

BOARD OF DIRECTORS

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

Company Secretary

Ms. Chesta Vasavada

Auditors

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

Bankers

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

Registered Office & Works

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

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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the members of Diamines and Chemicals Limited will be held at the Registered Office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 on Thursday, the 9th day of August, 2012 at 3:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend for the financial year ended 31st March 2012.
3. To appoint a Director in place of Mr. Yogesh M. Kothari who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Kirat Patel who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Shreyas Mehta who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint M/s. Bansi S. Mehta & Co., Chartered Accountants, the retiring Auditors who are eligible for re-appointment, as Auditors of the Company from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Vadodara, Dated: May 17, 2012

REGISTERED OFFICE:

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

By Order of the Board

Chesta Vasavada
Company Secretary

NOTES:

1. The relevant Explanatory Statement as required under Code of Corporate Governance in respect of items 3 to 5 annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY GIVEN HEREUNDER, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 28-07-2012 to 09-08-2012 (both days inclusive).
4. Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2012 when declared at the meeting will be paid on or after 23rd August, 2012 :-
 - (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrar & Share Transfer Agent on or before 27.07.2012, **or**
 - (ii) in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 27.07.2012.

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5. Members are requested to encash their Dividend Warrants on receipt as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956.
 6. Please note that pursuant to section 205C of the Companies Act, 1956 all unclaimed / unpaid dividends upto July, 2004 has been transferred to the account of Central Government.
 7. As mandated by the Securities and Exchange Board of India (SEBI), the Company will be providing NECS (National Electronic Clearing Services) facility to the shareholders whereby they will be able to receive their dividend by direct electronic credit to their bank account. In the absence of availing the option by the shareholder, the Company shall send warrants for dividends. Shareholders are requested to fill the form provided along with the Annual Report and send it to the Company's Registrar & Share Transfer Agent, at the address mentioned herein below as to reach them latest by 27.07.2012 and to their respective Depository Participants, in case the Shares are held in dematerialized form.
 8. 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.
 9. 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.
 10. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
 11. Members, who hold shares in the dematerialized form, are requested to bring their depository account number for identification.
 12. Members are requested to immediately address their communications regarding transfer of shares, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

M/s. MCS Limited,
1st Floor, Neelam Apartments,
88, Sampatrao Colony, Vadodara 390 007
Telephone (0265) 2314757 / 2350490
Fax: (0265) 2341639
email: mcsltbaroda@yahoo.com
 13. Members holding shares in dematerialized form, may please note that while opening a depository account with participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
 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 by filling Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.



15. As per the Circular of the Ministry of Corporate Affairs of "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Members, who hold the shares in dematerialized form are requested to register their email ids with their depository participants and the members holding the shares in physical form, are requested to register their email ids with the Company's Registrar and share Transfer Agent on the address given above.
16. Members who hold shares in the physical form may please note, that the Company has issued Bonus shares in the month of July, 2011. In that context, Company has received few share certificates as undelivered. Hence, those members, who have not received the Bonus share certificates, may please contact the Company's Registrar & Share Transfer Agent along with necessary evidence and latest communication address for claiming the share certificates. After verification of records by RTA, the respective certificates shall be sent back to the concerned shareholder.
17. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

Vadodara, Dated: May 17, 2012

REGISTERED OFFICE:

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

By Order of the Board

Chesta Vasavada
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory statement under Corporate Governance.

ITEM NO.3:

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. Kothari 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. 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 is a leading Industrialist and has rich experience in Chemical business for more than 34 years.

Mr. Kothari is Chairman of Share holders / Investors' Grievance Committee of this Company. He is Chairman and Managing Director of Alkyl Amines Chemicals Ltd, (one of the Promoter Company) & is Chairman of Alkyl Speciality Chemicals Limited, Alkyl Amines Europe SPRL and Diamines Speciality Chemicals Pvt. Ltd. He is also Vice 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.

He holds 205393 Equity Shares in the Company.

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

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

ITEM NO.4:

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

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

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

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

He is also on the Board of the following Companies:

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

He holds 10800 Equity Shares in the Company.

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

Mr. Kirat Patel is interested in this resolution since it relates to his reappointment.

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

ITEM NO. 5:

Mr. Shreyas Mehta has been appointed as Independent Director on 29th January, 2010. Mr. Mehta, is a 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 is also on the Board of the following Companies:

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

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

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

Vadodara, Dated: May 17, 2012

REGISTERED OFFICE:

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

By Order of the Board

Chesta Vasavada
Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors present their 36th Annual Report together with the audited accounts for the financial year ended 31st March, 2012.

1. FINANCIAL RESULTS:

	(` in Lacs)	
	Current Year 31.03.12	Previous Year 31.03.11
Total Income (Gross)	7315.43	9119.78
Operating Profit before interest and depreciation	1077.91	2515.40
Interest and other financial charges	358.66	298.02
Profit before depreciation	719.25	2217.38
Depreciation & Amortization	215.80	188.96
Profit after interest & depreciation	503.45	2028.42
Less: Provision for taxation	143.03	557.43
Profit after Tax available for distribution	360.42	1470.99
Interim Dividend (including Dividend Tax)	-	114.07
Proposed Dividend (including Dividend Tax)	113.70	341.11
Amount transferred to General Reserve	-	147.09
Balance of P&L A/c for the year	246.72	868.72
Credit balance of P&L A/c carried forward from last year	1281.47	412.75
Profit/ (Loss) carried to Balance Sheet.	1528.17	1281.47

2. OPERATIONS:

Your Company's total revenue for the year 2011-12 (net of excise) amounted to ` 6748.94 lacs as compared to ` 8371.05 lacs of last year. The result for the year shows net profit after tax of ` 360.42 lacs as compared to the net profit of ` 1470.99 lacs in the previous year.

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

3. DIVIDEND:

Considering the financial results achieved during the year under review, the Board of Directors has recommended the final dividend on 9783240 Equity Shares @ 10% {Re. 1 per share (10%) Previous Year ` 6/- per share / 60%} for the financial year 2011-12 out of the net profit available for distribution.

4. FIXED DEPOSITS:

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

5. CORPORATE GOVERNANCE:

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

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

6. PARTICULARS OF EMPLOYEES:

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

7. BOARD OF DIRECTORS:

Mr. Yogesh Kothari, Mr. Kirat Patel and Mr. Shreyas Mehta are Directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have expressed their willingness to be re-appointed as Directors.

Your Directors recommend re – appointment of these Directors.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) The accounting policies selected have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2012 and of the Profit of the Company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities;
- (d) The Annual Accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

9. AUDITORS:

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

10. AUDITORS' REPORT:

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

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

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

12. INFORMATION TECHNOLOGY:

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

13. INDUSTRIAL RELATIONS:

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

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

14. COMPANY'S QUALITY SYSTEM (ISO-9001:2008)

Your Company is certified for ISO 9001:2008 for "Manufacture and Sale of Ethyleneamines based Industrial Chemicals". There was surveillance audit since the Company's certification by internationally



reputed M/s. BVC. In terms of improvement of effectiveness of QMS and its processes, system updated as per 9001:2008. Documentation changed to 3 levels of all the departments. External audit for stage-2 audit is completed in January '12 by M/s. BVC. QMS of the organization is re-certified for ISO 9001:2008 system.

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

15. SAFETY & ENVIRONMENT:

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

16. LISTING DETAILS:

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

Bombay Stock Exchange Ltd.,

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.

Code No. 500120

The Company has paid the annual listing fees to the above Stock Exchange for the financial year 2012–2013.

17. DETAILS REGARDING DEPOSITORY:

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

18. AGENCY FOR SHARETRANSFER / DEMAT PURPOSE:

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

19. SUBSIDIARY COMPANY:

Your Company has incorporated a wholly owned subsidiary named "Diamines Speciality Chemicals Pvt. Ltd." (DSCPL) on 16th January, 2012. This Company shall also be engaged into the Speciality Chemicals business.

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 Annual Accounts of the Subsidiary Company are available for inspection by any member at the registered office during business hours. The Company will send copies thereof to the shareholders who may, if required, write to the company.

20. ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

YOGESH KOTHARI

Chairman

Vadodara, Dated: May 17, 2012

ANNEXURE - 1 FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2011 – 12	Previous Year 2010 – 11
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased Unit	2387655	3844291
Total Amount (₹ in lacs)	146.41	193.79
Rate/Unit (₹)	6.13	5.04
b) Own Generation		
Through Diesel generator		
Units	17104	35405
Units/Ltr. of Diesel Oil	2.85	3.00
Cost/Unit (₹)	13.18	13.75
Coal		
Quantity in tonnes	6403	9823
Total Cost (₹ in lacs)	383.26	507.20
Average Rate ₹/Tonne	5985	5163
LDO & FO		
Quantity (In Tonnes)	576	852
Total cost (₹ in lacs)	227.20	244.22
Average Rate ₹ / Tonne	39445	28665
Generation through Wind Turbine Generator		
Units (KWH in thousand)	4859.51	4696.91
Total Amount (₹ in lacs)	209.93	197.59
Average Generation Rate (₹ / Unit)	4.32	4.20
B. CONSUMPTION PER TONNE OF PRODUCTION		
Production of Speciality Chemicals (MT)	1587	2305
Electricity (Unit)	1504	1668
Coal (Tonnes)	4.03	4.26
FO/LDO (Tonnes)	0.36	0.37

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

I TECHNOLOGY ABSORPTION / DEVELOPMENT :

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

1. Commercialization of EDC Plant.
2. Purification of by-product Salt to salable product.
3. Production of higher homologues of Ethyleneamines of International quality.
4. Development of Piperazine derivatives in lab scale.

(B) Benefits derived from R&D:

1. Improved the quality as well as shelf life of existing products.
2. Technical support to Q/A department for improving the quality of products.
3. Technical support to Marketing Department to increase the business of the Company.

(C) Future plans of Action:

1. Development of Value added products from EDA.

(D) Expenditure on R&D:

a) Capital	:	1439824
b) Revenue	:	2607601
c) Total	:	4047425
d) Total R&D expenditure	:	0.60 % of total turnover

(E) Technology absorption, adoption and innovation:

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

II FOREIGN EXCHANGE EARNINGS AND OUTGO:

Year ended March 31	2012	2011
	(In `)	(In `)
Foreign Exchange Earnings	9,44,53,391	3,35,58,950
Foreign Exchange Outgo	28,21,59,246	26,31,99,064

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

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

Performance:

Total revenue (net of excise) for the year 2011–2012 amounted to ` 6748.94 lacs compared to ` 8371.05 lacs of the previous year. Sales in quantity terms amounted to 1876.915 MT compared to 2556.350 MT for the year 2010–11. During the year, your Company has made exports of its products amounting to ` 944.53 lacs.

Opportunities, Threats, Risks and Concerns:

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

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

Financial Performance with Respect to Operational Performance:

The operating profit for the current year before depreciation, interest and tax stands at ` 1077.91 Lacs as compared to ` 2515.40 lacs, last year.

Internal Control Systems and their adequacy:

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

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

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

Human Resource/Industrial Relations:

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

Business Outlook:

The year 2012- 2013 offers a mixed picture in terms of the growth in all segments in comparison with previous years due to upheavals witnessed in the economy especially in the Chemical Industry. Your Company is preparing for the scenario in an adequate manner. Your Company has also identified and is focusing on some of new specialty products that would add to increase in turnover.

Cautionary Statement:

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

For and on behalf of the Board
YOGESH KOTHARI
Chairman

Vadodara, Dated: May 17, 2012

CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS AND ITS COMPOSITION:

The Board of Directors of the Company comprises of 9 Non-Executive Directors and 1 Executive Director and amongst them 5 are Independent Directors, who bring in a wide range of skills and experience. The Board Members consists of persons with professional expertise and experience in various fields of Chemicals, Marketing, Finance, Management, Accountancy, etc. and the composition of the Board is in conformity with the amendments in the Listing Agreement. The Board members are not inter-se related to each other.

Details of the Board of Directors are as under:

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

RESPONSIBILITIES OF BOARD OF DIRECTORS:

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

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

ROLE OF INDEPENDENT DIRECTORS:

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

TENURE OF BOARD OF DIRECTORS:

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

Mr. Yogesh Kothari, Mr. Kirat Patel and Mr. Shreyas Mehta retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

BOARD MEETINGS:

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

During the year under review, 5 Board Meetings were held viz: 24/05/2011, 12/07/2011, 08/08/2011, 24/10/2011 and 02/02/2012. Details of attendance at the Board Meetings and Annual General Meeting for each Director along with their other Directorships are as stated herein below:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended out of 5 held	Attended last AGM held on 12/07/11
1	Mr. Yogesh M. Kothari	Chairman – NED / PD	5	Yes
2	Mr. Amit M. Mehta	Vice Chairman – NED/PD	5	Yes
3	Mr. G. G. Chendwankar	NED*	4	No
4	Mr. Kirat Patel	NED	5	Yes
5	Mr. Dhruv Kaji	NED – I	1	No
6	Mr. Rajendra Chhabra	NED – I	5	Yes
7	Mr. G.S.Venkatachalam	NED – I	5	Yes
8	Dr. Ambrish Dalal	NED – I	4	Yes
9	Mr. Shreyas Mehta	NED – I	1	No
10	Mr. Girish R. Satarkar	ED	5	Yes

ED-Executive Director

NED–Non-Executive Director

NED-I : Non-Executive & Independent Director

PD – Promoter Director

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

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

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

Name of the Director(s)	No. of Directorships in other Companies (Excluding Pvt. Cos.)*	No. of Chairmanship(s) and Membership(s) of Committees of Public Ltd. Cos. Including DACL**	
		Chairmanship in Committees in which Directors are Members	Memberships in Committees of Companies in which they hold Directorships
Mr. Yogesh M. Kothari	5	1	1
Mr. Amit M. Mehta	3	–	–
Mr. G. G. Chendwankar	–	–	2
Mr. Kirat Patel	2	–	1
Mr. Dhruv Kaji	2	–	–
Mr. Rajendra Chhabra	2	1	1
Mr. G.S.Venkatachalam	–	–	1
Dr. Ambrish Dalal	–	–	–
Mr. Shreyas Mehta	1	1	–
Mr. Girish R. Satarkar	–	–	–

* Excluding Diamines and Chemicals Limited.

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

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

BOARD COMMITTEES:

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



Audit Committee:

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

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

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

Mr. Kirat Patel is appointed as a member of Audit Committee of Diamines and Chemicals Ltd. with effect from 1st April, 2012.

The terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March, 2012.

Mr. Kirat Patel, Director, the Deputy General Manager (F&A) and Internal Auditor are permanent invitees to the Committee Meetings. The Statutory Auditors are also invited to attend the Meetings. The 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:			
	23.05.11	06.08.11	22.10.11	01.02.12
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. G.G.Chendwankar	Yes	Yes	Yes	Yes
Mr. G.S.Venkatachalam	Yes	Yes	Yes	Yes

The Minutes of Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The Chairman of the Audit Committee was present at the 35th Annual General Meeting held on 12th July 2011.

Shareholders' / Investors' Grievance Committee of Directors:

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

Mr. Yogesh M. Kothari who is the Chairman of the Company also chairs the Meeting. During the year under review, the Committee met 23 times.

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

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

Name of the Director	Executive / Non-Executive	No. of Meetings Attended
Mr. Yogesh M. Kothari	Non-Executive	22
Mr. G. G. Chendwankar	Non-Executive	23
Mr. Rajendra Chhabra	Non-Executive	23

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

*** No. of shareholder complaints received during 2011-2012:**

Relating to non-receipt of share certificate under transfer	00
Relating to de-materialisation	00
Relating to non-receipt of dividends / interest	00
Others	09

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

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

* No. of pending share transfers as on 31/03/2012 None

Remuneration Committee :

The Remuneration Committee consists of Dr. Amrish Dalal, Chairman, Mr. G.S. Venkatachalam and Mr. Rajendra Chhabra, whose function is to approve remuneration policy of Directors. During the year the Committee meeting was held on 12-07-2011 to consider and approve the remuneration to be paid to Mr. Girish R Satarkar, Executive Director of the Company.

Details of remuneration paid to the Executive Director for the financial year 2011 – 2012.

(` In Lacs.)

Name of Director	Designation	Salary & Allowance	Perquisite	Commission []	Total
Mr. Girish R. Satarkar	Executive Director	19.35	2.49	4.25	26.09

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS :

The remuneration paid to Non-Executive Directors for the year from 01.04.2011 to 31.03.2012 are as under:

(` in lacs)

Name	Remuneration	Sitting Fee	Commission*	Total
Mr. Yogesh Kothari	Nil	1.11	1.62	2.73
Mr. Amit M. Mehta	Nil	1.00	1.62	2.62
Mr. Kirat Patel	Nil	2.82	0.45	3.27
Mr. Rajendra Chhabra	Nil	3.43	0.46	3.89
Mr. G.G.Chendwankar	Nil	3.13	0.45	3.58
Mr. G. S.Venkatachalam	Nil	1.50	0.20	1.70
Dr. Amrish Dalal	Nil	0.90	0.20	1.10
Mr. Dhruv Kaji	Nil	0.20	0.20	0.40
Mr. Shreyas Mehta	Nil	0.20	0.20	0.40

- Remuneration includes salary & perquisites. The Company does not have any stock option scheme.
- *The Company has passed resolution u/s 309 of the Companies Act, 1956, in its Annual General Meeting held on 20-07-2010 for payment of Commission based on net profit of the Company for a period of Five years to the Non-Executive Directors of the Company , who are not in full time employment of the Company.

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

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

DISCLOSURES:

The Company does not have any related party transactions that may have potential conflict with the interests of the Company at large. A list of transactions with related parties as per Accounting Standard AS 18 is given in note no. 33 to the Audited Accounts. Segment Reporting as per Accounting Standard AS – 17 applicable to the Company is given in note no. 32.

REGULATORY COMPLIANCES:

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

MEANS OF COMMUNICATION:

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

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

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

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date	28.07.2012 to 09.08.2012 (both days inclusive)
2. Date, Time and Venue of the 36th Annual General Meeting	9 th August, 2012 at 3.00 p.m. at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346.
3. Listing on Stock Exchange	Bombay Stock Exchange Ltd., P. J. Towers, Dalal Street, Mumbai 400 001. Tel: 022 – 2272 1233 / 34. Fax: 022 – 2272 1919. (Stock Code: 500120).
4. Listing Fees	Paid to the above Stock Exchange for the Financial Year 2012 – 2013.
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

<p>6. Place where Share Transfers are to be lodged:</p> <p>(a) In Physical form</p> <p>(b) In Electronic form</p>	<p>In view of the SEBI circular, every listed company is required to appoint one common agency for handling both Physical & Demat related services in respect of its shares. Accordingly, your Company has continued with M/s. MCS Ltd., Vadodara since 01.04.2003.</p> <p><u>Branch Manager</u> M/s. MCS Ltd. 1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 007 Telephone (0265) 2314757 / 2350490 Fax: (0265) 2341639 _____ As above _____</p>																
<p>7. International Securities Identification Number (ISIN)</p>	<p>INE 591D01014</p>																
<p>8. Compliance Officer</p>	<p>Ms. Chesta Vasavada Tel no: 0265 2230305 /406 e-mail:secretarial@dacl.co.in</p>																
<p>9. Date, Time and Venue for the last 3 A.G.M.'s.</p>	<p>35th A.G.M. - 12th July, 2011 at 9:30 a.m. held at the Registered Office of the Company. 34th A.G.M. - 20th July, 2010 at 3:00 p.m. held at the Registered Office of the Company. 33rd A.G.M. - 21st July, 2009 at 3:00 p.m. held at the Registered Office of the Company. * No Postal Ballots were used/invited for voting at these meetings.</p>																
<p>10. Special Resolutions passed</p>	<p>35th A.G.M. – 1 Special Resolution was passed. 34th A.G.M - 4 Special Resolutions were passed. 33rd A.G.M. – 1 Special Resolution was passed. * No Postal Ballots were used/invited for voting at these meetings.</p>																
<p>11. Closing Price of the Company's Shares on 31st March, 2012. - Bombay Stock Exchange Ltd. (BSE)</p>	<p>₹ 40.55</p>																
<p>12. Financial Year</p>	<p>1st April to 31st March each year.</p>																
<p>13. Dividend declared for current and earlier years</p>	<table border="1"> <thead> <tr> <th></th> <th>2011 - 12</th> <th>2010 - 11</th> <th>2009 - 10</th> </tr> </thead> <tbody> <tr> <td>Interim</td> <td>-</td> <td>15%</td> <td>-</td> </tr> <tr> <td>Final</td> <td>10%</td> <td>45%</td> <td>20%</td> </tr> <tr> <td>Total</td> <td>10%</td> <td>60%</td> <td>20%</td> </tr> </tbody> </table>		2011 - 12	2010 - 11	2009 - 10	Interim	-	15%	-	Final	10%	45%	20%	Total	10%	60%	20%
	2011 - 12	2010 - 11	2009 - 10														
Interim	-	15%	-														
Final	10%	45%	20%														
Total	10%	60%	20%														
<p>14. Trading in Shares (Electronic Form) on Stock Exchange</p>	<p>SEBI has made trading in the Company's Shares compulsory in electronic form for all categories of Investors.</p>																

MARKET PRICE DATA:

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

Sr.No.	Month	Bombay Stock Exchange Ltd.	
		High (₹)	Low (₹)
1	April, 2011	76.85	68.10
2	May, 2011	107.90	71.60
3	June, 2011	105.65	90.00
4	July, 2011	123.00	64.00
5	August, 2011	80.90	61.10
6	September, 2011	74.95	63.00
7	October, 2011	73.10	54.00
8	November, 2011	57.50	44.10
9	December, 2011	51.00	41.00
10	January, 2012	54.90	44.50
11	February, 2012	52.50	41.50
12	March, 2012	45.00	40.00

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2012)

Shareholding of nominal value	Shareholders		Share Amount	
	Number	% of total		% of total
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	9363	91.48	10074880	10.30
5,001 - 10,000	454	4.44	3321850	3.39
10,001 - 20,000	210	2.05	3023250	3.09
20,001 - 30,000	77	0.75	1986580	2.03
30,001 and above	131	1.28	79425840	81.19
TOTAL	10,235	100.00	97832400	100.00

SHAREHOLDING PATTERN: (as on 31st March, 2012)

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters & persons acting in concert	63,78,777	65.20%
2	Mutual Funds/Banks & FI's/ Insurance Co.	5875	0.06%
3	Other Corporate Bodies	1,29,909	1.33%
4	Public	31,82,666	32.53%
5	NRI's	86,013	0.88%
6	Any Other	0	0.00%
	TOTAL	97,83,240	100.00%

DEMATERIALIZATION OF SHARES: (as on 31st March, 2012)

Particulars	No. of Equity Shares	% to Share Capital
NSDL	8532894	87.22%
CDSL	699452	07.15%
Physical	550894	05.63%
TOTAL	9783240	100.00

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

The Company has not issued any of these instruments.

FOR DIAMINES AND CHEMICALS LTD.

YOGESH KOTHARI
Chairman

Vadodara, Dated: May 17, 2012.

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 2012, received from the Senior Management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Chief Financial Officer and employees in the Executive Vice President cadre as on March 31, 2012.

Place : Vadodara
Date : 17.05.2012

Sd/-
Girish R Satarkar
Executive Director



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
DIAMINES AND CHEMICALS LIMITED

I have examined all relevant records of ***Diamines and Chemicals Limited*** for the purpose of certifying compliance of conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange for the financial year ended on 31st March 2012. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

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

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

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

For Sandip Sheth & Associates
Practising Company Secretary

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

Ahmedabad, Dated: May 17, 2012

AUDITORS' REPORT
For the year ended March 31, 2012

To the Members of
Diamines and Chemicals Limited

1. We have audited the attached Balance Sheet of **DIAMINES AND CHEMICALS LIMITED** as at March 31, 2012 and also the Statement of Profit and Loss of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors of the Company as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : VADODARA
Dated : May 17, 2012.

**Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of
DIAMINES AND CHEMICALS LIMITED on the accounts for the year ended March 31, 2012.**

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

- i. a. The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
b. *No physical verification of fixed assets has been conducted by the management during the year. Hence, we are unable to comment on material discrepancy, if any, about fixed assets.*
c. The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern.
- ii. a. The Inventory, except materials lying with third parties for which confirmations are obtained, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. a. As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
As the Company has not granted any such loans, Clause (iii)(b) of the Order relating to the rate of interest and other terms and conditions, whether prima facie prejudicial to the interest of the Company, Clause (iii)(c) relating to regularity of the receipt of principal amount and interest and Clause (iii)(d) relating to steps for recovery of overdue amount of more than rupees one lakh, are not applicable.
b. As per the information furnished, the Company had taken an unsecured inter corporate deposit from a company and an unsecured loan from a director covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance was ₹ 4,800,000. In our opinion, the rate of interest and other terms and conditions of these deposits are not, prima facie, prejudicial to the interest of the Company. The Company is regular in repayment of the principal amounts as stipulated and as also in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods. However, the Company is not engaged in the sale of any service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. a. According to the records of the Company examined by us and the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section; and
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence, the question of complying with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder does not arise.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- ix. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, Cess and other material Statutory dues applicable to it and there were no arrears of such Statutory dues as on March 31, 2012 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Nature of the dues	Amount (`)	Period to which the amount relate	Forum where dispute is pending
The Income-tax Act, 1961	Tax on account of disallowances	1,618,523	Assessment year 07-08	Assessing Officer
The Finance Act, 1994	Service Tax/ Excise	1,869,040	Financial Year 2005-2012	Commissioner of Central Excise (Appeals)

- x. There are no accumulated losses of the Company as on March 31, 2012, and the Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. According to the information and explanations given to us and records of the Company examined by us, the Company has not defaulted in repayment of dues, if any, to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. As the Company is not a chit fund, nidhi, mutual benefit fund or society, Clause (xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirements of Clause 4(xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xvi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the intended use.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, the funds raised on short-term basis have not been used for long-term investments.
- xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us, as the Company has not issued any debentures, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issue during the year, Clause 4(xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
- xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

PARESH H. CLERK
Partner

Membership No. 36148

Place : VADODARA
Dated : May 17, 2012



BALANCE SHEET AS AT MARCH 31, 2012

	Note		As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	97,832,400		65,221,600
Reserves and Surplus	3	<u>236,504,505</u>		<u>245,430,214</u>
			334,336,905	310,651,814
Non-Current Liabilities				
Long-term Borrowings	4	50,118,291		63,777,750
Deferred Tax Liabilities (Net)	5	34,922,280		33,127,880
Long-term Provisions	6	<u>1,613,939</u>		<u>1,412,694</u>
			86,654,510	98,318,324
Current Liabilities				
Short-term Borrowings	7	184,235,792		188,516,922
Trade Payables	8	77,343,563		69,082,871
Other Current Liabilities	9	48,682,878		46,157,221
Short-term Provisions	10	<u>13,801,004</u>		<u>48,087,607</u>
			324,063,237	351,844,621
TOTAL			<u>745,054,652</u>	<u>760,814,759</u>
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	11	345,015,046		312,411,509
Capital Work-in-progress		<u>9,298,887</u>		<u>18,436,851</u>
			354,313,933	330,848,360
Non-current Investments	12	1,067,115		967,115
Long-term Loans and Advances	13	45,156,131		13,106,005
Other Non-current Assets	14	<u>288,699</u>		<u>288,699</u>
			400,825,878	345,210,179
Current Assets				
Inventories	15	190,555,373		138,455,562
Trade Receivables	16	103,474,115		171,100,212
Cash and Bank Balances	17	20,485,312		88,745,428
Short-term Loans and Advances	18	29,498,415		16,343,145
Other Current Assets	19	<u>215,559</u>		<u>960,233</u>
			344,228,774	415,604,580
TOTAL			<u>745,054,652</u>	<u>760,814,759</u>

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

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Vadodara, Dated : May 17, 2012.

For and on behalf of the Board of Directors

Yogesh Kothari

Chairman

Amit Mehta

Vice Chairman

Rajendra Chhabra

Director

Girish Satarkar

Executive Director

Chesta Vasavada

Company Secretary

Vadodara, Dated : May 17, 2012.



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Revenue From Operations	20	727,774,614	903,867,638
Less : Excise Duty on Sales		<u>(56,650,167)</u>	<u>(74,873,104)</u>
Revenue From Operations (Net)		671,124,447	828,994,534
Other Income	21	<u>3,769,691</u>	<u>8,110,541</u>
Total Revenue		<u>674,894,138</u>	<u>837,105,075</u>
Expenses			
Cost of Materials Consumed	22	423,292,351	429,625,339
Changes in Inventories of			
Finished Goods and Work-in-progress	23	<u>(31,661,632)</u>	<u>(21,805,716)</u>
Employee Benefits Expenses	24	33,074,731	29,026,217
Finance Costs	25	35,866,651	29,802,580
Depreciation and Amortization Expense	11	22,567,052	19,962,259
Less: Amount withdrawn from Revaluation Reserve		<u>986,644</u>	<u>1,065,473</u>
		21,580,408	18,896,786
Other Expenses	26	<u>142,395,697</u>	<u>148,716,194</u>
Total Expenses		<u>624,548,206</u>	<u>634,261,400</u>
Profit before exceptional items and Tax		<u>50,345,933</u>	<u>202,843,675</u>
Exceptional items		<u>NIL</u>	<u>NIL</u>
Profit Before Tax		<u>50,345,933</u>	<u>202,843,675</u>
Tax Expense			
Current Tax		10,100,000	61,800,000
Deferred Tax		1,794,400	(5,215,490)
Current Tax Adjustments of Earlier Years		<u>2,409,472</u>	<u>(840,657)</u>
		14,303,872	55,743,853
Profit for the year		<u>36,042,061</u>	<u>147,099,822</u>
Earnings Per Equity Share of ₹ 10 Basic and Diluted (₹)	27	<u>3.68</u>	<u>15.04</u>
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-35		

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Vadodara, Dated : May 17, 2012.

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

Vadodara, Dated : May 17, 2012.



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	50,345,933	202,843,677
Adjustments for :		
Add: Finance costs	35,866,651	29,802,580
Foreign Exchange Fluctuation (unrealised)	3,057,279	(1,529,315)
Loss on Sale of assets discarded	NIL	19,042
Depreciation and Impairment	21,580,408	18,894,828
	2,940,801	250,030,812
Less: Interest income	2,940,801	2,949,063
Excess Provision and Sundry Creditors written back	434,333	NIL
Provision for Doubtful Advances written back	NIL	(1,752,119)
Dividends Received	70,168	64,770
	107,404,969	248,769,098
Operating Profit before Working Capital Changes		
Adjustments for increase / decrease in:		
Long-term Loans and Advances and		
Other Non-current Assets	30,129,878	4,005,745
Long-term Provisions	201,245	209,074
Inventories	(52,099,811)	(5,723,890)
Trade receivables and Current Loans and Advances	73,226,747	(116,426,500)
Other Current Assets	744,674	(803,532)
Trade Payables and Other Current Liabilities	83,285,430	109,143,736
	16,062,516	12,874,769
Cash generated from Operations		
Income Tax paid	(21,378,867)	(3,938,679)
	(5,316,351)	8,936,090
Net Cash from Operating Activities		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets / Capital Work-in-progress	(47,952,874)	(44,992,481)
Investment in Subsidiary	(100,000)	NIL
Interest Income	2,940,801	2,949,063
Dividends Received	70,168	64,770
	(45,041,905)	(41,978,648)
Net Cash from Investing Activities		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	13,169,930	617,130
Payment of Long-term Borrowings	(1,304,871)	16,737,308
Short-term Borrowings	(4,281,130)	(107,206,243)
Deposits held as Margin Money	(65,141,550)	52,791,740
Finance Costs Paid	(35,866,651)	(29,802,580)
Payment of Dividends and Dividend Distribution Tax	(34,110,978)	(26,618,932)
	47,239,688	33,876,417
Net Cash from Financing Activities		
Net Decrease in Cash and Cash Equivalents (A+B+C)	(3,118,566)	833,859
Cash and Cash Equivalents at the beginning of the Year	6,802,103	5,968,244
Cash and Cash Equivalents at the end of the Year	3,683,537	6,802,103
Components of Cash and Cash Equivalents		
Cash on hand	48,417	62,717
Other Bank Balances		
On Current Accounts	3,635,120	6,739,386
	3,683,537	6,802,103

As per our report of even dae attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Vadodara, Dated : May 17, 2012.

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

Vadodara, Dated : May 17, 2012.

NOTES FORMING PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION:

- i. The accounts are prepared on a going concern basis under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.
- ii. The financial statements for the year ended March 31, 2012 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of the Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/regrouped to conform to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

1.2 USE OF ESTIMATES:

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

1.3 FIXED ASSETS AND DEPRECIATION:

- i. Fixed Assets are stated at historical cost net of cenvat/value added tax less accumulated depreciation except Land and Buildings which were revalued as detailed in Note 29.1. Costs include all costs incurred to bring the assets to their present location and condition.
- ii. Depreciation on fixed assets is provided on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended. Depreciation on additions to Fixed Assets is charged on pro rata basis.
- iii. Revalued amount of leasehold land is amortised over its remaining lease period of 72 years commencing from the year 2002-03.

1.4 INVESTMENTS:

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

1.5 INVENTORIES:

Inventories are valued as under:

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

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

By-products are valued at net realisable value.

1.6 REVENUE RECOGNITION:

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

1.7 FOREIGN CURRENCY TRANSACTIONS:

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

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

- fair value / net realisable value are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - historical cost, are reported at the exchange rate prevalent at the date of transaction.
- iii. Gain or Loss on account of exchange differences, either on settlement or on restatement, are recognised in the Statement of Profit and Loss.
 - iv. 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.
 - v. In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expenses over the life of the contract.
 - vi. Outstanding forward contracts at the Balance Sheet date are reflected by marking them to market and accordingly, the resulting mark to market losses are provided in the Statement of Profit and Loss.

1.8 EMPLOYEE BENEFITS:

i. **Defined Contribution Plan**

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

ii. **Defined Benefit Plan**

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

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

1.9 BORROWING COSTS:

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

1.10 TAXES ON INCOME:

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

1.11 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.12 IMPAIRMENT OF ASSETS:

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

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

	As at March 31, 2012	As at March 31, 2011
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2. Share Capital

Authorised

17,500,000 (March 31, 2011: 17,500,000)		
Equity Shares, of ₹ 10 par value	175,000,000	175,000,000
	<u>175,000,000</u>	<u>175,000,000</u>

Issued, Subscribed and Paid up

9,783,240 (March 31, 2011: 6,522,160)		
Equity Shares, of ₹ 10 par value	97,832,400	65,221,600
	<u>97,832,400</u>	<u>65,221,600</u>

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

	As At March 31, 2012		As At March 31, 2011	
	No. of shares	₹	No. of shares	₹
Equity shares, of ₹ 10 par value				
At the beginning	6,522,160	65,221,600	6,522,160	65,221,600
Add: Issued during the year - by way of Bonus Shares	3,261,080	32,610,800	NIL	NIL
At the end	<u>9,783,240</u>	<u>97,832,400</u>	<u>6,522,160</u>	<u>65,221,600</u>

2.2 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 17, 2012, proposed a final dividend of ₹ 1 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended amounted to ₹ 11,370,326 including corporate dividend tax of ₹ 1,587,086.
During the year ended March 31, 2011, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 6 per share. The said includes dividend ₹ 4.50 per share as final dividend and ₹ 1.50 per share as interim dividend. The total dividend appropriation for the year ended amounted to ₹ 45,519,092 including corporate dividend tax of ₹ 6,386,132.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As At March 31, 2012		As At March 31, 2011	
	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	1,985,331	30.44
Mr. Amit Mehta	862,099	8.81	574,662	8.81
Perfochem (I) Private Limited	840,000	8.59	560,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	463,452	7.11
	<u>5,375,273</u>	<u>54.95</u>	<u>3,583,445</u>	<u>54.95</u>

	As at March 31, 2012	As at March 31, 2011
2.4 Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceding March 31, 2012)		
	No. of shares	No. of shares
Equity Shares allotted as fully paid up Bonus Shares by capitalisation of the following amounts:	3,261,080	NIL
Capital Reserve	3,441,635	NIL
Capital Redemption Reserve	1,407,000	NIL
Securities Premium	18,857,360	NIL
General Reserve	8,904,805	NIL
3. Reserves and Surplus		
Capital Reserve		
As per last Balance Sheet	3,441,635	3,441,635
Less: Capitalised for issue of Bonus Shares	<u>3,441,635</u>	<u>NIL</u>
	NIL	3,441,635
Capital Redemption Reserve		
As per last Balance Sheet	1,407,000	1,407,000
Less: Capitalised for issue of Bonus Shares	<u>1,407,000</u>	<u>NIL</u>
	NIL	1,407,000
Securities Premium Account		
As per last Balance Sheet	18,857,360	18,857,360
Less : Capitalised for issue of Bonus Shares	<u>18,857,360</u>	<u>NIL</u>
	NIL	18,857,360
Revaluation Reserve (Refer Note 3.1)		
As per last Balance Sheet	32,581,208	NIL
Add: Transferred from General Reserve	NIL	33,646,681
Less: Transfer to the Statement of Profit and Loss	<u>986,644</u>	<u>1,065,473</u>
	31,594,564	32,581,208
General Reserve		
As per last Balance Sheet	60,997,249	79,933,948
Less : Transferred to Revaluation Reserve	NIL	33,646,681
Less : Capitalised for issue of Bonus Shares	8,904,805	NIL
Add : Transferred from Surplus	<u>NIL</u>	<u>14,709,982</u>
	52,092,444	60,997,249
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	128,145,762	41,275,014
Add: Net Profit after Tax transferred from Statement of Profit and Loss	36,042,061	147,099,822
Less: Appropriations		
General Reserve	NIL	14,709,982
Interim Dividend	NIL	9,783,240
Proposed Dividend	9,783,240	29,349,720
Dividend Distribution Tax	<u>1,587,086</u>	<u>6,386,132</u>
	152,817,497	128,145,762
TOTAL	<u>236,504,505</u>	<u>245,430,214</u>
3.1 Cumulative amount withdrawn on account of depreciation on revaluation is ` 986,644 (March 31, 2011: ` 1,065,473)		

	As at March 31, 2012	As at March 31, 2011
4. Long-term borrowings		
Term Loans (Refer Note 4.1)		
Secured		
From Banks	49,381,174	61,779,287
From Other Party	737,117	1,998,463
	<u>50,118,291</u>	<u>63,777,750</u>

4.1 Nature of Security and Terms of repayment of Long-term Borrowings (including Current maturities shown in Note 9)

Nature of Securities	Term of repayment
i. Term loans from bank amounting to ` 68,040,875 (March 31, 2011: ` 68,596,811) 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.	Of this Term Loan a. ` 10,132,700 (March 31, 2011: ` 17,400,366) is repayable in 24 equal quarterly instalments from August 30, 2006 alongwith the interest of 15.15% b. ` 40,521,115 (March 31, 2011: ` 50,579,315) is repayable 24 in equal quarterly instalments from May 1, 2009 alongwith the interest of 15.75% c. ` 17,387,060 (March 31, 2011: ` 617,130) is repayable in 19 equal quarterly instalments from January 30, 2012 alongwith the interest of 15.15%
ii. Term loans from bank amounting to ` 7,328,144 (March 31, 2011: ` 14,697,618) are secured by way of exclusive equitable mortgage of the Land and Windmill financed and exclusive first hypothecation charge on the receivables arising out of the operation of the windmill. Second equitable mortgage charge on remaining fixed assets of the Company, both, present and future, and second hypothecation charge on all movable fixed assets of the Company, both, present and future.	Repayable in 24 quaterly instalments from December 28, 2005 alongwith the interest of 15.15%
iii. Vehicle loan amounting to ` 165,662 (March 31, 2011: ` 369,690) are secured against hypothecation of specified vehicles	Repayable in 36 monthly instalments from November 27, 2009 alongwith the interest of 9.12%
iv. Vehicle loan amounting to ` 2,811,196 (March 31, 2011: ` 35,133,450) are secured against hypothecation of specified vehicles	Repayable in 60 monthly instalments from June 26, 2010 alongwith the interest of 8.35%
v. Vehicle loan amounting to ` 1,965,576 (March 31, 2011: ` 3,119,991) are secured against hypothecation of specified vehicles	Repayable in 35 monthly instalments from November 24, 2010 along with the interest of 9.14%

	As at March 31, 2012	As at March 31, 2011
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	44,006,157	41,499,893
Deferred Tax Assets		
Contested Disallowances	6,311,325	6,311,325
Provision for doubtful debts, loans and advances	585,332	585,332
Others	2,187,220	1,475,356
Net deferred Tax (Assets)/ Liabilities	34,922,280	33,127,880
6. Long-term Provisions		
Provision for employee benefits		
For Leave Encashment	1,613,939	1,412,694
	1,613,939	1,412,694
7. Short-term Borrowings		
Loans repayable on demand (Refer Note 7.1)		
Secured		
From Banks	179,435,792	183,716,922
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 33)	2,300,000	2,300,000
Other loans and advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	184,235,792	188,516,922
7.1 Working Capital facilities from the bank secured by hypothecation of the entire current assets including stock of raw materials, stock-in-process, finished goods, stores and spares etc. bills/book-debts/ receivables and other current assets.		
8. Trade Payables		
Trade Payables (Refer Note 8.1)	65,519,478	61,513,681
Others	11,824,085	7,569,190
	77,343,563	69,082,871
8.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.		
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks	28,964,703	25,398,172
From Other Party	1,228,459	1,121,528
	30,193,162	26,519,700
Interest accrued and due on Borrowings	NIL	62,383
Interest accrued but not due on Borrowings	NIL	253,575
Unclaimed Dividends	2,267,895	2,013,089
Other Payables (Refer Note 9.1)	16,221,821	17,308,474
	48,682,878	46,157,221
9.1 Other Payables include Statutory Dues, Advance from Customers and other year end liabilities provided.		
10. Short Term Provisions		
Provisions for employee benefits		
For Gratuity	1,081,915	689,213
For Leave Encashment	327,242	241,979
	1,409,157	931,192
Other Provisions	12,391,847	47,156,415
	13,801,004	48,087,607

11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2011	During the Year		As At March 31, 2012	Upto March 31, 2011	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2012	As At March 31, 2012	As At March 31, 2011
		Additions	For Sale / Adjustments							
Tangible Assets										
Land	3,154,055	NIL	NIL	NIL	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Freehold Land	23,585,328	NIL	NIL	2,948,166	327,574	NIL	NIL	3,275,740	20,309,588	20,637,162
Leasehold Land	31,907,583	262,389	NIL	13,689,111	913,601	NIL	NIL	14,602,712	17,567,259	18,218,472
Buildings	481,146,182	53,988,958	NIL	229,911,610	18,934,579	NIL	NIL	248,846,189	286,288,951	251,234,572
Plant and Equipments	20,845,193	607,644	NIL	14,590,179	953,057	NIL	NIL	15,543,236	5,909,601	6,255,015
Furniture and Fixtures	4,798,923	311,599	NIL	5,110,522	235,964	NIL	NIL	3,253,686	1,856,836	1,781,200
Office Equipments	12,765,082	NIL	NIL	1,634,048	1,202,277	NIL	NIL	2,836,325	9,928,757	11,131,033
Vehicles										
Current year	578,202,345	55,170,590	NIL	633,372,935	265,790,836	22,567,052	NIL	288,357,888	345,015,046	312,411,509
Previous year	546,106,387	32,116,959	21,000	578,202,346	245,830,536	19,962,259	1,958	265,790,837	312,411,509	—
Capital Work in progress	18,436,852	57,564,214	66,702,179	9,298,887	NIL	NIL	NIL	NIL	9,298,887	18,436,852
Current year	18,436,852	57,564,214	66,702,179	9,298,887	NIL	NIL	NIL	NIL	9,298,887	18,436,852
Previous year	3,985,657	51,887,612	37,436,417	18,436,852	NIL	NIL	NIL	NIL	18,436,852	—

11.1. 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, 2011	During the Year		As At March 31, 2012	Upto March 31, 2011	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2012	As At March 31, 2012	As At March 31, 2011
		Additions	For Sale / Adjustments							
Tangible Assets										
Buildings	NIL	51,221	NIL	NIL	NIL	270	NIL	270	50,951	NIL
Plant and Equipments	1,823,061	1,388,603	NIL	3,211,664	663,441	104,007	NIL	767,448	2,444,216	1,159,620
Current year	1,823,061	1,439,824	NIL	3,262,885	663,441	104,277	NIL	767,718	2,495,167	1,159,620
Previous year	1,606,520	216,541	NIL	1,823,061	584,281	79,160	NIL	663,441	1,159,620	—

11.2 Capital Work-in-progress includes Borrowing Costs of ` Nil (March 31, 2011: ` 68,536) capitalised during the year.

11.3 Plant and Machinery includes Borrowing Costs of ` 4,06,813 (March 31, 2011: ` 32,218) capitalised during the year.

11.4 As regards to revaluation of Land and Building, Refer Note 29

	As at March 31, 2012		As at March 31, 2011	
12. Non-current Investments				
Long-term Investments - valued at cost less provision for other than temporary diminution				
Other than Trade				
In Equity Instruments of Subsidiary				
Unquoted				
Diamines Speciality Chemicals Private Limited				
10,000 (March 31, 2011: NIL) Equity Shares of ₹ 10 par value of Diamines Speciality Chemicals Private Limited		100,000		NIL
In Equity Instruments of Other Companies				
Quoted				
Sintex Industries Limited				
107,950 (March 31, 2011: 107,950) Equity Shares of ₹ 1 par value of Sintex Industries Limited		967,115		967,115
		1,067,115		967,115
	Cost	Market Value	Cost	Market value
Aggregated amount of Quoted Investments	967,115	9,310,688	967,115	16,365,220
Aggregated amount of Unquoted Investments	100,000	Not Applicable	NIL	Not Applicable
13. Long-term Loans and Advances				
Unsecured and considered good				
Capital Advances		223,090		2,143,338
Security Deposits		10,962,667		10,962,667
Loans and Advances to Related Party (Refer Note 33)		24,633,474		NIL
Taxes Paid (Net of provisions)		9,336,900		NIL
		45,156,131		13,106,005
14. Other Non-current Assets				
Trade Receivables				
Considered Doubtful				
Outstanding for a period exceeding six months from the date they are due for payment	1,752,119			1,752,119
Less: Provision for Bad and Doubtful Debts	<u>1,752,119</u>			<u>1,752,119</u>
		NIL		NIL
Others - CST/VAT Demand		288,699		288,699
		288,699		288,699
15. Inventories				
Raw Materials		37,119,534		16,616,139
Raw Materials - Goods-in-transit		15,771,928		19,547,797
Work-in-process		81,220,860		59,169,999
Finished Goods		50,626,846		36,606,792
Fuel		1,313,033		3,116,208
Stores and Spares		4,503,172		3,398,627
		190,555,373		138,455,562

	As at March 31, 2012	As at March 31, 2011
15.1 Details of Inventories :		
a. Work-in-Progress		
Piperazine Anhydrous	3,963,050	4,748,367
Piperazine-Technical-68%	36,312,714	7,647,334
Ethylene Diamine	26,815,026	40,165,750
Other Products	14,130,070	6,608,548
	<u>81,220,860</u>	<u>59,169,999</u>
b. Finished Goods		
Piperazine Anhydrous	22,711,813	2,866,435
Piperazine-Technical-68%	6,116,947	12,140,667
Ethylene Diamine	3,748,984	10,930,272
Other Products	18,049,102	10,669,418
	<u>50,626,846</u>	<u>36,606,792</u>
16. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	8,732,987	189,296
Others	94,741,128	170,910,916
	<u>103,474,115</u>	<u>171,100,212</u>
17. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	48,417	62,717
Balances with Banks		
- On Current Accounts	3,635,120	6,739,386
Other Bank Balances		
- On Fixed Deposit Accounts	16,801,775	81,943,325
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	<u>20,485,312</u>	<u>88,745,428</u>
18. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	4,899,772	5,476,306
Considered Doubtful	10,200	10,200
	4,909,972	5,486,506
Less : Provision for Doubtful Advances	10,200	10,200
	4,899,772	5,476,306
Balance with Central Excise and Customs	24,598,643	10,866,839
	<u>29,498,415</u>	<u>16,343,145</u>
19. Other Current Assets		
Accrued Interest		
Interest Receivable on Bank/Security Deposit	215,559	960,233
	<u>215,559</u>	<u>960,233</u>

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
20. Revenue From Operations		
Sale of products		
Manufactured Goods	709,085,491	886,480,310
Windmill Power Generated	<u>16,321,735</u>	<u>15,712,225</u>
	725,407,226	902,192,535
Other Operating Revenues		
Sale of Scrap	<u>2,367,388</u>	<u>1,675,103</u>
	727,774,614	903,867,638
Less: Excise Duty on Sales	<u>(56,650,166)</u>	<u>(74,873,104)</u>
	<u>671,124,447</u>	<u>828,994,534</u>
20.1 Details of Products Sold		
Sale of Manufactured Goods		
Piperazine Anhydrous	501,079,815	697,036,542
Piperazine-Technical-68%	64,443,718	13,611,961
Ethylene Diamine	49,541,567	101,414,904
Other Products	<u>94,020,391</u>	<u>74,416,903</u>
	<u>709,085,491</u>	<u>886,480,310</u>
21. Other Income		
Interest on Margin Money	2,940,801	2,949,064
Dividend	70,168	64,770
Accounts Written Back	434,333	691,250
Gain on foreign exchange	NIL	4,226,123
Discount Received	NIL	13,965
Prior Period Income - Interest on Security Deposit	231,699	NIL
Miscellaneous Income	<u>92,691</u>	<u>165,369</u>
	<u>3,769,691</u>	<u>8,110,541</u>
22. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	35,110,887	54,121,907
Add : Purchases	428,893,772	395,862,567
Less : Closing Stock of Raw Materials	<u>52,041,967</u>	<u>35,110,887</u>
	411,962,692	414,873,587
Packing Materials		
Opening Stock of Packing Materials	1,053,049	875,754
Add : Purchases	11,126,105	14,929,047
Less : Closing Stock of Packing Materials	<u>849,495</u>	<u>1,053,049</u>
	11,329,659	14,751,752
	<u>423,292,351</u>	<u>429,625,339</u>
22.1 Details of Raw Materials Consumed		
Piperazine 68 %	296,457,287	229,296,229
Crude Piperazine Amine Mixture(CPA)	57,859,762	73,874,342
Ethylene Di Chloride (EDC)	30,205,554	66,960,118
Others	<u>27,440,089</u>	<u>44,742,898</u>
	<u>411,962,692</u>	<u>414,873,587</u>



	For the Year ended March 31, 2012	For the Year ended March 31, 2011
23. Changes in Inventories of Finished Goods and Work-in-progress		
Stocks at the end		
Finished Goods	50,626,846	36,606,792
Work-in-progress	81,220,860	59,169,999
	131,847,706	95,776,791
Less: Stocks at the beginning		
Finished Goods	36,606,792	25,940,862
Work-in-progress	59,169,999	46,728,597
	95,776,791	72,669,459
	36,070,915	23,107,332
Increase / (Decrease) in Excise Duty on Stocks	(4,409,283)	(1,301,616)
	(31,661,632)	(21,805,716)
24. Employee Benefit Expenses		
Salaries, Wages and Bonus	27,604,058	24,049,375
Contributions to Provident and Other Funds	2,307,885	2,133,243
Gratuity Expenses	992,069	701,345
Staff Welfare Expenses	2,170,719	2,142,254
	33,074,731	29,026,217
25. Finance Costs		
Interest Expense		
On Borrowings	27,053,221	18,574,785
On Others	2,193,683	4,109,337
	29,246,904	22,684,122
Other Borrowing Costs		
Processing Fees	1,561,135	1,921,000
Other Finance Charges	5,058,612	5,197,458
	35,866,651	29,802,580

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
26. Other Expenses		
Stores and Spares Consumed	8,883,605	3,689,687
Power and Fuel	71,339,595	91,254,788
Rent	43,600	7,600
Repairs and Maintenance		
Building	814,809	1,993,243
Machinery	8,385,669	11,790,780
Others	<u>875,337</u>	<u>3,528,013</u>
	10,075,815	17,312,036
Insurance	1,684,810	1,404,698
Rates and Taxes	550,156	433,880
Job Work Charges	10,174,814	6,723,598
Travelling and Conveyance	6,664,553	3,822,887
Director's Fees	1,430,000	1,114,000
Commission to Directors	965,919	2,078,539
Legal and Professional Charges	4,206,805	3,911,559
Net loss on Foreign Currency Transactions and Translations	10,104,743	3,677,335
Auditors' Remuneration		
Audit Fees	300,000	300,000
Tax Audit Fees	80,000	95,000
Certification Work	<u>215,000</u>	<u>185,000</u>
	595,000	580,000
Miscellaneous Expenses	<u>15,676,282</u>	<u>12,705,588</u>
	<u>142,395,697</u>	<u>148,716,194</u>
 26.1 Other Expenses include expenses incurred on Windmill Power generation as under:		
Repairs and Maintenance - Machinery	3,416,100	2,502,535
Rates and Taxes	<u>48,885</u>	<u>57,000</u>
	<u>3,464,985</u>	<u>2,559,535</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	1,438,921	1,205,762
Contributions to Provident and Other Funds	100,688	101,441
Staff Welfare Expenses	<u>4,500</u>	<u>6,600</u>
	1,544,109	1,313,803
Cost of Materials Consumed (In Note 22)	285,591	NIL
Depreciation (In Note 11)	104,277	79,160
Other Expenses (In Note 26)		
Stores and Spares Consumed	<u>673,624</u>	<u>524,842</u>
	<u>2,607,601</u>	<u>1,917,805</u>

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

Particulars	For the Year ended <u>March 31, 2012</u>	For the Year ended <u>March 31, 2011</u>
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year (a)	` 36,042,061	` 147,099,822
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares (b)	9,783,240	6,522,160
Basic and Diluted Earnings per Share [(a) / (b)]	` 3.68	` 15.04
Face value per Share	` 10	` 10

28. Contingent Liabilities and Commitments

	As At <u>March 31, 2012</u>	As At <u>March 31, 2011</u>
28.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	1,267,000	833,000
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)	11,355,410	11,355,410
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ` 1,000,000 (March 31, 2011 : ` 1,000,000)]	2,150,000	1,950,000
v. Matters under disputes/appeals :		
a. Income-tax	1,618,523	1,618,523
b. Service Tax/ Excise	4,151,104	2,294,668
28.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	1,317,374	7,436,958
Less : Advances	223,091	2,143,338
Net Estimated Amount	<u>1,094,283</u>	<u>5,293,620</u>
ii. Other Commitments	<u>NIL</u>	<u>NIL</u>

29. Revaluation of Land and Buildings

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

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

29.2 In earlier years, accumulated losses were adjusted against Revaluation Reserve created consequent to Revaluation of Land and Buildings; subsequent thereto, in absence of any balance in the Revaluation Reserve Account, additional depreciation on the revalued amount was charged to the Statement of Profit and Loss.

In terms of the Guidance Note on "Treatment of Reserve created on Revaluation of Fixed Assets" issued by the Institute of Chartered Accountants of India, accumulated losses and depreciation (including arrears of depreciation) should not be set off against the Revaluation Reserve Account. Since the accumulated losses cannot be set off against the Revaluation Reserve Account, the Company had decided to restore its Revaluation Reserve (as set off taken in earlier years) as on April 1, 2010. Accordingly, after considering the effect of additional depreciation, (had the same been adjusted against the Revaluation Reserve Account), as also the amount that would have been in the Revaluation Reserve Account in respect of the retirement or disposal of assets, the net amount of ₹ 33,646,681 was restored to the Revaluation Reserve Account and correspondingly, the equivalent amount was transferred from the General Reserve as on March 31, 2011.

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

31. Employee Benefits:

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the Year ended on March 31, 2012	For the Year ended on March 31, 2011	For the Year ended on March 31, 2012	For the Year ended on March 31, 2011
Obligation at period beginning (April 1, 2011)	6,937,017	5,826,689	1,654,673	1,317,828
Current Service cost	519,675	392,781	453,438	182,328
Interest cost	572,304	480,702	136,511	108,721
Actuarial (gain) / loss	460,230	322,230	(39,740)	249,892
Benefits paid	(581,714)	(85,385)	(263,701)	(204,096)
Obligations at the year end (March 31, 2012)	7,907,512	6,937,017	1,941,181	1,654,673
Change in plan assets				
Plan assets at period beginning, at fair value	6,247,804	5,280,705	Nil	Nil
Expected return on plan assets	515,444	435,658	Nil	Nil
Actuarial gain / (loss)	44,696	58,710	Nil	Nil
Contributions	599,367	558,116	263,701	204,096
Benefits paid	(581,714)	(85,385)	(263,701)	(204,096)
Plan assets at the year end, at fair value	6,825,597	6,247,804	Nil	Nil
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	6,825,597	6,247,804	Nil	Nil
Present value of the defined benefit obligations at the end of the year	7,907,512	6,937,017	1,941,181	1,654,673
Liability/(Asset) recognized in the Balance Sheet	1,081,915	689,213	1,941,181	1,654,673
Cost for the year				
Current service cost	519,675	392,781	453,438	182,328
Interest cost	572,304	480,702	136,511	108,721
Expected return on plan assets	(515,444)	(435,658)	Nil	Nil
Actuarial (gain) / loss	415,534	263,520	(39,740)	249,892
Net Cost recognized in the Statement of Profit and Loss	992,069	701,345	550,209	540,941
Assumptions used to determine the benefit obligations :				
Interest rate	8.75%	8.25%	8.75%	8.25%
Estimated rate of return on plan assets	8.75%	8.25%	8.75%	8.25%
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	560,140	494,368	Nil	Nil

32. Segment Reporting:

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

PARTICULARS	For the Year ended March 31, 2012	For the Year ended March 31, 2011
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	711,452,879	888,155,413
Less: Excise Duty on Sales	<u>56,650,166</u>	<u>74,873,104</u>
	654,802,713	813,282,309
b. Power Generation		
Total Power generated	20,993,665	19,759,135
Less: Captive Power used for Speciality Chemicals	<u>4,671,930</u>	<u>4,046,910</u>
Net as per the Statement of Profit and Loss	16,321,735	15,712,225
Total	<u>671,124,448</u>	<u>828,994,534</u>
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ` 4,671,930 (Previous Year ` 4,046,910)]	75,910,664	222,931,142
b. Power Generation		
Total	9,412,783	8,270,716
Less: Of Captive Power	<u>2,121,832</u>	<u>1,569,437</u>
Net as per the Statement of Profit and Loss	7,290,951	6,701,279
Total	83,201,615	229,632,421
Less: a. Interest Expense	35,866,651	29,802,580
b. Exceptional Items	NIL	NIL
Add: Interest and Dividend Income	3,010,969	3,013,834
	<u>32,855,682</u>	<u>26,788,746</u>
Profit before Tax	50,345,933	202,843,675
Net Current Tax	10,100,000	61,800,000
Deferred Tax	1,794,400	(5,215,490)
Adjustments relating to Prior Years	<u>2,409,472</u>	<u>(840,657)</u>
	14,303,872	55,743,853
Profit after Tax	<u>36,042,061</u>	<u>147,099,822</u>
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	628,834,312	637,413,942
b. Power Generation	115,153,223	122,433,702
c. Others – Unallocated	1,067,115	967,115
Total	<u>745,054,650</u>	<u>760,814,759</u>

PARTICULARS	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Segment Liabilities		
a. Speciality Chemicals	395,688,142	435,508,305
b. Power Generation	15,029,602	14,654,637
c. Others – Unallocated	NIL	NIL
Total	410,717,744	450,162,942
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets – Capital Advances	64,719,477 223,091	50,553,810 2,143,338
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	64,942,568	52,697,148
Depreciation during the year		
a. Speciality Chemicals	13,734,067	11,050,445
b. Power Generation	7,846,341	7,846,341
c. Others – Unallocated	NIL	NIL
Total	21,580,408	18,896,786

33. Related Party transactions:

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

Particulars	Subsidiary Companies		Associate		Key Managerial Personal		Subsidiary of Associate [As in 4(i) below]	
	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Remuneration	-	-	-	-	2,185,560	1,810,933	-	-
Technical Consultancy	-	-	-	132,360	-	-	-	-
Purchases of Raw/ Packing materials	-	-	185,409	501,425	-	-	-	-
Sales	-	-	100,411	40,164	-	-	-	-
Interest	-	-	-	-	-	-	281,750	281,750
Dividend paid	-	-	2,977,996	6,948,658	-	-	-	-
Transaction on behalf:								
Cenvat Credit Paid for	-	-	470,932	549,837	-	-	-	-
Cenvat Credit Availed for	-	-	-	10,316	-	-	-	-
Expenses Reimbursed to	-	-	77,437	477,610	-	-	-	-
Expenses Recovered from	-	-	130,658	41,225	-	-	-	-
Outstanding at Balance Sheet Date								
Amounts due from	24,633,474	-	-	-	-	-	-	-
Amounts due to	-	-	805,887	82,678	-	-	2,300,000	2,553,575
Investments:								
Subscription to Equity shares of Diamines Speciality Chemicals Private Limited	100,000	-	-	-	-	-	-	-

b.

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

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
34. a. Value of imports calculated on CIF basis:		
Raw Materials	277,463,036	259,955,273
b. Expenditure in foreign currency:		
Traveling Expenses	3,202,858	1,778,912
Subscription	32,927	NIL
Interest and Bank Charges	1,460,425	1,464,879
Total	4,696,210	3,243,791
c. Earnings in foreign currency :		
Export of goods on FOB basis	94,453,391	33,558,950
d. Foreign currency exposure that is not hedged by derivative instruments as on March 31, 2012		

	Amount in US Dollar		Amount in Euro		Amount in `	
	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Buyers' Credit facilities	NIL	NIL	NIL	NIL	NIL	NIL
Advance received from/other payable to customer	NIL	5,600	NIL	NIL	NIL	250,040
Supply against usance	127,071	764,527	NIL	NIL	6,500,507	34,136,153
Net	127,071	770,127	NIL	NIL	6,500,507	34,386,193

35. Consumption of Imported / Indigenous Materials

Particulars	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Percentage		Percentage	
Raw Materials				
Imported	83.70%	354,317,049	95.71%	411,209,312
Indigenous	16.30%	68,975,302	4.29%	18,416,026
TOTAL	100.00%	423,292,351	100.00%	429,625,338
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	8,883,605	100.00%	3,689,686
TOTAL	100.00%	8,883,605	100.00%	3,689,686

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
Vadodara, Dated : May 17, 2012.

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

Vadodara, Dated : May 17, 2012.

Consolidated Financial Statements
Financial Highlights - Year 2011-2012

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

in Lacs

PARTICULARS	Diamines and Chemicals Ltd.	Diamines Speciality Chemicals Pvt. Ltd.
Status of Investee	-	Subsidiary Company
% of Holding of DACL	-	100%
Share Capital	978.32	1.00
RESERVES & SURPLUS (excluding revaluation reserve)	2049.10	-
Debit Balance of Profit & Loss A/c.	-	(8.10)
Total Assets	7450.54	239.35
Total Liabilities	7450.54	239.35
Investments	10.67	-
Gross Turnover/Other Income	7315.44	-
Operating Profit/(Loss) (PBIDT)	1077.91	(8.10)
Profit/(Loss) Before Tax	503.45	(8.10)
Provision for Taxation	143.03	-
Profit/(Loss) After Tax	360.42	(8.10)
Proposed Dividend	10%	-

Consolidated Financial Statements

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF DIAMINES AND CHEMICALS LIMITED ON
THE CONSOLIDATED FINANCIAL STATEMENTS**

1. We have audited the attached Consolidated Balance Sheet of **DIAMINES AND CHEMICALS LIMITED** ("the Company") and its subsidiary as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have audited the financial statements of Diamines Speciality Private Limited ("the Subsidiary"), which was incorporated on January 16, 2012. Total Negative Net assets of the subsidiary as at March 31, 2012 is ` 710,969, total revenue for the period of ` 810,969 and net cash inflow of ` 99,812.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standards 21 (AS-21) - "Consolidated Financial Statements", as referred to in Section 211 (3C) of the companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006.
5. We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the said Consolidated Financial Statements, read together with the notes forming part thereof, give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at March 31, 2012;
 - ii. In the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Company and its subsidiary for the year ended on that date; and
 - iii. In the case of the Consolidated Statement of Cash Flow, of the cash flows of the Company and its subsidiary for the year ended on that date.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : VADODARA
Dated : May 17, 2012.



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note		As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	97,832,400	
Reserves and Surplus	3	235,693,536	
			333,525,936
Non-current Liabilities			
Long-term Borrowings	4	50,118,291	
Deferred Tax Liabilities (Net)	5	34,922,280	
Long-term Provisions	6	1,613,939	
			86,654,510
Current Liabilities			
Short-term Borrowings	7	184,235,792	
Trade Payables	8	77,343,563	
Other Current Liabilities	9	48,696,112	
Short-term Provisions	10	13,801,004	
			324,076,471
TOTAL			744,256,917
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets			
Capital Work-in-progress	11	345,015,046	
		9,298,887	
			354,313,933
Non-current Investments	12	967,115	
Long-term Loans and Advances	13	44,358,584	
Other Non-current Assets	14	288,699	
			399,928,331
Current Assets			
Inventories	15	190,555,373	
Trade Receivables	16	103,474,115	
Cash and Bank Balances	17	20,585,124	
Short-term Loans and Advances	18	29,498,415	
Other Current Assets	19	215,559	
			344,328,586
TOTAL			744,256,917

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

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Vadodara, Dated : May 17, 2012.

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

Vadodara, Dated : May 17, 2012.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note	For the Year ended March 31, 2012
Revenue From Operations	20	727,774,614
Less : Excise Duty on Sales		<u>(56,650,167)</u>
Revenue From Operations (Net)		671,124,447
Other Income	21	<u>3,769,691</u>
Total Revenue		<u>674,894,138</u>
Expenses		
Cost of Materials Consumed	22	423,292,351
Changes in Inventories of Finished Goods and Work-in-progress	23	(31,661,632)
Employee Benefits Expenses	24	33,074,731
Finance Costs	25	35,866,651
Depreciation and Amortization Expense	11	22,567,052
Less: Amount withdrawn from Revaluation Reserve		<u>986,644</u>
		21,580,408
Other Expenses	26	<u>143,206,666</u>
Total Expenses		<u>625,359,175</u>
Profit before exceptional items and Tax		49,534,964
Exceptional items		<u>NIL</u>
Profit Before Tax		49,534,964
Tax Expense		
Current Tax		10,100,000
Deferred Tax		1,794,400
Current Tax Adjustments of Earlier Years		<u>2,409,472</u>
		<u>14,303,872</u>
Profit for the year		<u>35,231,092</u>
Earnings Per Equity Share of ` 10 Basic and Diluted (`)	27	3.60
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-35	

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Vadodara, Dated : May 17, 2012.

For and on behalf of the Board of Directors
Yogesh Kothari Chairman
Amit Mehta Vice Chairman
Rajendra Chhabra Director
Girish Satarkar Executive Director
Chesta Vasavada Company Secretary
Vadodara, Dated : May 17, 2012.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the Year ended on March 31, 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	49,534,964	49,534,964
Adjustments for :		
Add: Finance costs	35,866,651	
Foreign Exchange Fluctuation (unrealised)	3,057,279	
Loss on sale of assets / assets discarded	NIL	
Depreciation and Impairment	21,580,408	60,504,338
Less: Interest income	2,940,801	
Excess Provision and Sundry Creditors written back	434,333	
Provision for Doubtful Advances written back	NIL	
Dividends Received	70,168	3,445,302
Operating Profit before Working Capital Changes		106,594,000
Adjustments for increase / decrease in:		
Long-term Loans and Advances and		
Other Non-current Assets	29,232,333	
Long-term Provisions	201,245	
Inventories	(52,099,811)	
Trade receivables and Current Loans and Advances	73,226,747	
Other Current Assets	744,674	
Trade Payables and Other Current Liabilities	83,272,194	(90,431,672)
Cash generated from Operations		16,162,328
Income Tax paid		(21,378,867)
		(5,216,539)
Net Cash from Operating Activities		(5,216,539)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets / Capital Work-in-progress	(47,952,874)	
Investment in Subsidiary	(100,000)	
Interest Income	2,940,801	
Dividends Received	70,168	
Net Cash from Investing Activities		(45,041,905)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	13,169,930	
Payment of Long-term Borrowings	(1,304,871)	
Short-term Borrowings	(4,281,130)	
Deposits held as Margin Money	(65,141,550)	
Finance Costs Paid	(35,866,651)	
Payment of Dividends and Dividend Distribution Tax	(34,110,978)	
Net Cash from Financing Activities		47,239,688
Net Decrease in Cash and Cash Equivalents (A+B+C)		(3,018,754)
Cash and Cash Equivalents at the beginning of the Year		6,802,103
Cash and Cash Equivalents at the end of the Year		3,783,349
Components of Cash and Cash Equivalents		3,783,349
Cash on hand		148,229
Other Bank Balances		3,635,120
On Current Accounts		3,783,349

As per our report of even dae attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Vadodara, Dated : May 17, 2012.

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

Vadodara, Dated : May 17, 2012.

NOTES ON CONSOLIDATION FINANCIAL STATEMENTS

1.1 BASIS OF CONSOLIDATION

1.1.1. Basis of Preparation

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

1.1.2. Principles of Consolidation

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

The consolidated statements are prepared on the following basis:

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

- b. 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.

1.1.3. Companies included in Consolidation

The following company is considered for CFS:

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

1.2. SIGNIFICANT ACCOUNTING POLICIES

1.2.1 ACCOUNTING CONVENTION:

- i. The accounts are prepared on the basis of going concern under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have notified by the Companies (Accounting Standards) Rules, 2006, and in accordance with the requirements of the Companies Act, 1956.
- ii. Consequent to the notification of the Revised Schedule VI under the Companies Act, 1956, the Standalone financial statements of the Company and its subsidiary have been prepared as per the Revised Schedule VI. Accordingly, the Consolidated Financial Statements for the year ended March 31, 2012 are prepared as per the Revised Schedule VI. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.
- iii. This being the first year when the Company is required to present Consolidated financial statements, there cannot be comparative figures of the previous year and hence, not given.

1.2.2 USE OF ESTIMATES:

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

1.2.3 OTHER SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION:

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

**As at
March 31, 2012**

**2. Share Capital
Authorised**

17,500,000 Equity Shares, of ₹ 10 par value	175,000,000
	175,000,000

Issued, Subscribed and Paid up

9,783,240 Equity Shares, of ₹ 10 par value	97,832,400
	97,832,400

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

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

2.2 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 17, 2012, proposed a final dividend of ₹ 1 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended amounted to ₹ 11,370,326 including corporate dividend tax of ₹ 1,587,086.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As At March 31, 2012	
Name of the Shareholder	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11
	5,375,273	54.95

2.4 Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceding March 31, 2012)

	No. of shares
Equity Shares allotted as fully paid up Bonus Shares 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

3. Reserves and Surplus

Capital Reserve

As per last Balance Sheet	3,441,635	
Less: Capitalised for issue of Bonus Shares	3,441,635	NIL

Capital Redemption Reserve

As per last Balance Sheet	1,407,000	
Less: Capitalised for issue of Bonus Shares	1,407,000	NIL

Securities Premium Account

As per last Balance Sheet	18,857,360	
Less : Capitalised for issue of Bonus Shares	18,857,360	NIL

Revaluation Reserve (Refer Note 3.1)

As per last Balance Sheet	32,581,208	
Add: Transferred from General Reserve	NIL	
Less: Transfer to the Statement of Profit and Loss	986,644	31,594,564

General Reserve

As per last Balance Sheet	60,997,249	
Less : Transferred to Revaluation Reserve	NIL	
Less : Capitalised for issue of Bonus Shares	8,904,805	
Add : Transferred from Surplus	NIL	52,092,444

Surplus in the Statement of Profit and Loss

As per last Balance Sheet	128,145,762	
Add: Net Profit after Tax transferred from Statement of Profit and Loss	35,231,092	
Less: Appropriations		
General Reserve	NIL	
Interim Dividend	NIL	
Proposed Dividend	9,783,240	
Dividend Distribution Tax	1,587,086	152,006,528

TOTAL

235,693,536

3.1 Cumulative amount withdrawn on account of depreciation on revaluation is ` 986,644 (March 31, 2011: ` 1,065,473)

4. Long-term borrowings

Term Loans (Refer Note 4.1)

Secured

From Banks

49,381,174

From Other Party

737,117

50,118,291

4.1 Nature of Security and Terms of repayment of Long-term Borrowings (including Current maturities shown in Note 9)

Nature of Securities	Term of repayment
i. Term loans from bank amounting to ₹ 68,040,875 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.	Of this Term Loan a. ₹ 10,132,700 is repayable in 24 equal quarterly instalments from August 30, 2006 alongwith the interest of 15.15% b. ₹ 40,521,115 is repayable 24 in equal quarterly instalments from May 1, 2009 alongwith the interest of 15.75% c. ₹ 17,387,060 is repayable in 19 equal quarterly instalments from January 30, 2012 alongwith the interest of 15.15%
ii. Term loans from bank amounting to ₹ 7,328,144 are secured by way of exclusive equitable mortgage of the Land and Windmill financed and exclusive first hypothecation charge on the receivables arising out of the operation of the windmill. Second equitable mortgage charge on remaining fixed assets of the Company, both, present and future, and second hypothecation charge on all movable fixed assets of the Company, both, present and future.	Repayable in 24 quarterly instalments from December 28, 2005 alongwith the interest of 15.15%
iii. Vehicle loan amounting to ₹ 165,662 are secured against hypothecation of specified vehicles	Repayable in 36 monthly instalments from November 27, 2009 alongwith the interest of 9.12%
iv. Vehicle loan amounting to ₹ 2,811,196 are secured against hypothecation of specified vehicles	Repayable in 60 monthly instalments from June 26, 2010 alongwith the interest of 8.35%
v. Vehicle loan amounting to ₹ 1,965,576 are secured against hypothecation of specified vehicles	Repayable in 35 monthly instalments from November 24, 2010 along with the interest of 9.14%

5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation		44,006,157
Deferred Tax Assets		
Contested Disallowances		6,311,325
Provision for doubtful debts, loans and advances		585,332
Others		<u>2,187,220</u>
Net deferred Tax (Assets)/ Liabilities		<u>34,922,280</u>
6. Long-term Provisions		
Provision for employee benefits		
For Leave Encashment		<u>1,613,939</u>
		<u>1,613,939</u>
7. Short-term Borrowings		
Loans repayable on demand (Refer Note 7.1)		
Secured		
From Banks		179,435,792
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 33)		2,300,000
Other loans and advances		
Unsecured		
Loan from a Director		<u>2,500,000</u>
		<u>184,235,792</u>
7.1 Working Capital facilities from the bank secured by hypothecation of the entire current assets including stock of raw materials, stock-in-process, finished goods, stores and spares etc. bills/book-debts/ receivables and other current assets.		
8. Trade Payables		
Trade Payables (Refer Note 8.1)		65,519,478
Others		<u>11,824,085</u>
		<u>77,343,563</u>
8.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.		
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks	28,964,703	
From Other Party	<u>1,228,459</u>	
		30,193,162
Interest accrued and due on Borrowings		NIL
Interest accrued but not due on Borrowings		NIL
Unclaimed Dividends		2,267,895
Other Payables (Refer Note 9.1)		<u>16,235,055</u>
		<u>48,696,112</u>
9.1 Other Payables include Statutory Dues, Advance from Customers and other year end liabilities provided.		
10. Short Term Provisions		
Provisions for employee benefits		
For Gratuity	1,081,915	
For Leave Encashment	<u>327,242</u>	
		1,409,157
Other Provisions		<u>12,391,847</u>
		<u>13,801,004</u>

11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2011	During the Year Additions	For Sale / Adjustments	As At March 31, 2012	Upto March 31, 2011	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2012	As At March 31, 2012
Tangible Assets									
Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055
Freehold Land	23,585,328	NIL	NIL	23,585,328	2,948,166	327,574	NIL	3,275,740	20,309,588
Leasehold Land	31,907,583	262,389	NIL	32,169,972	13,689,111	913,601	NIL	14,602,712	17,567,259
Buildings	481,146,182	53,988,958	NIL	535,135,140	229,911,610	18,934,579	NIL	248,846,189	286,288,951
Plant and Equipments	20,845,193	607,644	NIL	21,452,837	14,590,179	953,057	NIL	15,543,236	5,909,601
Furniture and Fixtures	4,798,923	311,599	NIL	5,110,522	3,017,722	235,964	NIL	3,253,686	1,856,836
Office Equipments	12,765,082	NIL	NIL	12,765,082	1,634,048	1,202,277	NIL	2,836,325	9,928,757
Vehicles									
Current year	578,202,345	55,170,590	NIL	633,372,935	265,790,836	22,567,052	NIL	288,357,888	345,015,046
Capital Work in progress	18,436,852	57,564,214	66,702,179	9,298,887	NIL	NIL	NIL	NIL	9,298,887
Current year	18,436,852	57,564,214	66,702,179	9,298,887	NIL	NIL	NIL	NIL	9,298,887

11.1. 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, 2011	During the Year Additions	For Sale / Adjustments	As At March 31, 2012	Upto March 31, 2011	For the Year	Withdrawal For Sale / Adjustments	Upto March 31, 2012	As At March 31, 2012
Tangible Assets									
Buildings	NIL	51,221	NIL	51,221	NIL	270	NIL	270	50,951
Plant and Equipments	1,823,061	1,388,603	NIL	3,211,664	663,441	104,007	NIL	767,448	2,444,216
Current year	1,823,061	1,439,824	NIL	3,262,885	663,441	104,277	NIL	767,718	2,495,167

11.2 Capital Work-in-progress includes Borrowing Costs of ` Nil (March 31, 2011: ` 68,536) capitalised during the year.

11.3 Plant and Machinery includes Borrowing Costs of ` 4,06,813 (March 31, 2011: ` 32,218) capitalised during the year.

11.4 As regards to revaluation of Land and Building, Refer Note 29

12. Non-current Investments

Long-term Investments - valued at cost less provision for other than temporary diminution
Other than Trade

In Equity Instruments of Other Companies
Quoted

Sintex Industries Limited

107,950 Equity Shares of ₹ 1

par value of Sintex Industries

967,115

967,115

	Cost	Market value
Aggregated amount of Quoted Investments	967,115	9,310,688

13. Long-term Loans and Advances

Unsecured and considered good

Capital Advances

24,059,017

Security Deposits

10,962,667

Taxes Paid (Net of provisions)

9,336,900

44,358,584

14. Other Non-current Assets

Trade Receivables

Considered Doubtful

Outstanding for a period exceeding six months from the date they are due for payment

1,752,119

Less: Provision for Bad and Doubtful Debts

1,752,119

NIL

Others - CST/VAT Demand

288,699

288,699

15. Inventories

Raw Materials

37,119,534

Raw Materials - Goods-in-transit

15,771,928

Work-in-process

81,220,860

Finished Goods

50,626,846

Fuel

1,313,033

Stores and Spares

4,503,172

190,555,373

15.1 Details of Inventories :

a. Work-in-Progress	
Piperazine Anhydrous	3,963,050
Piperazine-Technical-68%	36,312,714
Ethylene Diamine	26,815,026
Other Products	14,130,070
	<u>81,220,860</u>
b. Finished Goods	
Piperazine Anhydrous	22,711,813
Piperazine-Technical-68%	6,116,947
Ethylene Diamine	3,748,984
Other Products	18,049,102
	<u>50,626,846</u>

16. Trade Receivables

Unsecured and considered good	
Outstanding for a period exceeding six months from the date they are due for payment	8,732,987
Others	94,741,128
	<u>103,474,115</u>

17. Cash and Bank Balances

Cash and Cash Equivalents	
Cash on hand	48,417
Balances with Banks	
- On Current Accounts	3,734,932
Other Bank Balances	
- On Fixed Deposit Accounts	16,801,775
With maturity within 12 months from the Balance Sheet date (Held as margin money)	
	<u>20,585,124</u>

18. Short term Loans and Advances

Unsecured and considered good	
Other Loans and Advances	
Advances recoverable in cash or in kind or for value to be received	
Considered Good	4,899,772
Considered Doubtful	10,200
	<u>4,909,972</u>
Less : Provision for Doubtful Advances	10,200
	4,899,772
Balance with Central Excise and Customs	24,598,643
	<u>29,498,415</u>

19. Other Current Assets

Accrued Interest	
Interest Receivable on Bank/Security Deposit	215,559
	<u>215,559</u>

20. Revenue From Operations

Sale of products		
Manufactured Goods	709,085,491	
Windmill Power Generated	<u>16,321,735</u>	
		725,407,226
Other Operating Revenues		
Sale of Scrap		<u>2,367,388</u>
		727,774,614
Less: Excise Duty on Sales		<u>(56,650,166)</u>
		<u>671,124,447</u>

20.1 Details of Products Sold

Sale of Manufactured Goods		
Piperazine Anhydrous		501,079,815
Piperazine-Technical-68%		64,443,718
Ethylene Diamine		49,541,567
Other Products		<u>94,020,391</u>
		<u>709,085,491</u>

21. Other Income

Interest on Margin Money		2,940,801
Dividend		70,168
Accounts Written Back		434,333
Gain on foreign exchange		NIL
Discount Received		NIL
Prior Period Income - Interest on Security Deposit		231,699
Miscellaneous Income		<u>92,691</u>
		<u>3,769,691</u>

22. Cost of Materials Consumed

Raw Materials		
Opening Stock of Raw Materials	35,110,887	
Add : Purchases	428,893,772	
Less : Closing Stock of Raw Materials	<u>52,041,967</u>	
		411,962,692
Packing Materials		
Opening Stock of Packing Materials	1,053,049	
Add : Purchases	11,126,105	
Less : Closing Stock of Packing Materials	<u>849,495</u>	
		11,329,659
		<u>423,292,351</u>

22.1 Details of Raw Materials Consumed

Piperazine 68 %		296,457,287
Crude Piperazine Amine Mixture(CPA)		57,859,762
Ethylene Di Chloride (EDC)		30,205,554
Others		<u>27,440,089</u>
		<u>411,962,692</u>

For the
Year ended
March 31, 2012

23. Changes in Inventories of Finished Goods and Work-in-progress

Stocks at the end		
Finished Goods	50,626,846	
Work-in-progress	<u>81,220,860</u>	131,847,706
Less: Stocks at the beginning		
Finished Goods	36,606,792	
Work-in-progress	<u>59,169,999</u>	95,776,791
		<u>36,070,915</u>
Increase / (Decrease) in Excise Duty on Stocks		<u>(4,409,283)</u>
		<u>(31,661,632)</u>

24. Employee Benefit Expenses

Salaries, Wages and Bonus		27,604,058
Contributions to Provident and Other Funds		2,307,885
Gratuity Expenses		992,069
Staff Welfare Expenses		<u>2,170,719</u>
		<u>33,074,731</u>

25. Finance Costs

Interest Expense		
On Borrowings	27,053,221	
On Others	<u>2,193,683</u>	29,246,904
Other Borrowing Costs		
Processing Fees		1,561,135
Other Finance Charges		<u>5,058,612</u>
		<u>35,866,651</u>

26. Other Expenses		
Stores and Spares Consumed		8,883,605
Power and Fuel		71,339,595
Rent		43,600
Repairs and Maintenance		
Building	814,809	
Machinery	8,385,669	
Others	875,337	
		10,075,815
Insurance		1,684,810
Rates and Taxes		550,156
Job Work Charges		10,174,814
Travelling and Conveyance		6,664,553
Director's Fees		1,430,000
Commission to Directors		965,919
Legal and Professional Charges		4,206,805
Net loss on Foreign Currency Transactions and Translations		10,104,743
Auditors' Remuneration		
Audit Fees	300,000	
Tax Audit Fees	80,000	
Certification Work	215,000	
		595,000
Miscellaneous Expenses		16,487,251
		<u>143,206,666</u>
26.1 Other Expenses include expenses incurred on		
Windmill Power generation as under:		
Repairs and Maintenance - Machinery		2,633,134
Rates and Taxes		48,885
		<u>2,682,019</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	1,438,921	
Contributions to Provident and Other Funds	100,688	
Staff Welfare Expenses	4,500	
		1,544,109
Cost of Materials Consumed (In Note 22)		285,591
Depreciation (In Note 11)		104,277
Other Expenses (In Note 26)		
Stores and Spares Consumed		673,624
		<u>2,607,601</u>

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

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

28. Contingent Liabilities and Commitments

**As At
March 31, 2012**

28.1 Contingent Liabilities (to the extent not provided for):	
i. Claims against the Company not acknowledged as debts	1,267,000
ii. Guarantees issued by the bankers on behalf of the Company	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)	11,355,410
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ` 1,000,000 (March 31, 2011 : ` 1,000,000)]	2,150,000
v. Matters under disputes/appeals :	
a. Income-tax	1,618,523
b. Service Tax/ Excise	4,151,104
28.2 Commitments :	
i. Estimated amount of contracts remaining to be executed on capital account	76,782,893
Less : Advances	24,059,017
Net Estimated Amount	52,723,876
ii. Other Commitments	NIL

29. Revaluation of Land and Buildings of the Company

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

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

29.2 In earlier years, accumulated losses were adjusted against Revaluation Reserve created consequent to Revaluation of Land and Buildings; subsequent thereto, in absence of any balance in the Revaluation Reserve Account, additional depreciation on the revalued amount was charged to the Statement of Profit and Loss.

In terms of the Guidance Note on "Treatment of Reserve created on Revaluation of Fixed Assets" issued by the Institute of Chartered Accountants of India, accumulated losses and depreciation (including arrears of depreciation) should not be set off against the Revaluation Reserve Account. Since the accumulated losses cannot be set off against the Revaluation Reserve Account, the Company had decided to restore its Revaluation Reserve (as set off taken in earlier years) as on April 1, 2010. Accordingly, after considering the effect of additional depreciation, (had the same been adjusted against the Revaluation Reserve Account), as also the amount that would have been in the Revaluation Reserve Account in respect of the retirement or disposal of assets, the net amount of ₹ 33,646,681 was restored to the Revaluation Reserve Account and correspondingly, the equivalent amount was transferred from the General Reserve as on March 31, 2011.

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

31. Employee Benefits:

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded) For the Year ended on March 31, 2012	Leave Encashment For the Year ended on March 31, 2012
Obligation at period beginning (April 1, 2011)	6,937,017	1,654,673
Current Service cost	519,675	453,438
Interest cost	572,304	136,511
Actuarial (gain) / loss	460,230	(39,740)
Benefits paid	(581,714)	(263,701)
Obligations at the year end (March 31, 2012)	7,907,512	1,941,181
Change in plan assets		
Plan assets at period beginning, at fair value	6,247,804	Nil
Expected return on plan assets	515,444	Nil
Actuarial gain / (loss)	44,696	Nil
Contributions	599,367	263,701
Benefits paid	(581,714)	(263,701)
Plan assets at the year end, at fair value	6,825,597	Nil
Reconciliations of present value for the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	6,825,597	Nil
Present value of the defined benefit obligations at the end of the year	7,907,512	1,941,181
Liability/(Asset) recognized in the Balance Sheet	1,081,915	1,941,181
Cost for the year		
Current service cost	519,675	453,438
Interest cost	572,304	136,511
Expected return on plan assets	(515,444)	Nil
Actuarial (gain) / loss	415,534	(39,740)
Net Cost recognized in the Statement of Profit and Loss	992,069	550,209
Assumptions used to determine the benefit obligations :		
Interest rate	8.75%	8.75%
Estimated rate of return on plan assets	8.75%	8.75%
Expected rate of increase in salary	4.50%	4.50%
Actual return on plan assets	560,140	Nil

32. Segment Reporting:

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

PARTICULARS	For the Year ended March 31, 2012
A. Segment Revenue (Sales/Services to external customers) :	
a. Speciality Chemicals	711,452,879
Less: Excise Duty on Sales	<u>56,650,166</u>
	654,802,713
b. Power Generation	
Total Power generated	20,993,665
Less: Captive Power used for Speciality Chemicals	<u>4,671,930</u>
Net as per the Statement of Profit and Loss	16,321,735
Total	<u>671,124,448</u>
B. Segment Results :	
Profit / (Loss) before Tax and Interest	
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ` 4,671,930 (Previous Year ` 4,046,910)]	75,099,695
b. Power Generation	
Total	9,412,783
Less: Of Captive Power	<u>2,121,832</u>
Net as per the Statement of Profit and Loss	7,290,951
Total	82,390,646
Less: a. Interest Expense	35,866,651
b. Exceptional Items	NIL
Add: Interest and Dividend Income	3,010,969
	32,855,682
Profit before Tax	49,534,964
Net Current Tax	10,100,000
Deferred Tax	1,794,400
Adjustments relating to Prior Years	<u>2,409,472</u>
	14,303,872
Profit after Tax	35,231,092
C. Other Information :	
Segment Assets	
a. Speciality Chemicals	628,136,579
b. Power Generation	115,153,223
c. Others – Unallocated	<u>967,115</u>
Total	<u>744,256,917</u>

PARTICULARS
**For the Year ended
March 31, 2012**

Segment Liabilities		
a. Speciality Chemicals		395,701,379
b. Power Generation		15,029,602
c. Others – Unallocated		NIL
Total		410,730,981
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets		64,719,477
– Capital Advances		24,059,017
b. Power Generation		NIL
c. Others – Unallocated		NIL
Total		88,778,494
Depreciation during the year		
a. Speciality Chemicals		13,734,067
b. Power Generation		7,846,341
c. Others – Unallocated		NIL
Total		21,580,408

33. Related Party transactions:

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

Particulars	Associate	Key Managerial Personnel	Subsidiary of Associate [As in 4(i) below]
	For the Year ended March 31, 2012`	For the Year ended March 31, 2012`	For the Year ended March 31, 2012`
Remuneration	-	2,185,560	-
Technical Consultancy	-	-	-
Purchases of Raw/Packing materials	185,409	-	-
Sales	100,411	-	-
Interest	-	-	281,750
Dividend paid	2,977,996	-	-
Transaction on behalf:			
Cenvat Credit Paid for	470,932	-	-
Cenvat Credit Availed for	-	-	-
Expenses Reimbursed to	77,437	-	-
Expenses Recovered from	130,658	-	-
Outstanding at Balance Sheet Date			
<i>Amounts due from</i>	-	-	-
<i>Amounts due to</i>	805,887	-	2,300,000
Investments:			
<i>Subscription to Equity shares of Diamines Speciality Chemicals Private Limited</i>	-	-	-

b.

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

**For the Year ended
March 31, 2012**

34. a. Value of imports calculated on CIF basis:	277,463,036
Raw Materials	
b. Expenditure in foreign currency:	
Traveling Expenses	3,202,858
Subscription	32,927
Interest and Bank Charges	1,460,425
Total	4,696,210
c. Earnings in foreign currency :	
Export of goods on FOB basis	94,453,391
d. Foreign currency exposure that is not hedged by derivative instruments as on March 31, 2012	

	Amount in US Dollar	Amount in Euro	Amount in `
	For the Year ended March 31, 2012	For the Year ended March 31, 2012	For the Year ended March 31, 2012
Buyers' Credit facilities	NIL	NIL	NIL
Advance received from/other payable to customer	NIL	NIL	NIL
Supply against usance	127,071	NIL	6,500,507
Net	127,071	NIL	6,500,507

35. Consumption of Imported / Indigenous Materials

Particulars	For the Year ended March 31, 2012	
	Percentage	
Raw Materials		
Imported	83.70%	354,317,049
Indigenous	16.30%	68,975,302
TOTAL	100.00%	423,292,351
Stores and Spares		
Imported	0.0%	NIL
Indigenous	100.00%	8,883,605
TOTAL	100.00%	8,883,605

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
Vadodara, Dated : May 17, 2012.

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

Vadodara, Dated : May 17, 2012.



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

FORM FOR ECS MANDATE / BANK MANDATE

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

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

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

Folio No _____

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

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

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

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INTENTIONALLY



DIAMINES AND CHEMICALS LTD.

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. I/We hereby record my/our presence at the 36th Annual General Meeting held at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346, at 3:00 p.m. on Thursday, the 9th August, 2012.

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

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



DIAMINES AND CHEMICALS LTD.

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

FORM OF PROXY

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

I/We _____ of _____
 being a Member / Members of the above named Company hereby appoint _____
 of _____ or failing him/her _____
 of _____ as my/our proxy/proxies to vote for me/us on my/our behalf at the 36th
 Annual General Meeting of the Company to be held on Thursday, the 9th August 2012 at 3:00 p.m. and at any
 adjournment thereof.

Signed this day of2012.

Signature Affix a
1 Re.
Revenue
Stamp

Notes:

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

Book - Post

To

If undelivered, please return to



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

Pratiksha
98252 62512

**36th
ANNUAL REPORT
2011-2012**



Diamines and Chemicals Limited

FINANCIAL HIGHLIGHTS OF THE LAST DECADE (₹ in Lacs)

FINANCIAL YEAR ENDING	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012
GROSS SALES (BASIC + EXCISE)	1991.26	2345.53	1988.27	2373.60	2325.97	1931.41	3173.97	4686.21	8864.80	7090.85
OPERATING PROFIT(LOSS)(PBIDT)	561.74	854.27	847.68	890.06	1045.97	599.83	531.03	1867.79	2552.17	1077.91
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	278.29	657.73	726.75	781.77	801.33	277.56	209.59	1446.93	2028.43	503.45
PROFIT (LOSS) AFTER INCOME TAX (As per Note 2)	190.77	419.61	455.55	611.43	688.38	170.89	136.32	935.42	1470.99	360.42
GROSS FIXED ASSETS (As per Note 3)	2856.64	2921.38	3244.11	3839.68	4530.78	4566.49	4614.17	5461.06	5782.02	6333.72
NET FIXED ASSETS	1285.12	1238.81	1450.94	1955.51	2485.36	2364.11	2319.15	3002.75	3124.11	3450.15
NET CURRENT ASSETS	(332.82)	(485.02)	(300.96)	(407.96)	57.55	793.54	708.93	1298.07	2823.46	20.16
EQUITY SHARE CAPITAL	620.55	652.22	652.22	652.22	652.22	652.22	652.22	652.22	652.22	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	718.84	776.62	822.18	883.32	952.17	966.23	966.23	1449.15	2128.49	2049.10
BOOK VALUE (₹)	(0.95)	4.17	8.30	11.95	17.85	19.29	20.21	32.22	42.63	30.94
EARNING PER SHARE (₹)	3.05	6.54	6.97	9.36	10.54	2.61	2.09	14.34	22.55	3.68
EQUITY DIVIDEND (%)	-	20%	25%	50%	40%	10%	10%	20%	60%	10%

Notes:

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

