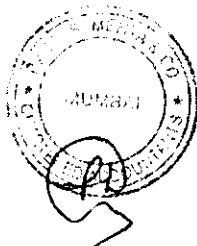
In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such deferred tax assets. In other situations, deferred tax assets are recognised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

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

1.5 Provisions, Contingent Liabilities and Contingent Assets :

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

1.6 Since the Company has not carried out any other activity except in relation to the acquisition of land, etc., no other accounting policy is specified.



	As at March 31, 2015 ₹	As at March 31, 2014 ₹
2. Share Capital Authorised		
50,000 (March 31, 2014: 50,000) Equity Shares, of ₹ 10 par value	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and paid up		
50,000 (March 31, 2014: 10,000) Equity Shares, of ₹ 10 par value	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

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

	As At March 31, 2015		As At March 31, 2014	
	No. of shares	₹	No. of shares	₹
Equity shares of ₹ 10 par value				
At the beginning	50,000	500,000	50,000	500,000
Changes - Shares allotted during the year	NIL	NIL	NIL	NIL
At the end	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

2.1 Rights, preferences and restrictions

- i. The Company has only one class of share referred to as equity shares having a 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 8, 2015 has not recommended any dividend for the year ended March 31, 2015. During the year ended March 31, 2014, no amount per share of dividend was distributed to equity shareholders and hence, no amount appropriation for the year ended March 31, 2014 was made on this account.
- iii. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

2.2 Details of shares held by shareholders holding more than 5 % of the aggregate equity shares in the Company and equity shares held by the Holding Company, etc. :

100% of Equity Shares of the Company are held by its holding company, Diamines and Chemicals Limited (DACL).

3. Reserves and Surplus

Surplus/(Deficit)		
As per last Balance Sheet	(7,952,515)	(4,336,762)
Add: Net Loss after Tax transferred from the Statement of Profit and Loss	<u>(404,739)</u>	<u>(3,615,753)</u>
	<u>(8,357,254)</u>	<u>(7,952,515)</u>

4. Long-term Borrowings

Unsecured		
Loans and Advances from Related Parties From Holding Company		
Diamines and Chemicals Limited	<u>97,307,122</u>	<u>75,715,760</u>
	<u>97,307,122</u>	<u>75,715,760</u>

5. Trade Payables

Micro and Small Enterprises (Refer Note 5.1)	NIL	NIL
Others	<u>13,483</u>	<u>13,483</u>
	<u>13,483</u>	<u>13,483</u>

5.1 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.

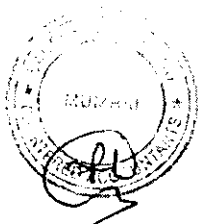
6. Other Current Liabilities

Other Payables		
Due to Gujarat Industrial Development Corporation (GIDC)	<u>NIL</u>	<u>1,306,387</u>
	<u>NIL</u>	<u>1,306,387</u>

7. Sum of ₹ 11,704,883 (March 31, 2014: ₹ 11,704,883), including borrowing costs of ₹ NIL (March 31, 2014: ₹ NIL), incurred in connection with the acquisition of the Land is shown as Capital Work-in-progress under Fixed Assets. However, in view of the delay in taking the possession of the land, borrowing costs of ₹ NIL (March 31, 2014: ₹ 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.

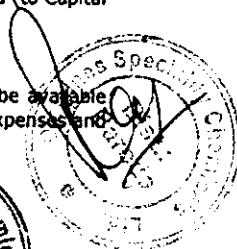
8. Deferred Tax Asset (Net)

The Company has losses under the tax laws and as there is no virtual certainty that sufficient future taxable income would be available against which deferred tax assets can be realised, on prudence, Deferred Tax Assets on the timing difference for Preliminary Expenses and carried forward losses have not been recognised.



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	As at March 31, 2015 ₹	As at March 31, 2014 ₹
13. Contingent liabilities and Commitments		
Contingent liabilities	NIL	NIL
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	75,245,895
Less : Advances Paid	NIL	57,438,597
Net Estimated Amount	NIL	17,807,298
14. Related Party Disclosures		
List of Related Parties:		
Diamines and Chemicals Limited, the Holding Company		
Transactions and Outstanding amount:		
Interest-free Advances Received from the Holding Company	97,307,122	75,715,760
	<u>97,307,122</u>	<u>75,715,760</u>
15. Earnings per share		
Net Profit / (Loss) After Tax (₹)	(404,739)	(3,615,753)
Weighted average number of equity shares of ₹ 10 each	50,000	50,000
Basic and diluted earnings per share (₹)	(8.09)	(72.32)
Face Value per share (₹)	10	10
16. The following additional information pursuant to Part II of the General Instructions for the preparation of Statement of Profit and Loss is either NIL or Not Applicable.		
a. Clause 5 (ii) relating to Raw materials, goods purchased, etc. under broad heads;		
b. Clause 5 (iii) relating to Work-in-progress under broad heads;		
c. Clause 5 (iv) relating to amounts set aside or proposed to be set aside, to reserve;		
d. Clause 5 (vii) relating to dividends and provisions for losses of subsidiary companies;		
e. Clause 5 (viii) relating to -		
- C.I.F Value of imports		
- Expenditure in foreign currency		
- Value of the consumption of imported and indigenous raw materials, spare parts and components		
- The amount remitted in foreign currencies		
- Earnings in foreign exchange.		
17. 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



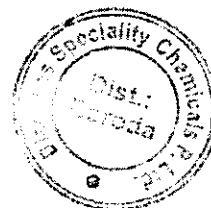
PLACE : MUMBAI
DATED : May 8, 2015

For and on behalf of the Board of Directors

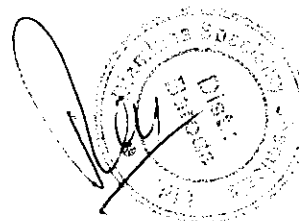
YOGESH KOTHARI
Chairman

AMIT MEHTA
Vice Chairman

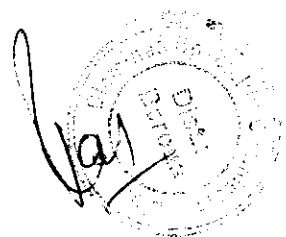
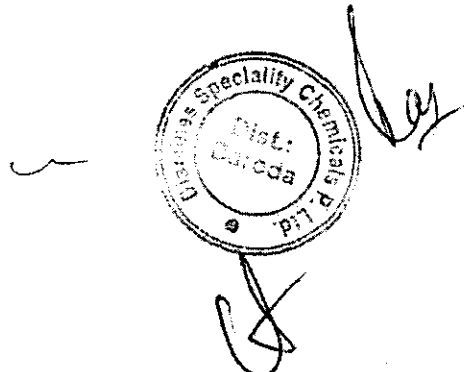
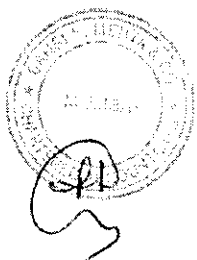
RAJENDRA CHHABRA
Director



PLACE : MUMBAI
DATED : May 8, 2015



	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2014 ₹
9. Long-term Loans and Advances		
Unsecured and considered good		
Capital Advances	77,354,652	57,438,597
	<u>77,354,652</u>	<u>57,438,597</u>
9.1 Capital Advances represent the amount paid for the acquisition of land from Gujarat Industrial Development Corporation (GIDC), the allotment letter of which is in the name of DACL, the holding company. The Company has made an application to GIDC for the transfer of the said allotment in its name. In fact, during the year, DACL has got the possession of such land, which it continues to hold on behalf of the Company. Pending formalities for the transfer of land in the name of the Company, the amount paid to GIDC has continued to be reflected as Capital Advances.		
10. Cash and Cash Equivalents		
Balance with Bank		
On Current Account	403,816	439,635
	<u>403,816</u>	<u>439,635</u>
11. Finance Costs		
Interest Expense		
On Others	NIL	2,822,982
	<u>NIL</u>	<u>2,822,982</u>
12. Other Expenses		
Rates and Taxes	3,600	1,200
Legal and Professional Charges	17,500	26,854
Auditors' Remuneration - Audit Fees	13,483	13,483
Delay charges for the payment for allotment of Land	368,920	750,073
Miscellaneous Expenses	1,236	1,161
	<u>404,739</u>	<u>792,771</u>



A/c R भारतीय स्टेट बैंक
State Bank Of India

(01946) - IND FINANCE BRANCH (BARODA)
MARBLE ARCH, RACE COURSE CIRCLE,
BARODA, GUJRAT 390007
IFS Code: SBIN0001946

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FOR DIAMINES & CHEMICALS LTD

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MULTI-CITY CHEQUE Payable at Par at All Branches of SBI

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30/04/2015
Security Features of this cheque are as follows: 1. 500000