

**40th
ANNUAL REPORT
2015-2016**



Diamines And Chemicals Limited
CIN NO:L24110GJ1976PLC002905

FINANCIAL HIGHLIGHTS OF THE LAST DECADE
(₹ in Lacs)

FINANCIAL YEAR ENDING	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016
TOTAL REVENUE (INCLUDING EXCISE DUTY)	2440.42	2678.80	2193.81	3374.46	5883.13	9119.77	7315.43	6411.36	4947.08	4338.38	3984.76
OPERATING PROFIT (LOSS)(PBIT)	890.06	1045.97	599.83	531.03	1867.79	2515.40	1077.91	834.83	620.22	514.09	482.18
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	781.77	801.33	277.56	209.59	1446.93	2028.43	503.45	215.01	79.31	(29.75)	8.52
PROFIT (LOSS) AFTER INCOME TAX (As per Note 2)	611.43	688.38	170.89	136.32	935.42	1470.99	360.42	170.04	75.04	(155.38)	25.33
GROSS FIXED ASSETS (As per Note 3)	3839.68	4530.78	4566.49	4614.17	5461.06	5782.02	6333.72	6454.92	6535.36	6536.99	6532.37
NET FIXED ASSETS	1955.51	2485.36	2384.11	2319.15	3002.75	3124.11	3450.15	3323.45	3151.35	2929.99	2733.10
NET CURRENT ASSETS	(407.96)	57.55	793.54	708.93	1298.07	63.80	179.35	89.98	235.96	387.80	304.52
EQUITY SHARE CAPITAL	652.22	652.22	652.22	652.22	652.22	652.22	978.32	978.32	978.32	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	883.32	952.17	966.23	966.23	1449.15	2128.49	2049.10	2161.92	2236.96	2070.24	2103.10
BOOK VALUE (Rs.)	11.95	17.85	19.29	20.21	32.22	42.63	30.94	32.10	32.87	31.16	31.50
EARNING PER SHARE (Rs.)	9.36	10.54	2.61	2.09	14.34	22.55	3.68	1.74	0.77	(1.59)	0.26
EQUITY DIVIDEND (%)	50%	40%	10%	10%	20%	60%	10%	5%	-	-	-

Notes:

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

BOARD OF DIRECTORS

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

Company Secretary

Ms. Scany Parmar

Chief Financial Officer

Mr. A. R. Chaturmutha

Auditors

BANSI S. MEHTA & CO.
Chartered Accountants

Bankers

State Bank of India, Vadodara

Registered Office & Works

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

Tel : (91) (0265) - 2230 305 / 2230 406

Fax : (91) (0265) - 2230 218

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

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NOTICE

NOTICE is hereby given that the 40th (**Fortieth**) Annual General Meeting (AGM) of the members of Diamines and Chemicals Limited will be held at the Registered Office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 on Monday, the **19th Day of September, 2016** at **12:00 Noon** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended March 31, 2016 together with the Reports of the Board of Directors' and Auditors' thereon including the audited consolidated financial statements of the Company for the year ended on March 31, 2016.
2. To appoint a Director in place of **Mr. Kirat Patel (DIN: 00019239)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary resolution:

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

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and subject to all the statutory permissions, sanctions and approvals of any statutory authority(ies), as may be necessary, approval of the Company be and is hereby accorded for payment of Commission to the Director(s) of the Company who are not in the whole time employment of the Company, in accordance with and upto the limits laid down under provisions of section 197 of the Act, computed in manner specified in the Act, for a period of 5 (Five) years from the financial year commencing from 1st April, 2016, in such manner and upto such extent as the Nomination and Remuneration Committee of the Board may, from time to time, determine.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and /or Nomination and Remuneration Committee constituted by the Board be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

5. Revision in remuneration payable to Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898), Executive Director of the Company and to consider and, if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013,

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based on the recommendation of the Nomination and Remuneration Committee and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 11th August, 2015, the consent of the members be and is hereby accorded for increase in the remuneration of Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898), Executive Director of the Company with effect from 1st day of April, 2016 till his remaining tenure of appointment; on such remuneration terms as set out in the draft agreement to be executed with the Executive Director, with liberty to the Board of Directors or a Committee thereof to alter and/or vary the terms and conditions of the said remuneration in such manner as may be approved by the Nomination and Remuneration Committee and agreed to between the Board of Directors and Mr. Govindarajapuram Seshadri Venkatachalam, Executive Director, subject to overall limits specified under Schedule V of the Companies Act, 2013; without further referring the same to the Members.

RESOLVED FURTHER THAT all the remaining terms and conditions as set forth and approved in the earlier executed Agreement for the appointment of Executive Directors, except terms of remuneration, shall remain unchanged.

RESOLVED LASTLY THAT any one of the Directors and/or Company Secretary of the Company be and are hereby authorized singly or jointly to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

Mumbai, Dated: July 12, 2016

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Scany Parmar

Company Secretary
Membership No.: A43651

NOTES:

1. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the particulars of Directors seeking re-appointment for item no. 2, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business for item no. 4 to 6 to be transacted at the meeting, are annexed hereto.

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

2. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative together with specimen signatures of their authorized representatives to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **12th September, 2016 to 19th September, 2016** (both days inclusive).
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.



5. Members, who hold shares in dematerialization form, are requested to bring their depository account number for identification.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents, reports, orders, notice or other papers referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of Meeting.
8. Pursuant to applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013, as applicable from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund established by the Central Government. The Company during the year has transferred the unclaimed dividend amount for the financial year 2007-08 to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their dividend for the financial year 2008-09 are requested to claim their unclaimed dividend before August 27, 2016. Members who have not en-cashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation. The Company shall thereafter as mentioned above; process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred.
9. Non-Resident Indian Shareholders are requested to inform the Company immediately:
 - (i) The change in the Residential Status on return to India for permanent settlement;
 - (ii) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
10. Members seeking any information or clarification on the Accounts and operation of the Company are requested to send in written queries to the Company, at least **ten days before** the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
11. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
12. Members to take note that Company's RTA changed from M/s. MCS Limited to M/s. MCS Share Transfer Agent Limited. Members are requested to immediately address their communications regarding transfer of shares, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

M/s. MCS Share Transfer Agent Limited
10, Aram Apartments,
12, Sampatrao Colony, B/h. Laxmi Hall,
Alkapuri, Vadodara - 390 007
Tel. (0265) 2339397 / 2314757
Fax: (0265) 2341639
email: mcslttdbaroda@gmail.com
13. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
14. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Limited, for consolidation into a single folio.

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16. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
17. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.
18. The Company has made bonus issue of equity shares at the AGM held on 12th July, 2011, and has made an allotment of Bonus shares on 21.07.2011 to the shareholders, who were eligible. Pursuant to Clause 5(A) of the erstwhile Listing Agreement, shares which are unclaimed after necessary reminders given to the shareholders, have already been credited to "Demat Suspense Account". Hence, the Company requests such shareholders, who have not yet claimed such bonus shares, that they communicate the Company's RTA and claim such shares at their end.
19. As per sub clause (1) of clause F of Schedule V of SEBI (Listing Obligation And Disclosure Requirements) regulation 2015, the Company shall disclose the following details in its Annual Report, as long as there are shares in the suspense account:
 - (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; **941 Shareholders & 26,281 shares**
 - (ii) Number of shareholders who approached for transfer of shares from suspense account during the year: **NIL**
 - (iii) Number of shareholders to whom shares were transferred from suspense account during the year: **NIL**
 - (iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **941 Shareholders & 26,281 shares**
 - (v) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
20. The notice of AGM along with the Annual report 2015-16 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
21. Members are requested to bring their copy of the Annual Report to the Annual General Meeting as an austerity measure.

In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 12th September, 2016 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 40th Annual General Meeting (AGM) and the business at the 40th AGM may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.

The facility for voting, either through electronic voting system or ballot/polling paper shall also be made available at the venue of the AGM, apart from the remote e-voting facility provided prior to the date of AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company has appointed M/s. Sandip Sheth & Associates, Practising Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at

the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than three days of conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website and on the website of CDSL and shall be communicated to the Stock Exchanges.

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

The instructions for e-voting are as under:

A. Instructions for Demat folios:

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

- (i) The voting period begins on <15th September, 2016 at 9:00 a.m.> and ends on <18th September, 2016 at 5:00 p.m.>. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of <12th September, 2016>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For members holding shares in Demat Form and Physical Form	
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number print in address slip.
Dividend Bank Details	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format Or Enter the Dividend Bank Details as recorded with your DP/RTA. Please note - In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut-off date i.e. 12 th September, 2016.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.

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

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- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN - 160810019 for the relevant <DIAMINES AND CHEMICALS LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy:

- i. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- ii. The voting period begins on 15th September, 2016, at 9.00 a.m. and ends on 18th September, 2016, at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com.



C. Other Instructions:

- i. The e-voting period commences on Thursday, 15th September, 2016 (9.00 a.m. IST) and ends on Sunday, 18th September, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 12th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 12th September, 2016.
- iii. M/s. Sandip Sheth & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, after scrutinizing the votes cast at the AGM (poll) and through remote e-voting not later than three days of conclusion of the AGM, make and submit a consolidated Scrutinizer's report and submit to the Chairman. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company and CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.
- v. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@dacl.co.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Sunday, 18th September, 2016 (5.00 p.m. IST).

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

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

Mumbai, Dated: July 12, 2016

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

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

By Order of the Board

Scany Parmar
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory statement under Corporate Governance

ITEM NO. 2:

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

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

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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 has been on the Board of this Company since March 14, 2001. He holds 10,800 equity shares in the Company.

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

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

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

ITEM NO. 4:

Since acquisition of the Company by the present promoters in the year 2000, the Company has made steady progress under the superintendence, control and direction of the Directors of the Company. The responsibilities of the Directors have considerably increased with the steady progress of the Company.

Hence, taking into account the responsibilities of the Directors, it is proposed that in terms of provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013, the Directors of the Company (Part – Time Directors, i.e. Other than the Independent Directors, Executive Director or the Whole Time Directors, if any) be paid, for each year of five financial years of the Company commencing 1st of April, 2016, remuneration not exceeding 1% per annum { one percent only } or 3% per annum (in the event the Company has no Managing/Whole time Director or Manager) of the net profits of the Company or such other percentages computed in accordance with the provisions of the Companies Act, 2013 and rules thereof. The remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the Directors of the Company, (except Executive Directors and Independent Directors) are concerned or interested, financial or otherwise, to the extent of the remuneration that may be received by them.

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

ITEM NO. 5 :

The Board felt that since there has been a considerable increase in the duties and responsibilities performed by the Executive Director and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on 12th May, 2016, on the recommendations made by the nomination and remuneration committee, has approved the proposal to increase the salary of Mr. G. S. Venkatachalam, Executive Director to the range of ₹ 1,40,000 - 2,00,000 per month, w.e.f 1st April, 2016 with liberty to the Board of Directors or a Committee thereof to alter and/or vary the terms and conditions from time to time, for the remaining period of his tenure. Except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Executive Director of the Company, shall remain unchanged.

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

No other Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the said resolution. Resolution placed at item No.5 of the accompanying notice is recommended for your approval with special majority.

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

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

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

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



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

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

I.	GENERAL INFORMATION:		
	(1) Nature of Industry	Manufacturing range of Ethylene amines at its factory situated at Plot No. 13, P.C.C Area, P.O. Petrochemicals, Vadodara – 391 346.	
	(2) Date of commencement of commercial production.	Existing Company and hence not applicable.	
	(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.	
	(4) Financial Performance based on given indicators. (As at 31 st March, 2016)	Particulars	₹ in Lacs
		Turnover (Net Sales)	3984.76
		Operating Profit	482.18
		Net Profit/(Loss) Before Tax	8.52
		Debt Equity Ratio	0.46
		Current Ratio	1.19
		Net Worth	3361.90
	(5) Export Performance	The Company has achieved export Turnover FOB value of ₹ 134.09 Lacs for the financial year ended on 31.03.2016	
	(6) Foreign Investments or collaborators, if any.	None	
II.	INFORMATION ABOUT THE APPOINTEE:		
	(1) Background Details	Mr. Govindarajapuram Seshadri Venkatachalam aged about 60 years, possesses Bachelor's degree in Commerce from Mumbai University and also he is a Chartered Accountant, having more than 30 years of experience in his core area of Competence i.e. Accounts & Finance. He is with company since 2008 as an Independent Director of the Company and appointed as an Executive Director with effect from 7 th February, 2015. Prior to this he has worked in various companies which exposed him to different corporate cultures and thus has enriched his profile on understanding of human behavior and different business practices.	
	(2) Past Remuneration	₹ 19,71,206/-, including all the perquisites	
	(3) Recognition or Awards	None	
	(4) Job Profile and his suitability	Mr. G. S. Venkatachalam as an Executive Director is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company. He has vast experience in the field of Account and Finance.	

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



	(5) Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
	(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with skills and experience of the appointee. Mr. G. S. Venkatachalam has been appointed as an Executive Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is not directly and/or indirectly related with Promoters and/or Directors of the Company.
III.	OTHER INFORMATION:	
	(1) Reasons of loss or inadequate profits.	Due to Adverse market condition and lower demand, the Company has achieved minimal profit for the financial year ended on 31 st March, 2016
	(2) Steps taken or proposed to be taken for improvement	Since the acquisition of the Company, it has been putting all its efforts, to improve its financial position. Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.
	(3) Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, finance cost which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
IV.	DISCLOSURES:	
(1)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2015-16, wherever applicable .	

Mumbai, Dated: July 12, 2016**CIN NO: L24110GJ1976PLC002905****REGISTERED OFFICE:**

Plot No.13, PCC Area,

P.O. Petrochemicals,

Vadodara – 391 346.

By Order of the Board

Scany Parmar

Company Secretary

BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 40th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS:

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

Particulars	(<i>₹ in Lacs</i>)	
	31 st March, 2016	31 st March, 2015
Total Revenue (including Excise & Sales tax)	3984.76	4338.38
Total Revenue (net of taxes)	3593.59	3927.63
Profit before interest, depreciation & taxation	482.18	514.09
Interest & financial expenses	275.11	340.52
Depreciation	198.55	203.33
Profit/(Loss) before tax	8.52	(29.76)
Provision for tax	(16.81)	125.62
Net Profit/(Loss) after tax	25.33	(155.38)
Add: balance profit brought forward	1560.65	1716.03
Profit available for appropriation	1585.98	1560.65
Transfer to General Reserve	-	-
Equity Dividend	-	-
Tax on dividends	-	-
Balance profit carried to balance sheet	1585.98	1560.65

2. DIVIDEND:

In view of the inadequate income during the financial year 2015-16 your Directors have decided to skip the Dividend for the period under review. Board of Directors sincerely hopes that members would appreciate and understand the situation for non-payment of Dividend.

3. TRASFER TO RESERVES:

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

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

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

Standalone:

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

Total income for the year 2015-16 was registered at ₹ 3984.76 (Gross) lacs as compared to income of ₹ 4338.38 lacs (Gross) for the year 2014-15.

While net profit/(Loss) after tax reported at ₹ 25.33 lacs as compared to ₹ (155.38) lacs of previous financial year.

Sales volumes for the year 2015-16 were at 1402.282 MT as compared to 1605.375 MT for the year 2014-15.

Consolidated:

Consolidated total income for the financial year 2015-16 stood at ₹ 3984.76 lacs (Gross) as compared to ₹ 4338.38 lacs (Gross) for the previous financial year 2014-15. While net profit /(loss) after tax reported at ₹ 24.83 lacs as compared to ₹ (159.43) lacs of previous financial year.

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

In terms of Section 205A read with Section 205C of the Companies Act, 1956, unclaimed or unpaid Dividend relating to the financial year 2008-09 is due for remittance on 27th August, 2016, which has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Company's RTA, MCS Share Transfer Agent Limited for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.dacl.co.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

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

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

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

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

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

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

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

8. SAFETY, HEALTH AND ENVIRONMENT:

a) Safety:

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

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



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

b) Health:

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

c) Environment:

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

d) Renewable Source of Energy:

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

9. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND POLICY:

The Company has not implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Act and Rules made there under governing Corporate Social Responsibility are not applicable for the financial year under review.

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

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

11. MATERIAL ORDERS PASSED BY REGULATORY/COURT:

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

12. INTERNAL FINANCIAL CONTROLS:

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

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

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 read with Regulation 23 of the SEBI, (Listing Obligations And Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no Material Related Party transactions during the year and therefore details, required in AOC-2 is not applicable.

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

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

15. EXTRACTS OF ANNUAL RETURN:

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

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

The Company had 5 (Five) Board meetings during the financial year under review. Further details are given in the report of Corporate Governance forming part of Annual Report.

17. DIRECTORS RESPONSIBILITY STATEMENT:

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

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

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

Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of Diamines Speciality Chemicals Ltd. The Company has 50,000 equity shares constituting 100% of the paid-up equity share capital of Diamines Speciality Chemicals Ltd.

Pursuant to provisions of Section 2(87) of the Companies Act, 2013, Diamines Speciality Chemicals Ltd is the 100% wholly-owned subsidiary of our Company. For the financial year ended 31st March, 2016, the Diamines Speciality Chemicals Ltd has not started its commercial activity yet. Consolidated financial statements of the Company and of the subsidiary Company i.e. Diamines Speciality Chemicals Ltd, forms part of the Annual Report. A separate statement containing the salient features of the financial statement of Diamines Speciality Chemicals Ltd is part of this Annual Report and given in Form AOC-1.



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

19. DEPOSITS:

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

20. DIRECTORS:

Mr. Kirat Patel (DIN: **00019239**) director of the company retires at this Annual General Meeting and being eligible offer himself for re-appointment.

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

21. DECLARATIONS OF INDEPENDENT DIRECTORS:

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

22. BOARD EVALUATION:

Regulation 17(10) of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV, of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee. None of the independent directors are due for re-appointment.

23. PARTICULARS REGARDING EMPLOYEES REMUNERATION:

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

24. KEY MANAGERIAL PERSONNEL:

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

Ms. Dimple Mehta, Company Secretary resigned from the Company with effect from 31.03.2016. The Board has accepted her resignation and relieved her from duties. The Board Members appointed Ms. Scany Parmar holding associate membership number as A43651, as the Company Secretary of the Company.

25. AUDITORS:

a. STATUTORY AUDITOR

M/s. Bansi S. Mehta & Co., Chartered Accountants, was appointed as Statutory Auditors for a period of 3 (Three) years in the Annual General Meeting held on 12.08.2014. Their continuance of appointment and payment of remuneration are to be ratified in the ensuing Annual General

Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

b. SECRETARIAL AUDITORS

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

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

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

27. RISK MANAGEMENT POLICY:

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

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

The Company has in place an Audit Committee in terms of requirements of the applicable provisions of the Companies Act, 2013, Rules made there under and Listing Regulations.

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

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

29. SHARES:

a. BUY BACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

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

30. INSURANCE:

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



31. CODE OF CONDUCT:

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

32. INSIDER TRADING POLICY:

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

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

33. NOMINATION AND REMUNERATION POLICY:

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The Nomination and Remuneration policy as provided herewith pursuant to provisions of Section 178(4) of the Companies Act, 2013 and Regulation 19 of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is also available on our website at following link <http://www.dacl.co.in/investors/Remuneration%20policy%20DACL.pdf>

34. CORPORATE GOVERNANCE:

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

35. SCHEME OF AMALGAMATION:

The Board of Directors of your company has on 29th September, 2015 approved the scheme of arrangement under Section 391 to 394 of Companies Act, 1956 for amalgamation of Diamines Speciality Chemicals Limited (100% Wholly-Owned Subsidiary Company) with Diamines and Chemicals Limited. The Company received the observation letter from SEBI/BSE Ltd, in this respect, on 20th January, 2016. The details of scheme and other papers are available on Company's website in Investor's section.

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

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2015-16. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

37. ACKNOWLEDGEMENT:

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

Mumbai, Dated: May 16, 2016

For and on behalf of the Board of Directors

Yogesh M. Kothari

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

PERFORMANCE:

Total revenue (net of excise and taxes) for the year 2015-16 amounted to Rs. 3593.59 Lacs compared to Rs. 3927.63 Lacs of the previous year 2014-15. The operating profit/(Loss) before tax amounted to Rs. 8.52 lacs compared to Rs. (29.76) lacs in the year 2014-15.

STRENGTHS & OPPORTUNITIES:

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

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

CONCERNS & THREATS:

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

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

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

OUTLOOK:

For the year 2016 the Company's focus will continue on sustaining and maintaining the market share in certain industry segment where company enjoys market leadership position. This will be achieved by forging stronger relationship with customers and by negotiating and entering in to beneficial contracts with the suppliers of raw materials.

The Ethylene amines business is going through demand-supply imbalance on global level and excess supply is expected to be a reality in the year 2016-17 also. Your company is well aware of the challenging scenario lying ahead and taking necessary steps by planning activities properly at operational stages.

HUMAN RESOURCE:

Human Resources Development, in all its aspects like training in safety and social values is under constant



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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

CAUTIONARY STATEMENT:

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

**For and on behalf of the Board
Yogesh M. Kothari**

Mumbai, Dated: May 16, 2016

Chairman

ANNEXURE - A

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND
OUTGO
FORM A**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2015 – 16	Previous Year 2014 – 15
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased Unit	1253910	1340670
Total Amount (₹ in lacs)	69.02	68.52
Rate/Unit (₹)	5.50	5.11
b) Own Generation		
Through Diesel generator		
Units	18048	16624
Units/Ltr. of Diesel Oil	2.26	3.06
Cost/Unit (₹)	18.30	19.87
Coal		
Quantity in tonnes	2321	2381
Total Cost (₹ in lacs)	110.68	127.23
Average Rate ₹/Tonne	4768	5343
LDO & FO		
Quantity (In Tonnes)	323	250
Total cost (₹ in lacs)	76.72	96.22
Average Rate ₹ / Tonne	23752	38488
Generation through Wind Turbine Generator		
Units (KWH in thousand)	3523.80	3754.29
Total Amount (₹ in lacs)	182.37	186.58
Average Generation Rate (₹ / Unit)	5.18	4.97
B. CONSUMPTION PER TONNE OF PRODUCTION:		
Production of Speciality Chemicals (MT)	1499	1518
Electricity (Unit)	836	883
Coal (Tonnes)	1.55	1.57
FO/LDO (Tonnes)	0.22	0.16



FORM – B

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

I TECHNOLOGY ABSORPTION / DEVELOPMENT :

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

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

(B) Benefits derived from R&D:

1. Technical support provided to production, marketing, and QA department to improve the business of the company.

(C) Future plans of Action:

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

(D) Expenditure on R&D:

- | | | |
|--------------------------|---|-------------------------|
| a) Capital | : | ₹ NIL |
| b) Revenue | : | ₹ 16,61,165/- |
| c) Total | : | ₹ 16,61,165/- |
| d) Total R&D expenditure | : | 0.46% of total turnover |

(E) Technology absorption, adoption and innovation:

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

II FOREIGN EXCHANGE EARNINGS AND OUTGO:

Year ended March 31	2016 (In ₹)	2015 (In ₹)
Foreign Exchange Earnings	1,34,08,857	55,71,848
Foreign Exchange Outgo	14,98,50,664	17,21,62,577

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

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

Sr. No	Company Name	Date of Making Advance/ Loan	Amount of Advance/ Loan	Date of Board Approval	Nature of Advance/ Loan
1	Diamines Speciality Chemicals Limited	23.12.2015	16,79,305	12.02.2016	Interest free advance

ANNEXURE - C
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Organic Chemicals Compounds	20119	96.41%
2	Electric Power Generation using other non-Conventional Sources (Windmill)	35106	3.59%

 III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate of the Company	% of Shares held	Applicable Section
Diamines Speciality Chemicals Limited	U24100GJ2012PLC068634	Subsidiary	100%	2 (87)

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2382214	0	2382214	24.35	2382214	0	2382214	24.35	NA
b) Central Govt.	0	0	0	0	0	0	0	0	NA
c) State Govt. (s)	0	0	0	0	0	0	0	0	NA
d) Bodies Corp.	3996563	0	3996563	40.85	3996563	0	3996563	40.85	NA
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	6378777	0	6378777	65.20	6378777	0	6378777	65.20	NA
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1363	3076	4439	0.05	50	3076	3126	0.03	(0.02)
b) Banks / FI	136	375	511	0.01	136	375	511	0.01	NA
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	100	200	300	0.00	100	200	300	0.00	NA
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	1599	3651	5250	0.06	286	3651	3937	0.04	(0.02)
2. Non-Institutions									
a) Bodies Corp.	142959	20519	163478	1.67	156955	20507	177462	1.81	0.14
i) Indian	0	0	0	0	0	0	0	0	NA
ii) Overseas	0	0	0	0	0	0	0	0	NA
b) Individuals	0	0	0	0	0	0	0	0	NA
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1662091	453650	2115741	21.62	1558030	435290	1993320	20.37	(1.24)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1001845	0	1001845	10.23	1125106	0	1125106	11.50	1.27
c) Others (specify)	117515	634	118149	1.22	104004	634	104638	1.07	(0.15)
Non-Resident Indians	0	0	0	0	0	0	0	0	NA
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	NA
Foreign Nationals	0	0	0	0	0	0	0	0	NA
Clearing Members	0	0	0	0	0	0	0	0	NA
Trusts	0	0	0	0	0	0	0	0	NA
Foreign Bodies - D R	0	0	0	0	0	0	0	0	NA
Sub-total (B)(2):-	2924410	474803	3399213	34.74	2944095	456463	3400558	34.76	0.02
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	NA
C. Shares held by Custodian for GDRs & ADRs	9304786	478454	9783240	100	9323158	460082	9783240	100	NA
Grand Total (A+B+C)									

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ALKYL AMINES CHEMICALS LTD	2977996	30.44		2977996	30.44		NA
2	PERFOCHEM (INDIA) PVT.LTD.	840000	8.59	300000	840000	8.59	300000	NA
3	S. AMIT SPECIALITY CHEMICALS PVT. LTD	128100	1.31		128100	1.31		NA
4	FINORGA (INDIA) PVT. LTD.	44467	0.45		44467	0.45		NA
5	SYK TRADING AND CONSULTANCY LLP	6000	0.06		6000	0.06		NA
6	AMIT MAHENDRA MEHTA	862099	8.81		862099	8.81		NA
7	CHERRY AMIT MEHTA	695178	7.11		695178	7.11		NA
8	MOHAK AMIT MEHTA	237154	2.42		237154	2.42		NA
9	HARSH AMIT MEHTA	237000	2.42		237000	2.42		NA
10	YOGESH MATHRADAS KOTHARI	205393	2.10		205393	2.10		NA
11	KOKILA MAHENDRA MEHTA	95178	0.97		95178	0.97		NA
12	PINAKIN KANTILAL PATEL	50212	0.51		50212	0.51		NA

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

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

D) Shareholding Pattern of top ten Shareholders:

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

For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
Sharad Kanayalal Shah	151500	1.55	0	0	151500	1.55
Dipak Kanayalal Shah	105000	1.07	0	0	105000	1.07
Pradeep R Datar	86225	0.88	10000	0	96225	0.98
Vikram Mohandeep Chandiramani	0	0	51563	0	51563	0.53
Pravin Kantilal Vakil	0	0	48890	0	48890	0.50
Dhiresbhai T Shah	48232	0.49	0	0	48232	0.49
Jigna Kanayalal Shah	47000	0.48	0	0	47000	0.48
Varsha Sharad Shah	41000	0.42	0	0	41000	0.42
Mayur Mangaldas Kothari	60003	0.61	0	19952	40051	0.41
Padma Jitendra Parekh	35541	0.36	0	0	35541	0.36

Note: Top ten (10) shareholders as on 31st March, 2016 have been considered for the above disclosure.

Diamines And Chemicals Limited

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E) Shareholding of Directors and Key Managerial Personnel:

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,84,85,735	25,00,000	-	20,09,85,735
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12,42,241	-	-	12,42,241
Total (i+ii+iii)	19,97,27,976	25,00,000	-	20,22,27,976
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	4,58,30,774	-	-	4,58,30,774
Net Change	4,58,30,774	-	-	4,58,30,774
Indebtedness at the end of the financial year				
i) Principal Amount	15,30,87,514	25,00,000	-	15,55,87,514
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,09,688	-	-	8,09,688
Total (i+ii+iii)	15,38,97,202	25,00,000	-	15,63,97,202

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. G. S. Venkatachalam	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,48,000	18,48,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,23,206	1,23,206
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit		
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	19,71,206	19,71,206

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

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Rajendra Chhabra	Dhruv Kaji	Ambrish Dalal	Darshana Mankad	Shreyas Mehta	
1	Independent Directors						
	Fee for attending board/ committee meetings	2.96	0.20	0.60	1.30	0.40	5.46
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	2.96	0.20	0.60	1.30	0.40	5.46
2	Other Non-Executive Directors						
	Fee for attending board/ committee meetings	1.05	1.05	2.80	-	-	4.90
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	1.05	1.05	2.80	-	-	4.90
	Total (B)=(1+2)						10.36

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	Mr. G. S. Venkatachalam	Ms. Dimple Mehta (till 31.3.2016)*	Mr. A. R. Chaturmutha	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,48,000	2,16,000	6,55,680	27,19,680
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,23,206	-	-	1,23,206
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission	NA	NA	NA	NA
	- as % of profit	NA	NA	NA	NA
	others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	19,71,206	2,16,000	6,55,680	28,42,886

* Ms. Dimple Mehta, Company Secretary resigned from the Company with effect from 31st March, 2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**ANNEXURE-D
PARTICULARS REGARDING EMPLOYEES REMUNERATION**

SR.NO.	REQUIRMENTS	DISCLOSURE
I	The ratio of remuneration of each director to the median remuneration of the employees for the financial year.	Mr. G. S. Venkatachalam : 9.75 x
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mr. G. S. Venkatachalam (CEO/ED) :- Mr. A. R. Chaturmutha (CFO) : 9.62% Ms. Dimple Mehta (CS) : 11.11%
III	The percentage increase in the median remuneration of the employees in the financial year.	The median remuneration of the employees in FY 2016 was increased by 28.90%
IV	The number of permanent employees on the rolls of the Company	65 as on March 31, 2016
V	The explanation on the relationship between average increase in remuneration and Company performance	Factors considered for increase in remuneration: - Performance of the company - The bench mark study in the industry - Regulatory provision
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	As per the Company's policy of rewarding the employees, including Key managerial personnel, the increase in remuneration and variable pay is based on an individual performance rating and bench mark study is also factored.
VII	Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	The Market Capitalization of the Company as at March 31, 2016 was ₹ 32.92 Crores as compared to ₹ 26.61 Crores as at March 31, 2015. The earning per share of the Company was ₹ 0.26, as on March 31, 2016 which was ₹ (1.59) as at March 31, 2015. The stock price of the Company as at March 31, 2016 has increased by 115.71 % to ₹ 33.65 over the last public offering, i.e. Right Issue in the year 1995 at the price of ₹ 15.60 per share.
VIII	Average percentile increase already made in the salaries of the employees other than the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with bench mark study and the performance of the company over a period of time. There is no exceptional increase in the managerial remuneration
IX	Comparison of the each remuneration of the Key Managerial personnel against the performance of the Company	Remuneration of Key Managerial personnel is in line with the bench mark study and performance of the Company
X	The key parameters for any variable component of remuneration availed by the director	Depends on the performance parameters set for Key Managerial Personnel as approved by the Nomination and remuneration committee of the Board
XI	The ratio of the remuneration of the highest paid director to that of the employee who are not directors but received remuneration in excess of the highest paid director during the year	None of the employee was drawing remuneration in excess of the highest paid director during the year and hence no comments are offered.
XII	Affirmation that the remuneration is as per the remuneration policy of the company.	We confirm

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

ANNEXURE-E

FORM NO. MR 3

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2016

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 (hereinafter referred to as "Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; requiring compliance thereof by the Company during the financial year under review.
- (vi.) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations of the Company.

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

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

We have also examined compliance with the applicable clauses/regulations of the following, to the extent applicable to the Company during the audit period:

- (i.) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii.) The Listing Agreements entered into by the Company with Stock Exchange i.e. BSE Limited.
- (iii.) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Sandip Sheth & Associates
Practicing Company Secretaries

Sandip Sheth
(Partner)

FCS: 5467

CP No.: 4354

Place : Ahmedabad

Date : May 16, 2016

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

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



“Annexure – A”

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

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

1. Maintenance of records, documents, papers maintained pursuant to Companies Act, 2013 and other applicable laws as reported in our report is the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, as the same are being verified by the statutory/tax/internal auditors from time to time.
4. Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

Sandip Sheth & Associates
Practicing Company Secretaries

Sandip Sheth
(Partner)

FCS: 5467

CP No.: 4354

Place : Ahmedabad

Date : May 16, 2016

ANNEXURE-F
CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS AND ITS COMPOSITION:

As on 31st March, 2016, the Board of Directors of the Company comprises of Eight (8) Non-Executive Directors and One (1) Executive Director and amongst them Five (5) are Independent Directors, who brings in a wide range of skills and experience. The Board Members consists of persons with professional expertise and experience in various fields of Chemicals, Marketing, Finance, Management, Accountancy, etc. and the composition of the Board is in conformity with the amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations, 2015"). The Board members are not inter-se related to each other.

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

Details of the Composition of the Board of Directors as on 31st March, 2016, are as under:

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

* Mr. Shreyas Mehta was appointed as Non-Executive Independent Director w.e.f. 8th May, 2015.

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 Five (5) times. The maximum gap between any two meetings was not more than one hundred and twenty (120) days.

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

ROLE OF INDEPENDENT DIRECTORS:

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

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on Wednesday 30th March, 2016 without the attendance of non-independent Directors and members of management, inter alia to:

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

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

TENURE OF BOARD OF DIRECTORS:

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

Mr. Kirat Patel, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

BOARD MEETINGS:

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

During the year under review, Five (5) Board Meetings were held respectively on 8th May, 2015, 11th August, 2015, 29th September, 2015, 4th November, 2015 and 12th February, 2016. 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 11/08/2015
1	Mr. Yogesh M. Kothari	Chairman – NED / PD	5	Yes
2	Mr. Amit M. Mehta	Vice Chairman – NED/PD	5	Yes
3	Mr. Kirat Patel	NED	5	Yes
4	Mr. Dhruv Kaji	NED – I	1	No
5	Mr. Rajendra Chhabra	NED – I	5	Yes
6	Mr. G. S. Venkatachalam	ED	5	Yes
7	Dr. Ambrish Dalal	NED – I	3	Yes
8	Mr. Shreyas Mehta*	NED – I	2	Yes
9	Mrs. Darshana Mankad	NED – I	4	Yes

ED-Executive Director

NED-Non-Executive Director

NED-I-Non-Executive & Independent Director

PD-Promoter Director

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

* Mr. Shreyas Mehta was appointed as Non-Executive Independent Director w.e.f. 8th May, 2015.



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

Name of the Director(s)	No. of Directorships in other Companies (Excluding Pvt. Cos.)*	No. of Chairmanship(s) and Membership(s) of Committees of Public Ltd. Cos. Including DACL**	
		Chairmanship in Committees in which Directors are Members	Memberships in Committees of Companies in which they hold Directorships
Mr. Yogesh M. Kothari	03	01	02
Mr. Amit M. Mehta	02	–	01
Mr. Kirat Patel	03	01	03
Mr. Dhruv Kaji	02	–	–
Mr. Rajendra Chhabra	02	01	01
Mr. G. S. Venkatachalam	–	–	1
Dr. Ambrish Dalal	–	01	–
Mr. Shreyas Mehta	01	01	–
Mrs. Darshana Mankad	–	–	01

* Excluding Diamines and Chemicals Limited.

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

None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Regulation 26(1) of the SEBI (LODR), Regulations, 2015 nor was a Chairman of more than five such committees across all Companies in which he was a director.

BOARD COMMITTEES:

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

Audit Committee:

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015. The Audit Committee was formed on 14th March, 2001. The quorum of the said Audit Committee Meetings is 2 (Two) members or one third (1/3) of the members of the Audit Committee, whichever is greater, with at least two independent directors.

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

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

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

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

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

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Meetings and attendance during the year:

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

Member	Attendance at Audit Committee Meetings held on:				
	05.05.2015	07.08.2015	29.09.2015	04.11.2015	11.02.2016
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes	Yes
Mr. Kirat Patel	Yes	Yes	Yes	Yes	Yes
Mrs. Darshana Mankad	Yes	Yes	Yes	Yes	Yes

The Minutes of Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The Chairman of the Audit Committee (Mr. Rajendra Chhabra) was present at the 39th Annual General Meeting held on 11th August, 2015.

Stakeholders Relationship Committee of Directors:

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

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

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

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

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

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

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

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

Nomination and Remuneration Committee:

The erstwhile Remuneration Committee is reconstituted as Nomination and Remuneration Committee, as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board. The Nomination and Remuneration Committee consists of Dr. Ambrish Dalal, Chairman, Mr. Rajendra Chhabra and Mr. Kirat Patel, whose function is to approve remuneration policy of Directors. The committee meeting was held on 05-02-2015 to consider and approve the remuneration to be paid to Mr. G. S. Venkatachalam, Executive Director of the Company.



Details of remuneration paid to the Executive Director(s) for the financial year 2015 – 2016.

(₹ In Lacs.)

Name of Director	Designation	Salary & Allowance	Perquisite	Commission	Total
Mr. G. S. Venkatachalam	Executive Director	18.48	1.23	NIL	19.71

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS :

The remuneration paid to non-executive Directors for the year from 01.04.2015 to 31.03.2016 is as under:

(₹ in lacs)

Name	Remuneration	Sitting Fee	Commission*	Total
Mr. Yogesh Kothari	Nil	1.05	NIL	1.05
Mr. Amit M. Mehta	Nil	1.05	NIL	1.05
Mr. Kirat Patel	Nil	2.80	NIL	2.80
Mr. Rajendra Chhabra	Nil	2.96	NIL	2.96
Dr. Ambrish Dalal	Nil	0.60	NIL	0.60
Mr. Dhruv Kaji	Nil	0.20	NIL	0.20
Mr. Shreyas Mehta	Nil	0.40	NIL	0.40
Mrs. Darshana Mankad	Nil	1.30	NIL	1.30

- Remuneration includes salary & perquisites. The Company does not have any stock option scheme.
- *The company has proposed to pass resolution u/s 197, 198 of the Companies Act, (2013), in its ensuing Annual General Meeting 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(except Independent and Executive Directors), who are not in full time employment of the Company.

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

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

DISCLOSURES:

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

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review. Omnibus approval was obtained for transactions which were repetitive in nature. Transactions entered into pursuant to omnibus approval were placed before the Audit Committee for its review during the year. Segment Reporting as per Accounting Standard AS-17 applicable to the Company is given in note No.30.

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

CEO/CFO Certification: A certification from the CEO and CFO in terms of Regulation 33(2) (a) of SEBI (LODR) Regulations, 2015 was placed before the Board Meeting held on 16th May, 2016 to approve the Audited Annual Accounts for the year ended 31st March, 2016.

REGULATORY COMPLIANCES:

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

POLICES:

Related party Transaction policy

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

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

MEANS OF COMMUNICATION:

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

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

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

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date	12 th September, 2016 to 19 th September, 2016 (both days inclusive)
2. Date, Time and Venue of the 40 th Annual General Meeting	19 th September, 2016 at 12.00 noon at Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodara – 391 346.
3. Listing on Stock Exchange	Bombay Stock Exchange Ltd., 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400 001. Tel: 022 – 2272 1233 / 34. Fax: 022 –2272 2082/3132. (Stock code: 500120)
4. Listing Fees	Paid to the above Stock Exchange for the Financial Year 2016 – 2017
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



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6. Place where Share Transfers are to be lodged:
- (a) In Physical form
- (b) In Electronic form
7. International Securities Identification Number (ISIN)
8. Compliance Officer
- In view of the SEBI circular, every listed company is required to appoint one common agency for handling both Physical & Demat related services in respect of its shares. Accordingly, your Company has continued with and appointed M/s. MCS Share Transfer Agent Ltd., Vadodara for the same w.e.f. 01.04.2003.
- Branch Manager**
M/s. MCS Share Transfer Agent Ltd.
10, Aram Apartment,
12, Sampatrao Colony, Vadodara 390 007
Telephone (0265) **2339397**
Fax: (0265) 2341639
_____ As above_____
- INE 591D01014
- Ms. Scany Parmar
Tel no: 0265 2230305 /406
e-mail: secretarial@dacl.co.in

9. Date, Time and Venue for the last 3 (Three) A.G.M.'s.	39 th A.G.M.- 11 th August, 2015 at 12.00 noon held at the Registered Office of the Company. 38 th A.G.M.- 12 th August, 2014 at 12.00 noon held at the Registered Office of the Company. 37 th A.G.M.- 25 th July, 2013 at 2.30 p.m. held at the Registered Office of the Company. * No Postal Ballots were used/invited for voting at these meetings.			
10. Special Resolutions passed	39 th A.G.M- 3 Special Resolutions were passed 38 th A.G.M- 2 Special Resolutions were passed 37 th A.G.M.- 1 Special Resolution was passed * No Postal Ballots were used/invited for voting at these meetings.			
11. Closing Price of the Company's Shares on 31 st March, 2016. Bombay Stock Exchange Ltd. (BSE)	₹ 33.65/-			
12. Financial Year	1 st April to 31 st March each year.			
13. Dividend declared for current and earlier years		2015-16	2014-15	2013-14
	Final	Nil	Nil	Nil
14. Trading in Shares (Electronic Form) on Stock Exchange	SEBI has made trading in the Company's Shares compulsory in electronic form for all categories of Investors.			

Diamines And Chemicals Limited

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**MARKET PRICE DATA:**

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

Sr.No.	Month	The Stock Exchange, Mumbai	
		High (₹)	Low (₹)
1	April, 2015	32.00	26.20
2	May, 2015	34.70	28.20
3	June, 2015	33.70	25.35
4	July, 2015	45.70	29.00
5	August, 2015	48.50	31.25
6	September, 2015	34.70	28.25
7	October, 2015	37.70	28.40
8	November, 2015	42.00	31.00
9	December, 2015	47.00	33.90
10	January, 2016	49.05	35.50
11	February, 2016	42.75	30.70
12	March, 2016	39.90	30.60

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2016)

Shareholding of nominal value		Shareholders		Share Amount	
₹	₹	Number	% of total	₹	% of total
(1)		(2)	(3)	(4)	(5)
Upto	- 500	8714	91.68	8894070	9.09
501	- 1,000	392	4.12	2964530	3.03
1,001	- 2,000	182	1.91	2645900	2.70
2,001	- 3,000	67	0.70	1689810	1.73
3,001	- 4,000	29	0.30	1026160	1.05
4,001	- 5000	26	0.27	1199160	1.23
5,001	- 10,000	39	0.41	2762820	2.82
10,001	- 50,000	41	0.43	9732630	9.95
50,001	- 100,000	5	0.05	3522730	3.60
100,001	- Above	10	0.11	63394590	64.80
TOTAL		9505	100.00	97832400	100.00

**Diamines And Chemicals Limited**

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SHAREHOLDING PATTERN: (as on 31st March, 2016)

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters & Persons acting in concert	6378777	65.20
2	Mutual Funds/Banks & FI's/ Insurance Co.	3937	0.04
3	Other Corporate Bodies	183462	1.88
4	Public	3112426	31.81
5	NRI's	104638	1.07
6	Any Other	0	0.00
	TOTAL	9783240	100.00

DEMATERIALISATION OF SHARES: (as on 31st March, 2016)

Particulars	No. of Equity Shares	% to Share Capital
NSDL	84,93,412	86.82%
CDSL	8,29,746	8.48%
Physical	4,60,082	4.70%
TOTAL	97,83,240	100%

Details of Plant Locations/Address of Correspondence:

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

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

The Company has not issued any of these instruments.

Non-mandatory disclosures/requirements:**Reporting of Internal Auditor:** Internal Auditor of the Company is reporting directly to the Audit Committee on quarterly basis.**FOR DIAMINES AND CHEMICALS LTD.
CIN : L24110GJ1976PLC002905****Yogesh M Kothari
Chairman****Mumbai, Dated: May 16, 2016.**



**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, 2016, received from the Senior Management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior management team means the personnel of the company or who are the members of the core team of the management, comprise all members of management, one level below the Executive Director, including all functional head.

Place : Mumbai
Date : 16.05.2016

Sd/-
G. S. Venkatachalam
Executive Director



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CIN NO:L24110GJ1976PLC002905

CIN: - L24110GJ1976PLC002905

Nominal Capital: - 1,75,000,000/-
Paid-up Capital: - 97,832,400/-

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined all relevant records of ***Diamines and Chemicals Limited*** for the purpose of certifying compliance of conditions of Corporate Governance, under clause 49 of the erstwhile listing agreement with Stock Exchanges applicable to the Company till 30th November, 2015 and para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, applicable from 1st December, 2015 till the financial year ended on 31st March, 2016. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

On the basis of our examination of the records produced, explanation and information furnished, We certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement till 30th November, 2015 and para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, applicable from 1st December, 2015 till the financial year ended on 31st March, 2016.

For Sandip Sheth & Associates
Company Secretaries

Sandip Sheth
(Partner)

FCS : 5467

COP No.: 4354

Ahmedabad, Dated: May 16, 2016

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying standalone financial statements of **Diamines and Chemical Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



Diamines And Chemicals Limited

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

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : May 16, 2016.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date to the members of the Company on the standalone financial statements for the year ended March 31, 2016.

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

We have audited the internal financial controls over financial reporting of **Diamines and Chemicals Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : May 16, 2016.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the standalone financial statements for the year ended March 31, 2016

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

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

Gross Block as at March 31, 2016	Net Block as at March 31, 2016
Rs. 948,579	Rs. 500,000

- ii. Inventories, other than stock-in-transit, have been physically verified by the management during the year and at the year end. For stock-in-transit at the year end, the necessary documentary evidences have been obtained. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
- iii. a. As per the information furnished, the Company has granted interest-free advances to its wholly-owned subsidiary covered in the register maintained under Section 189 of the Act. The Company has not granted any other loans, secured or unsecured, to firms, limited liability partnerships or other parties covered under Section 189 of the Act.
- b. As regards interest-free advance to the subsidiary, no other terms and conditions, including repayment thereof have been stipulated and accordingly, the question of making any comment for the regularity of the receipt of the principal or the recovery of overdue amounts does not arise. Considering the amount involved and the fact that it is given to a subsidiary and for the purpose for which it is given, in our opinion, the same is not, *prima facie*, prejudicial to the interest of the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, in respect of investments made and also in respect of Advances given to its wholly owned subsidiary. The Company has not given any loan or guarantee or provided any security in connection with a loan to any person or other body corporate and accordingly, the question of commenting on compliance with the provisions in respect thereof does not arise.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3(v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.

- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148(1) of the Act in respect of its products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities and there are no arrears of outstanding statutory dues on the last day of the financial year, for a period of more than six months from the date they become payable.
- b. According to the information and explanations given to us and on the basis of the books and records examined by us, as may be applicable, given hereinbelow are the details of dues of Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	16,034,720	Financial Year 2008-2009	Commissioner of Income-tax (Appeals)
The Income-tax Act, 1961	Income-tax	8,065,190	Financial Year 2009-2010	Commissioner of Income-tax (Appeals)
The Income-tax Act, 1961	Income-tax	1,010,960	Financial Year 2011-2012	Commissioner of Income-tax (Appeals)
The Finance Act, 1994	Service Tax / Excise	11,838,728	Financial Year 2005-06 to 2015-16	Commissioner of Central Excise (Appeals)
The Foreign Trade (Development and Regulation) Act, 1992	Custom Duty	5,364,604	Financial Year 1993-94 to 1997-98	Additional Director General of Foreign Trade (Appeals)

- viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in the repayment of dues, if any, to financial institutions, banks, Government or debenture holders.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order in respect thereof is not applicable. Moneys raised by way of term loans were applied for the purposes for which those are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.
- xi. According to the information and explanations given to us and on the basis of books and records examined by us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

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

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Dated : May 16, 2016.



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

BALANCE SHEET AS AT MARCH 31, 2016

	Note		As at March 31, 2016	As at March 31, 2015
		₹	₹	₹
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	97,832,400		97,832,400
Reserves and Surplus	3	238,357,534		235,824,203
			336,189,934	333,656,603
Non-Current Liabilities				
Long-term Borrowings	4	35,388,693		68,187,037
Deferred Tax Liabilities (Net)	5	44,065,543		45,746,780
Long-term Provisions	6	2,857,592		2,702,429
			82,311,828	116,636,246
Current Liabilities				
Short-term Borrowings	7	87,400,477		104,592,818
Trade Payables				
Total Outstanding dues of Micro Enterprises and Small Enterprises	8.1	NIL		NIL
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	8	20,421,230		34,325,027
Other Current Liabilities	9	49,099,142		42,408,010
Short-term Provisions	10	2,780,457		3,459,135
			159,701,306	184,784,990
TOTAL			578,203,068	635,077,839
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	11	273,310,091		292,999,059
Capital Work-in-progress		NIL		NIL
		273,310,091		292,999,059
Non-current Investments	12	1,287,936		1,467,115
Long-term Loans and Advances	13	113,451,449		117,047,006
Other Non-current Assets	14	NIL		NIL
			388,049,476	411,513,180
Current Assets				
Inventories	15	91,794,572		120,911,792
Trade Receivables	16	73,809,470		77,915,039
Cash and Bank Balances	17	5,572,963		4,413,918
Short-term Loans and Advances	18	17,582,386		19,045,025
Other Current Assets	19	1,394,201		1,278,885
			190,153,592	223,564,659
TOTAL			578,203,068	635,077,839

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

As per our report of even date attached
For BANSIS. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Revenue From Operations	20	394,880,660	432,004,105
Less : Excise Duty on Sales		(39,117,130)	(41,074,714)
Revenue From Operations (Net)		355,763,530	390,929,391
Other Income	21	3,595,849	1,834,382
Total Revenue		359,359,379	392,763,773
Expenses			
Cost of Materials Consumed	22	197,995,960	223,476,914
Changes in Inventories of Finished Goods and Work-in-progress	23	18,117,801	15,897,088
Employee Benefits Expenses	24	36,388,333	35,555,023
Finance Costs	25	27,511,107	34,052,054
Depreciation, Amortisation and Impairment	11	19,855,418	20,333,924
Other Expenses	26	58,638,666	66,424,496
Total Expenses		358,507,285	395,739,499
Profit/(Loss) before Exceptional Items and Tax		852,094	(2,975,726)
Exceptional items		NIL	NIL
Profit/(Loss) before Tax		852,094	(2,975,726)
Tax Expense			
Current Tax	39	NIL	NIL
Deferred Tax		(1,681,236)	10,514,938
Current Tax Adjustments of Earlier Years		NIL	2,047,978
		(1,681,236)	12,562,916
Profit/(Loss) for the year		2,533,330	(15,538,642)
Earnings Per Equity Share of ₹ 10 Basic and Diluted (₹)	32	0.26	(1.59)
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-41		

As per our report of even date attached
For BANSI S. MEHTA & CO.
 Chartered Accountants
 Firm Registration No. 100991W
PARESH H. CLERK
 Partner
 Membership No. 36148
Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	852,095	(2,975,726)
Adjustments for :		
Finance Costs	27,511,107	34,052,054
Unrealised Loss on Foreign Exchange	(1,266,641)	(862,741)
Profit on Sale of Investments	(1,857,022)	NIL
Profit on Sale of Assets discarded	(1,627)	(98,059)
Depreciation	19,855,418	20,333,924
Interest Income	(1,142,725)	(1,077,081)
Provision no longer required and Accounts written back	(463,338)	(494,933)
Dividend Income	(75,565)	(75,565)
Operating Profit before Working Capital Changes	43,411,701	48,801,873
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	5,762,026	4,771,099
Inventories	29,117,220	3,113,332
Trade Receivables and Short-term Loans and Advances	5,568,208	4,022,236
Other Current Assets	(115,316)	(438,992)
Long-term Provisions	155,163	1,217,474
Trade Payables, Other Current Liabilities and Short-term Provisions	(10,754,175)	(13,029,272)
Cash generated from Operations	73,144,828	48,457,750
Income-tax paid	(487,164)	(1,897,861)
Net Cash from Operating Activities	72,657,664	46,559,889
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(199,498)	(959,727)
Sale of Fixed Assets	35,021	666,796
Advance given to Subsidiary Company	(1,679,305)	(21,591,362)
Sale of Investments	2,036,200	NIL
Deposits held as Margin Money	(2,000,280)	4,210,565
Interest Income	1,142,725	1,077,081
Dividend Income	75,565	75,565
Net Cash from Investing Activities	(589,572)	(16,521,082)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	NIL	50,000,000
Repayment of Long-term Borrowings	(28,205,881)	(32,130,678)
Increase/(Decrease) in Short-term Borrowings	(17,192,341)	(14,417,828)
Finance Costs Paid	(27,511,107)	(34,052,054)
Dividend Paid (Including Dividend Distribution Tax)	NIL	NIL
Net Cash from Financing Activities	(72,909,328)	(30,600,560)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(841,235)	(561,753)
Cash and Cash Equivalents at the Beginning of the Year	2,189,996	2,751,749
Cash and Cash Equivalents at the End of the Year	1,348,761	2,189,996
Components of Cash and Cash Equivalents		
Cash on hand	37,263	18,135
Other Bank Balances		
On Current Accounts	1,311,498	2,171,861
	1,348,761	2,189,996

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

As per our report of even date attached

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

Membership No. 36148
Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION:

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

1.2 USE OF ESTIMATES:

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

1.3 FIXED ASSETS AND DEPRECIATION / AMORTISATION:

- i. Fixed Assets are stated at historical cost, net of CENVAT/value added tax less accumulated depreciation except Land and Buildings which were revalued. Costs include all costs incurred to bring the assets to their present location and condition.
- ii. Depreciation on tangible fixed assets (other than Leasehold Land) is provided on "Straight Line Method" over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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

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

1.4 INVESTMENTS:

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

1.5 INVENTORIES:

Inventories are valued as under:

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

By-products are valued at the net realisable value.

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

1.6 REVENUE RECOGNITION:

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

1.7 FOREIGN CURRENCY TRANSACTIONS:

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

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

fair value / net realisable value are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;

historical cost, are reported at the exchange rate prevalent at the date of transaction.

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

1.8 EMPLOYEE BENEFITS:

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

Gratuity - In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (“Gratuity Plan”) covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount

based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date carried out by an independent actuary. Actuarial gain or loss is recognised immediately in the statement of profit and loss as income or expense. The Company has an employee's gratuity fund managed by the Life Insurance Corporation of India ("LIC").

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

1.9 BORROWING COSTS:

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

1.10 SEGMENT REPORTING POLICIES:

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

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

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

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

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

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

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

1.11 TAXES ON INCOME:

- i. Income tax expense comprises of current tax and deferred tax charge/credit.
- ii. Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- iii. Deferred tax is recognised, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the year end based on tax rates and laws enacted or substantially enacted as of the balance sheet date.

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

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

1.12 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.13 IMPAIRMENT OF ASSETS:

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

Diamines And Chemicals Limited

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	As at March 31, 2016	As at March 31, 2015
	₹	₹
2. Share Capital		
Authorised		
17,500,000 (March 31, 2015: 17,500,000) Equity Shares, of ₹ 10 par value	175,000,000	175,000,000
	175,000,000	175,000,000
Issued, Subscribed and Paid up		
9,783,240 (March 31, 2015: 9,783,240) Equity Shares, of ₹ 10 par value	97,832,400	97,832,400
	97,832,400	97,832,400

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

	As At March 31, 2016		As At March 31, 2015	
	No. of shares	₹	No. of shares	₹
Equity shares, of ₹ 10 par value				
At the beginning	9,783,240	97,832,400	9,783,240	97,832,400
Changes during the year	NIL	NIL	NIL	NIL
At the end	9,783,240	97,832,400	9,783,240	97,832,400

2.2 Rights, preferences and restrictions

- i. The Company has only one class of shares referred to as equity shares having par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 16, 2016 has not recommended any dividend for the year ended March 31, 2016.

During the year ended March 31, 2015, no dividend was distributed to equity shareholders and hence, no appropriation for the year ended March 31, 2015 was made on this account.

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

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

Name of the Shareholder	As At March 31, 2016		As At March 31, 2015	
	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	695,178	7.11



Diamines And Chemicals Limited

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	As at March 31, 2016	As at March 31, 2015
	₹	₹
2.4 Shares allotted as fully paid up by way of Bonus Shares (during 5 years immediately preceding March 31, 2016)		
		No. of shares
Equity Shares allotted as fully paid up Bonus Shares during the year 2011-12 by capitalisation of the following amounts:		3,261,080
Capital Reserve		₹ 3,441,635
Capital Redemption Reserve		1,407,000
Securities Premium		18,857,360
General Reserve		8,904,805
		32,610,800
3. Reserves and Surplus		
Revaluation Reserve		
As per last Balance Sheet	28,800,648	29,621,276
Less: Provision for Impairment (Refer Note 3.2)	NIL	69,573
Less : Transfer to the Statement of Profit and Loss	NIL	NIL
Less: Transfer to General Reserve (Refer Note 3.1)	753,112	751,055
	28,047,536	28,800,648
General Reserve		
As per last Balance Sheet	50,958,876	52,092,444
Add: Transfer from Revaluation Reserve (Refer Note 3.1)	753,112	751,055
Less: Adjustment as per Schedule II to the Companies Act, 2013 (Refer Note 11.1)	NIL	1,884,623
	51,711,988	50,958,876
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	156,064,679	171,603,321
Add: Net Profit after Tax transferred from Statement of Profit and Loss	2,533,331	(15,538,642)
	158,598,010	156,064,679
TOTAL	238,357,534	235,824,203

3.1 As per the Guidance Note on Accounting for Depreciation in the context of Schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India (ICAI), the amount of depreciation on the revaluation of Fixed Assets amounting to ₹ 753,112 (Previous Year ₹ 751,055) is withdrawn and transferred to General Reserve.

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

Diamines And Chemicals Limited

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		As at March 31, 2016	As at March 31, 2015
		₹	₹
4. Long-term borrowings			
	Term Loans (Refer Note 4.1)		
	Secured		
	From Banks	35,388,693	68,187,037
		35,388,693	68,187,037
4.1 Nature of Security and Terms of Repayment of Long-term Borrowings		As at	As at
Nature of Security	Rate of	March 31, 2016	March 31, 2015
I. Loan from Banks:			
i. Term loans of ₹ 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ₹ 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra and factory Land and Building.	Ranging from 12.40% p.a. to 14.65% p.a.	2,700,000	16,300,000
ii. Term loans of ₹ 50,000,000 repayable in 16 quarterly instalments from March 31, 2015 and Term loan of ₹ 50,000,000 repayable in 42 monthly instalments from January 31, 2014 is secured by first charge by way of hypothecation over the entire current assets including stocks of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills /book-debts/ receivables and other current assets. Further, same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill).	Base Rate +4.60% p.a.	65,250,000	79,450,000
iii. Vehicle Loan of ₹ 3,950,000 repayable in 60 monthly instalments from August 10, 2010 is secured against hypothecation of specified vehicle.	8.35% p.a.	NIL	317,519
iv. Vehicle Loan of ₹ 459,000 repayable in 60 monthly instalments from July 15, 2013 is secured against hypothecation of specified vehicle.	10.75% p.a.	237,037	325,398
		68,187,037	96,392,917
Less : Current Maturities of Long-term debt (Refer Note 9)		32,798,344	28,205,880
		35,388,693	68,187,037

	As at March 31, 2016	As at March 31, 2015
	₹	₹
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	47,305,812	48,462,563
Deferred Tax Assets		
Provision for doubtful debts, loans and advances	717,166	717,166
Others	2,523,103	1,998,617
	<u>3,240,269</u>	<u>2,715,783</u>
Net deferred Tax (Assets)/ Liabilities	44,065,543	45,746,780
6. Long-term Provisions		
For Employee Benefits		
Gratuity	1,385,959	1,533,615
Leave Encashment	1,471,633	1,168,814
	<u>2,857,592</u>	<u>2,702,429</u>
7. Short-term Borrowings		
Loans repayable on demand (Refer Note 7.1)		
Secured		
From Banks	84,900,477	102,092,818
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 31)	NIL	NIL
Other Loans and Advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>87,400,477</u>	<u>104,592,818</u>
7.1 Working Capital facilities from a bank are secured by first charge by way of hypothecation over the entire current assets including stock of raw materials, work-in-progress, finished goods, stores and spares, etc. bills / book-debts / receivables and other current assets. Further, the same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building.		
8. Trade Payables		
Micro and Small Enterprises (Refer Note 8.1)	NIL	NIL
Others	20,421,230	34,325,027
	<u>20,421,230</u>	<u>34,325,027</u>
8.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act has not been given.		
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks (Refer Note 4.1)	32,798,343	28,205,880
Interest accrued but not due on Borrowings	809,688	1,242,241
Unclaimed Dividends	1,293,985	1,414,141
Other Payables		
For Capital Expenses	NIL	NIL
Payable on Forward Contracts	519,873	551,823
Others (Refer Note 9.1)	13,677,253	10,993,925
	<u>14,197,126</u>	<u>11,545,748</u>
	49,099,142	42,408,010
9.1 Others above include Statutory Dues, Advance from Customers and other year-end provisions.		
10. Short Term Provisions		
For Employee Benefits		
Gratuity	1,444,047	1,426,225
Leave Encashment	336,410	420,445
	<u>1,780,457</u>	<u>1,846,670</u>
Others		
For Contingencies	1,000,000	1,000,000
For Wealth Tax	NIL	26,959
	<u>1,000,000</u>	<u>1,026,959</u>
Provision for Taxes	NIL	8,400,000
Less : Taxes paid	NIL	7,814,494
	<u>NIL</u>	<u>585,506</u>
	2,780,457	3,459,135

Diamines And Chemicals Limited

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11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION			NET BLOCK			
	As At April 01, 2015	During the Year Additions	As At March 31, 2016	Upto March 31, 2015	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Withdrawal For Sale/ Adjustments	Upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
		For Sale/ Adjustments								
Tangible Assets										
Land	3,154,055	NIL	3,154,055	NIL	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Freehold Land	3,154,055	NIL	3,154,055	NIL	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Leasehold Land	23,585,328	NIL	23,585,328	4,258,465	NIL	327,576	4,586,041	4,586,041	18,999,287	19,326,864
Buildings	32,508,248	NIL	32,508,248	17,916,357	709,255	774,054	18,690,411	18,690,411	13,817,837	19,654,439
	32,389,643	118,705	32,508,248	16,438,559		770,542	17,916,357	14,591,891	15,952,984	15,952,984
Plant and Equipments	404,372,202	NIL	404,372,202	238,714,784		10,605,118	249,319,902	249,319,902	155,052,299	165,657,415
Wind Electric Generator	403,716,027	NIL	403,716,027	227,581,992		10,688,279	238,270,271	238,270,271	165,657,415	174,882,288
Furniture and Fixtures	148,502,975	NIL	148,502,975	66,861,890	64,572	5,698,536	74,432,549	74,432,549	80,041,088	80,041,088
Office Equipments	17,274,929	NIL	17,274,929	95,832,316		5,698,536	68,461,800	80,041,088	85,670,959	85,670,959
Vehicles	5,466,759	48,027	5,466,759	13,390,394	325,289	186,746	15,577,140	1,697,789	1,884,539	1,884,539
Server	12,535,242	199,498	12,535,242	4,541,738	185,171	446,918	4,988,656	677,602	1,854,535	2,346,967
Computer	13,373,881	104,315	13,373,881	3,749,043	191,901	600,794	4,541,738	925,022	1,613,401	1,613,401
	1,131,894	NIL	1,131,894	6,196,430	129,902	1,584,388	7,152,924	4,721,377	6,338,811	6,338,811
	1,131,894	NIL	1,131,894	5,387,442		1,580,041	6,196,431	416,318	593,152	8,090,695
	5,167,475	NIL	5,167,475	4,681,249		176,351	538,742	340,978	875,236	875,236
	5,090,786	76,690	5,090,786	2,944,677	1,340,970	395,599	4,681,247	486,229	2,894,983	2,894,983
Current year	653,699,106	199,498	653,699,106	360,700,049	627,894	19,855,418	379,927,573	273,310,091	292,999,059	315,135,904
Previous year	653,536,834	1,000,911	653,699,106	338,400,927	2,761,895	20,333,924	360,700,048	292,999,059	315,135,904	315,135,904
Capital Work in progress	41,184	59,940	41,184	59,940	NIL	NIL	NIL	NIL	NIL	NIL
Previous year	41,184	438,398	41,184	59,940	NIL	NIL	NIL	NIL	NIL	41,184

11.1 For the year ended March 31, 2015 - Effective from April 1, 2014, the Company has provided depreciation on its tangible fixed assets as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. Accordingly, in respect of the tangible fixed assets as on April 1, 2014, the carrying amount, net of residual value, has been depreciated over the remaining useful life as on that date. As a result, the charge for depreciation for the year ended March 31, 2015 is lower by ₹ 4,981,720. In cases where the remaining useful life has been completed as on April 1, 2014, the carrying amount of assets after retaining residual value amounting to ₹ 1,884,623 (net of deferred tax credit of ₹ 307,696) has been adjusted against the opening balance of General Reserve.

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

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

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION			NET BLOCK			
	As At April 01, 2015	During the Year Additions	As At March 31, 2016	Upto March 31, 2015	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Withdrawal For Sale/ Adjustments	Upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
		For Sale/ Adjustments								
Tangible Assets										
Buildings	51,221	NIL	51,221	3,016	NIL	809	3,825	3,825	47,396	48,205
Plant and Equipments	3,576,793	NIL	3,576,793	2,206	NIL	810	3,016	3,016	48,205	48,015
	3,535,609	105,759	3,576,793	1,459,804	NIL	314,256	1,774,060	1,802,733	2,116,989	2,116,989
	3,628,014	NIL	3,628,014	1,082,339	NIL	377,465	1,459,805	2,116,988	2,453,270	2,453,270
Current year	3,628,014	105,759	3,628,014	1,464,820	NIL	315,065	1,777,885	1,850,129	2,165,193	2,502,285
Previous year	3,586,830	105,759	3,628,014	1,084,545	NIL	378,275	1,462,821	2,165,193	2,502,285	2,502,285

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

11.5 Based on the policy of Component Accounting adopted by the Company with effect from April 1, 2015, there is reduction of ₹ 110,648 on depreciation for the year.

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



Diamines And Chemicals Limited

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		As at March 31, 2016	As at March 31, 2015	
	₹	₹	₹	₹
12. Non-current Investments				
Long-term Investments - valued at cost less provision for diminution in value other than temporary				
Trade				
In Equity Instruments of Subsidiary				
Unquoted				
Diamines Speciality Chemicals Limited				
50,000 (March 31, 2015: 50,000) Equity Shares of ₹ 10 par		500,000		500,000
value of Diamines Speciality Chemicals Limited				
Other Investments (Non-trade)				
In Equity Instruments of Other Companies				
Quoted				
Sintex Industries Limited				
87,950 (March 31, 2015: 107,950) Equity Shares of ₹ 1		787,936		967,115
par value of Sintex Industries Limited				
		<u>1,287,936</u>		<u>1,467,115</u>
		Cost	Market Value	Cost
		Market value	Cost	Market value
Aggregated amount of Quoted Investments	787,936	6,780,945	967,115	13,045,758
Aggregated amount of Unquoted Investments	500,000	Not Applicable	500,000	Not Applicable
13. Long-term Loans and Advances				
Unsecured and considered good				
Security Deposits		337,192		6,174,111
Other Loans and Advances (Refer Note 13.1)				
Advances recoverable in cash or in kind for value to be received				
Considered Good		416,925		342,032
Loans and Advances to Related Party (Refer Note 31)				
To Subsidiary Company				
Diamines Speciality Chemicals Limited	<u>98,986,427</u>			<u>97,307,122</u>
			99,740,544	<u>103,823,265</u>
Taxes Paid	36,499,986			27,612,822
Less: Provision for Taxes	<u>22,789,081</u>			<u>14,389,081</u>
			<u>13,710,905</u>	<u>13,223,741</u>
			<u>113,451,449</u>	<u>117,047,006</u>
13.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Sales tax set off receivable and Prepaid expenses.				
13.2 Particulars of Advances given - Disclosure as required under Section 186(4) for Advances given:				
Name of the Company				
Diamines Speciality Chemical Limited		98,986,427		97,307,122
Largely towards payment to Gujarat Industrial Development Corporation (GIDC) for acquiring land.				
14. Other Non-current Assets				
Trade Receivables				
Considered Doubtful				
Outstanding for a period exceeding six months	2,320,925			2,320,925
from the date they are due for payment				
Less: Provision for Bad and Doubtful Debts	<u>2,320,925</u>			<u>2,320,925</u>
			<u>NIL</u>	<u>NIL</u>
			<u>NIL</u>	<u>NIL</u>

Diamines And Chemicals Limited

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	As at March 31, 2016 ₹	As at March 31, 2015 ₹
15. Inventories		
Raw Materials	31,699,993	27,808,733
Raw Materials - Goods-in-transit	3,817,630	20,085,927
Work-in-progress	18,603,606	34,667,724
Finished Goods	32,999,691	34,446,900
Finished Goods - Goods-in-transit	570,570	NIL
Fuel	1,297,294	1,240,009
Stores and Spares	2,805,788	2,662,499
	91,794,572	120,911,792
15.1 Details of Inventories :		
a. Work-in-Progress		
Ethylene Amines	14,612,453	31,726,204
Other Products	3,991,153	2,941,520
	18,603,606	34,667,724
b. Finished Goods		
Ethylene Amines	27,272,433	32,672,367
Other Products	5,727,258	1,774,533
	32,999,691	34,446,900
16. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	NIL	58,127
Others	73,809,470	77,856,912
	73,809,470	77,915,039
17. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	37,263	18,135
Balances with Banks		
- On Current Accounts	1,311,498	2,171,861
Other Bank Balances		
- On Fixed Deposit Accounts	4,224,202	2,223,922
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	5,572,963	4,413,918
18. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances (Refer Note 18.1)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	5,125,172	5,855,702
Balance with Central Excise and Customs	12,457,214	13,189,323
	17,582,386	19,045,025
18.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Advances to Suppliers, Prepaid expenses and Advances to Employees.		
19. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	1,243,562	738,847
Deferred Premium on Forward Contracts	150,639	540,038
	1,394,201	1,278,885



Diamines And Chemicals Limited

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	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	₹	₹
20. Revenue From Operations		
Sale of products		
Manufactured Goods	379,948,712	416,786,166
Windmill Power Generated	14,128,382	14,504,225
	394,077,094	431,290,391
Other Operating Revenues		
Duty Drawback	369,642	171,072
Sale of Scrap	433,924	542,642
	394,880,660	432,004,105
Less: Excise Duty on Sales	(39,117,130)	(41,074,714)
	355,763,530	390,929,391
20.1 Details of Products Sold		
Sale of Manufactured Goods		
Ethylene Amines	378,726,997	389,787,347
Other Products	1,221,715	26,998,819
	379,948,712	416,786,166
21. Other Income		
Interest on Deposits / Margin Money	1,142,725	1,077,081
Dividend from Long-term Investment	75,565	75,565
Accounts Written Back	463,338	494,933
Profit on Sale of Long Term Investments	1,857,022	NIL
Miscellaneous Income	57,199	186,803
	3,595,849	1,834,382
22. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	47,417,913	33,134,907
Add : Purchases	176,004,107	227,411,845
Less : Closing Stock of Raw Materials	35,133,623	47,417,913
	188,288,397	213,128,839
Packing Materials		
Opening Stock of Packing Materials	476,747	435,091
Add : Purchases	9,614,816	10,389,731
Less : Closing Stock of Packing Materials	384,000	476,747
	9,707,563	10,348,075
	197,995,960	223,476,914
22.1 Details of Raw Materials Consumed		
Ethylene Amines Feed Stock	185,145,651	177,462,222
Others	3,142,746	35,666,617
	188,288,397	213,128,839

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	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	₹	₹
23. Changes in Inventories of Finished Goods and Work-in-progress		
Stocks at the end		
Finished Goods	33,570,261	34,446,900
Work-in-progress	18,603,606	34,667,724
	52,173,867	69,114,624
Less: Stocks at the beginning		
Finished Goods	34,446,900	39,539,993
Work-in-progress	34,667,724	46,587,509
	69,114,624	86,127,502
	<u>(16,940,757)</u>	<u>(17,012,878)</u>
Excise Duty Provision on Finished Goods		
Closing Stock	6,454,307	5,277,263
Less : Opening Stock	5,277,263	6,393,053
	1,177,044	(1,115,790)
	<u>18,117,801</u>	<u>15,897,088</u>
24. Employee Benefit Expenses		
Salaries, Wages and Bonus (Refer Note 26.2)	27,874,416	25,968,992
Contributions to Provident and Other Funds (Refer Note 26.2)	2,477,316	2,644,315
Gratuity Expenses	1,031,095	1,781,194
Staff Welfare Expenses	5,005,506	5,160,522
	<u>36,388,333</u>	<u>35,555,023</u>
25. Finance Costs		
Interest Expense		
On Borrowings	25,339,915	30,478,610
On Others	133,761	1,162,455
	25,473,676	31,641,065
Other Borrowing Costs		
Processing Fees	795,375	681,800
Other Finance Charges	1,242,056	1,729,189
	<u>27,511,107</u>	<u>34,052,054</u>



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	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	₹	₹
26. Other Expenses		
Stores and Spares Consumed (Refer Note 26.2)	3,175,757	3,321,314
Power and Fuel	25,948,913	29,528,064
Repairs and Maintenance		
Building	258,723	642,698
Machinery (Refer Note 26.1)	5,166,552	5,187,962
Others	568,580	527,583
	5,993,855	6,358,243
Insurance	2,337,615	2,496,347
Rates and Taxes (Refer Note 26.1)	353,689	407,563
Job Work Charges	171,150	90,500
Travelling and Conveyance	2,306,488	2,054,809
Directors' Sitting Fees	1,036,500	1,216,500
Commission to Directors	46,000	NIL
Legal and Professional Charges	3,152,031	3,135,103
Foreign Exchange Loss (Net)	1,755,282	3,692,117
Auditors' Remuneration		
Audit Fees	300,000	300,000
Tax Audit Fees	140,000	140,000
Certification Work	245,851	225,500
	685,851	665,500
Miscellaneous Expenses	11,675,535	13,458,435
	58,638,666	66,424,496
26.1 Other Expenses include expenses incurred on Windmill Power generation as under:		
Repairs and Maintenance - Machinery	4,377,637	3,965,357
Rates and Taxes	92,320	62,709
	4,469,957	4,028,066
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	523,353	1,055,917
Contributions to Provident and Other Funds	48,377	136,461
	571,730	1,192,378
Cost of Materials Consumed (In Note 22)	176,276	250,286
Depreciation (In Note 11)	315,065	378,275
Other Expenses (In Note 26)		
Stores and Spares Consumed	598,094	430,861
	1,661,165	2,251,800

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**27. Contingent Liabilities and Commitments :**

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
27.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	630,000	1,546,000
ii. Guarantees issued by the bankers on behalf of the Company	5,046,934	1,046,934
iii. In respect of the various advance licenses issued to the Company for the purposes of fulfilling the export and other related customs formalities, the Company has filed appeals and matters are pending before the Directorate General of Foreign trade (DGFT)	5,364,604	5,364,604
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ₹ 1,000,000 (March 31, 2015 : ₹ 1,000,000)]	2,900,000	2,750,000
v. Matters under disputes/appeals :		
a. Income-tax	24,217,990	16,917,700
b. Service Tax/ Excise	11,838,728	11,843,151
27.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
Less : Advances	NIL	NIL
Net Estimated Amount	NIL	NIL
ii. Other Commitments	NIL	NIL

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

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the Year ended on March 31, 2016 ₹	For the Year ended on March 31, 2015 ₹	For the Year ended on March 31, 2016 ₹	For the Year ended on March 31, 2015 ₹
Obligation at period beginning	10,533,524	9,645,699	1,589,259	1,752,605
Current Service cost	477,744	521,514	130,326	124,546
Interest cost	832,148	901,873	125,551	163,869
Actuarial (gain) / loss	341,242	1,074,722	322,150	540,264
Benefits paid	(1,450,271)	(1,610,284)	(359,243)	(992,025)
Obligations at the year end	10,734,387	10,533,524	1,808,043	1,589,259
Change in plan assets				
Plan assets at period beginning, at fair value	7,573,684	7,865,809	NIL	NIL
Expected return on plan assets	598,321	684,325	NIL	NIL
Actuarial gain / (loss)	(10,416)	32,590	NIL	NIL
Contributions	1,133,408	601,244	NIL	NIL
Benefits paid	(1,390,617)	(1,610,284)	(359,243)	(992,025)
Plan assets at the year end, at fair value	7,904,380	7,573,684	(359,243)	(992,025)
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	7,904,380	7,573,684	NIL	NIL
Present value of the defined benefit obligations at the end of the year	10,734,387	10,533,524	1,808,043	1,589,259
Liability/(Asset) recognized in the Balance Sheet (Notes 6 and 10)	2,830,007	2,959,840	1,808,043	1,589,259
Cost for the year				
Current service cost	477,744	521,514	130,326	124,546
Interest cost	832,148	901,873	125,551	163,869
Expected return on plan assets	(598,321)	(684,325)	NIL	NIL
Actuarial (gain) / loss	351,658	1,042,132	322,150	540,264
Net Cost recognized in the Statement of Profit and Loss (Note 24)	1,063,229	1,781,194	578,027	828,679
Category of assets				
Insurer managed funds	7,904,380	7,573,684	N.A.	N.A.
Total	7,904,380	7,573,684	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	7.81%	7.90%	7.81%	7.90%
Estimated rate of return on plan assets	7.81%	7.90%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	587,905	716,915	N.A.	N.A.

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

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

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Experience adjustment					
On plan liability (gain)/ loss (*)	307,374	547,453	547,608	427,149	675,611
On plan assets gain/ (loss) (*)	(10,416)	32,590	(11,010)	38,192	44,696
Present value of benefit obligation	10,734,387	10,533,524	9,645,699	9,487,610	7,907,512
Fair value of plan assets	7,904,380	7,573,684	7,865,809	7,833,253	6,825,597
Excess of obligation over plan assets (net)	2,830,007	2,959,840	1,779,890	1,654,357	1,081,915

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

The expected contribution is based on the same assumptions used to measure the Company's Gratuity obligations as at March 31, 2016. The Company is expected to contribute ₹ 1,444,047 for the year ended March 31, 2017.

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30. Segment Reporting:

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

PARTICULARS	For the Year	
	ended March 31, 2016	ended March 31, 2015
	₹	₹
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	380,752,278	417,499,880
Less: Excise Duty on Sales	39,117,130	41,074,714
	<u>341,635,148</u>	<u>376,425,166</u>
Add: Other Income	520,537	681,736
	<u>342,155,685</u>	<u>377,106,902</u>
b. Power Generation		
Total Power generated	18,237,428	18,658,922
Less: Captive Power used for Speciality Chemicals	4,109,046	4,154,697
Net as per the Statement of Profit and Loss	14,128,382	14,504,225
Total Revenue	<u><u>356,284,067</u></u>	<u><u>391,611,127</u></u>
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ₹ 4,109,046 (Previous Year ₹ 4,154,697)]	18,115,013	21,944,674
b. Power Generation		
Total	7,912,416	8,496,789
Less: Of Captive Power	1,694,471	1,712,270
Net as per the Statement of Profit and Loss	6,217,945	6,784,519
Total	<u>24,332,958</u>	<u>28,729,193</u>
Add: Interest Income	1,142,725	1,077,081
Add: Other Non-allocated Income		
Profit on Sale of Investments	1,857,022	NIL
Dividend	75,565	75,565
	<u>3,075,312</u>	<u>1,152,646</u>
Less: a. Interest Expense	25,473,676	31,641,065
b. Others Unallocated Expenses	1,082,500	1,216,500
c. Exceptional Items	NIL	NIL
	<u>(26,556,176)</u>	<u>(32,857,565)</u>
Profit/(Loss) before Tax	<u>852,094</u>	<u>(2,975,726)</u>
Current Tax	NIL	NIL
Deferred Tax	(1,681,236)	10,514,938
Current Tax Adjustments of Earlier Years	NIL	2,047,978
	<u>(1,681,236)</u>	<u>12,562,916</u>
Profit/(Loss) after Tax	<u><u>2,533,330</u></u>	<u><u>(15,538,642)</u></u>



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PARTICULARS

	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	472,705,637	531,018,904
b. Power Generation	90,498,590	89,368,079
c. Others – Unallocated	14,998,841	14,690,856
Total	578,203,068	635,077,839
Segment Liabilities		
a. Speciality Chemicals	173,826,097	204,442,813
b. Power Generation	NIL	NIL
c. Others – Unallocated	68,187,037	96,978,423
Total	242,013,134	301,421,236
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets – Capital Advances	199,498 NIL	1,000,911 NIL
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	199,498	1,000,911
Depreciation during the year		
a. Speciality Chemicals	14,246,883	14,743,542
b. Power Generation	5,608,536	5,590,382
c. Others – Unallocated	NIL	NIL
Total	19,855,419	20,333,924

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

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

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

Particulars	Subsidiary Companies		Associate		Key Managerial Personal		Subsidiary of Associate [As in 3 of Note 31.2 below]	
	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Remuneration	NIL	NIL	NIL	NIL	**1,971,206	*2,464,160 **290,018	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/ Packing materials	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sales	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	NIL	NIL	NIL	80,280
Dividend paid	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transaction on behalf:								
Cenvat Credit Paid for	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cenvat Credit Availed for	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Reimbursed to	NIL	NIL	NIL	15,000	NIL	NIL	NIL	NIL
Expenses Recovered from	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advance given to	1,679,305	21,591,362	NIL	NIL	NIL	NIL	NIL	NIL
Investment in shares of	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date								
Amounts due from	98,986,427	97,307,122	NIL	NIL	NIL	NIL	NIL	NIL
Amounts due to	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

31.2 Relationships:

Sr.No.	Relation	Name of Related Party
1	Associate	Alkyl Amines and Chemicals Limited.
2	Key Management Personnel	Executive Director - *Mr. Girish .R. Satarkar (Upto February 6, 2015 **Mr.G.S.Venkatachalam (From February 7, 2015)
3	Enterprise over which key management personnel exercises significant influence	None
4	Entity over which Associate exercises significant influence - Subsidiary of Associate	Alkyl Speciality Chemicals Limited
5	Subsidiary	Diamines Speciality Chemicals Limited

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

Particulars	As At	
	March 31, 2016	March 31, 2015
	₹	₹
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year	(a) 2,533,330	(15,538,642)
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares	(b) 9,783,240	9,783,240
Basic and Diluted Earnings per Share	[(a)/ (b)] 0.26	(1.59)
Face value per Share	10	10

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

Particulars	As At	Additions	Paid/reversed	As At
	April 1, 2015	during the	during the	March 31, 2016
	₹	₹	₹	₹
Leave Encashment	1,589,259	578,027	359,243	1,808,043
	(1,752,605)	(828,679)	(992,025)	(1,589,259)
Gratuity	2,959,840	1,063,229	1,193,062	2,830,007
	(1,779,890)	(1,781,194)	(646,481)	(2,959,840)

Figures in brackets represent previous year's figures.

34. Consumption of Imported/ Indigenous Materials:

Particulars	For the Year ended		For the Year ended	
	March 31, 2016		March 31, 2015	
	Percentage	₹	Percentage	₹
Raw Materials				
Imported	98.33%	185,145,651	83.26%	177,462,222
Indigenous	1.67%	3,142,746	16.74%	35,666,617
TOTAL	100.00%	188,288,397	100.00%	213,128,839
Stores and Spares				
Imported	0.00%	NIL	0.00%	NIL
Indigenous	100.00%	3,175,757	100.00%	3,321,314
TOTAL	100.00%	3,175,757	100.00%	3,321,314



Diamines And Chemicals Limited

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Particulars	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
35. Value of imports calculated on CIF basis:		
Raw Materials	149,809,803	172,117,464
36. Expenditure in foreign currency:		
Traveling and Conveyance	NIL	NIL
Subscription	40,861	45,113
Total	40,861	45,113
37. Earnings in foreign currency :		
Export of goods on FOB basis	13,408,857	5,571,848

38. Financial and Other Derivative Instruments:

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

Particulars	Amount in USD		Amount In ₹	
	As At March 31, 2016	As At March 31, 2015	At March 31, 2016	As At March 31, 2015
Import Trade Payables	221,480	474,895	15,211,251	30,275,880

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

Particulars	Amount in USD		Amount In ₹	
	As At March 31, 2016	As At March 31, 2015	At March 31, 2016	As At March 31, 2015
Export Receivables	206,551.50	NIL	13,701,157	NIL

- 39.** In view of the inadequate profit for the current year, as per the provisions of the Income-tax Act, 1961, the Company is neither liable to tax as per the normal provisions nor liable under the provisions of Section 115JB and accordingly, no provision for tax is required to be made.
- 40.** The Board of Directors of the Company at their meeting held on September 29, 2015 approved the proposed scheme of arrangement under section 391 to 394 of the Companies Act, 1956 for amalgamation of Diamines Speciality Chemicals Limited, its wholly owned subsidiary, into the Company with effect from April 1, 2015, the appointed date ("the Proposed Scheme"). Pending submission and approval of the Proposed Scheme by the Hon'ble High Court of Ahmedabad, Gujarat and other statutory compliances, no effect of the Proposed Scheme has been given in the Financial Statements.
- 41.** The previous year's figures, wherever necessary, have been regrouped/ reclassified to conform to the current year's presentation.

As per our report of even date attached
For BANSI S. MEHTA & CO.
 Chartered Accountants
 Firm Registration No. 100991W
PARESH H. CLERK
 Partner
 Membership No. 36148
Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



Form AOC-I

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

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

Part "A": Subsidiaries

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

1. Sl. No.:	01
2. Name of the subsidiary:	Diamines Speciality Chemicals Ltd
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	NA
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. :	NA
5. Share capital:	500,000
6. Reserves & surplus:	(8,407,570)
7. Total assets:	9,10,92,597
8. Total Liabilities:	9,10,92,597
9. Investments:	—
10. Turnover:	—
11. Profit/(Loss) before taxation:	(50,316)
12. Provision for taxation:	—
13. Profit/(Loss) after taxation:	(50,316)
14. Proposed Dividend:	—
15. % of shareholding:	100%

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

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

For and on behalf of the Board of Directors

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

PLACE : Mumbai
DATE : 16.05.2016



Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of

Diamines and Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **DIAMINES AND CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law have been kept by the companies included in the Group, so far as it appears from the examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant financial statements adopted and related working statements maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, and our report as the auditor of its subsidiary, none of the directors of the companies in the Group is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on our report as the auditor of its subsidiary:
 - i. the consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group - Refer Note 28 to the consolidated financial statements;
 - ii. the companies in the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies in the Group during the year ended March 31, 2016.

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

PARESH H. CLERK
Partner
Membership No. 36148
Place : MUMBAI
Dated : May 16, 2016.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the consolidated financial statements for the year ended March 31, 2016.

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

We have audited the internal financial controls over financial reporting of **Diamines and Chemicals Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note")

Diamines And Chemicals Limited

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issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Place : MUMBAI

Dated : May 16, 2016.



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note		As at March 31, 2016	As at March 31, 2015
		₹	₹	₹
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	3	97,832,400		97,832,400
Reserves and Surplus	4	<u>229,949,962</u>		<u>227,466,950</u>
			327,782,362	325,299,350
Non-Current Liabilities				
Long-term Borrowings	5	35,388,693		68,187,037
Deferred Tax Liabilities (Net)	6	44,065,543		45,746,780
Long-term Provisions	7	<u>2,857,592</u>		<u>2,702,429</u>
			82,311,828	116,636,246
Current Liabilities				
Short-term Borrowings	8	87,400,477		104,592,818
Trade Payables				
Total Outstanding dues of Micro Enterprises and Small Enterprises	9.1	NIL		NIL
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	9	20,421,230		34,325,027
Other Current Liabilities	10	49,112,882		42,421,493
Short-term Provisions	11	<u>2,780,457</u>		<u>3,459,135</u>
			159,715,046	184,798,473
TOTAL			<u>569,809,237</u>	<u>626,734,069</u>
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	12	273,310,090		292,999,059
Capital Work-in-progress		<u>11,954,360</u>		<u>11,704,883</u>
		285,264,450		304,703,942
Non-current Investments	13	787,936		967,115
Long-term Loans and Advances	14	93,249,502		97,094,536
Other Non-current Assets	15	<u>NIL</u>		<u>NIL</u>
			379,301,889	402,765,593
Current Assets				
Inventories	16	91,794,572		120,911,792
Trade Receivables	17	73,809,470		77,915,039
Cash and Bank Balances	18	5,926,719		4,817,734
Short-term Loans and Advances	19	17,582,386		19,045,026
Other Current Assets	20	<u>1,394,201</u>		<u>1,278,885</u>
			190,507,348	223,968,476
TOTAL			<u>569,809,237</u>	<u>626,734,069</u>

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

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2016**

	Note	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Revenue From Operations	21	394,880,660	432,004,105
Less : Excise Duty on Sales		(39,117,130)	(41,074,714)
Revenue From Operations (Net)		355,763,530	390,929,391
Other Income	22	3,595,849	1,834,382
Total Revenue		359,359,379	392,763,773
Expenses			
Cost of Materials Consumed	23	197,995,960	223,476,914
Changes in Inventories of			
Finished Goods and Work-in-progress	24	18,117,801	15,897,088
Employee Benefits Expenses	25	36,388,333	35,555,023
Finance Costs	26	27,511,107	34,052,054
Depreciation, Amortisation and Impairment	12	19,855,418	20,333,924
Other Expenses	27	58,688,985	66,829,236
Total Expenses		358,557,604	396,144,239
Profit/(Loss) before Exceptional Items and Tax		801,775	(3,380,466)
Exceptional items		NIL	NIL
Profit/(Loss) before Tax		801,775	(3,380,466)
Tax Expense			
Current Tax	36	NIL	NIL
Deferred Tax		(1,681,236)	10,514,938
Current Tax Adjustments of Earlier Years		NIL	2,047,978
		(1,681,236)	12,562,916
Profit/(Loss) for the year		2,483,011	(15,943,382)
Earnings Per Equity Share of ₹ 10 Basic and Diluted (₹)	33	0.25	(1.63)
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-39		

As per our report of even date attached
For BANSI S. MEHTA & CO.
 Chartered Accountants
 Firm Registration No. 100991W
PARESH H. CLERK
 Partner
 Membership No. 36148
Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	801,776	(3,380,466)
Adjustments for :		
Finance Costs	27,511,107	34,052,054
Unrealised Loss on Foreign Exchange	(1,266,641)	(862,741)
Profit on Sale of Investments	(1,857,022)	NIL
Profit on Sale of Assets discarded	(1,627)	(98,059)
Depreciation	19,855,418	20,333,924
Interest Income	(1,142,725)	(1,077,081)
Provision no longer required and Accounts written back	(463,338)	(494,933)
Dividend Income	(75,565)	(75,565)
Operating Profit before Working Capital Changes	43,361,383	48,397,133
Adjustments for :		
Long-term Loans and Advances and Other Non-current Assets	4,332,198	(15,144,956)
Inventories	29,117,220	3,113,332
Trade Receivables and Short-term Loans and Advances	5,568,209	4,022,235
Other Current Assets	(115,316)	(438,992)
Long-term Provisions	155,163	1,217,474
Trade Payables, Other Current Liabilities and Short-term Provisions	(10,753,918)	(14,335,657)
Cash generated from Operations	71,664,939	26,830,568
Income-tax paid	(487,164)	(1,897,861)
Net Cash from Operating Activities	71,177,775	24,932,707
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(448,975)	(959,727)
Sale of Fixed Assets	35,021	666,796
Deposits held as Margin Money	(2,000,280)	4,210,565
Interest Income	1,142,725	1,077,081
Dividend Income	75,565	75,565
Net Cash from Investing Activities	840,256	5,070,280
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	NIL	50,000,000
Repayment of Long-term Borrowings	(28,205,881)	(32,130,678)
Increase/(Decrease) in Short-term Borrowings	(17,192,341)	(14,417,828)
Finance Costs Paid	(27,511,107)	(34,052,054)
Dividend Paid (Including Dividend Distribution Tax)	NIL	NIL
Net Cash from Financing Activities	(72,909,328)	(30,600,560)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(891,294)	(597,572)
Cash and Cash Equivalents at the Beginning of the Year	2,593,812	3,191,384
Cash and Cash Equivalents at the End of the Year	1,702,517	2,593,812
Components of Cash and Cash Equivalents		
Cash on hand	37,263	18,135
Other Bank Balances		
On Current Accounts	1,665,254	2,575,677
	1,702,517	2,593,812

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

As per our report of even date attached
For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation

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

1.2. Principles of Consolidation

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

The consolidated statements are prepared on the following basis:

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

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

1.3. USE OF ESTIMATES:

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

1.4. FIXED ASSETS AND DEPRECIATION / AMORTISATION:

i. Fixed Assets are stated at historical cost, net of CENVAT/value added tax less accumulated depreciation except Land and Buildings which were revalued. Costs include all costs incurred to bring the assets to their present location and condition.

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

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

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

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

1.5. INVESTMENTS:

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

1.6. INVENTORIES:

Inventories are valued as under:

i. Raw materials: At lower of cost and net realisable value on first-in-first out basis;

ii. Finished Goods and Process Stock: At lower of cost and net realisable value on first-in-first out basis;

iii. Fuel, Stores and Spares: At lower of cost and net realisable value on first-in-first out basis. By-products are valued at the net realisable value.

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

1.7. REVENUE RECOGNITION:

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

1.8. FOREIGN CURRENCY TRANSACTIONS:

- i. Transactions in foreign currencies are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii. Monetary items which are denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and profit/loss on translation thereon is credited/charged to the Statement of Profit and Loss.
Non-monetary items denominated in foreign currency which are carried at:
 - fair value / net realisable value are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - historical cost, are reported at the exchange rate prevalent at the date of transaction.
- iii. Exchange Differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed asset are recognised in the Statement of Profit and Loss.
- iv. In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract.
- v. As required by the Announcement of the Institute of Chartered Accountants of India on positions of derivatives, keeping in view the principle of prudence as per Accounting Standard 1 on “Disclosure of Accounting Policies”, outstanding forward contracts at the Balance Sheet date are reflected by marking them to market and accordingly, the resulting mark to market losses are provided in the Statement of Profit and Loss.

1.9. EMPLOYEE BENEFITS:

- i. **Defined Contribution Plan**
Contribution as per the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis. Therefore, any excess payment made will be considered as an advance and shortfall, if any, will be adjusted.
- ii. **Defined Benefit Plan**
Gratuity - In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (“Gratuity Plan”) covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee’s last drawn salary and the years of employment with the Group. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date carried out by an independent actuary. Actuarial gain or loss is recognised immediately in the statement of profit and loss as income or expense. The Group has an employee’s gratuity fund managed by the Life Insurance Corporation of India (“LIC”).
Compensated Absences - The Group provides for the encashment of absence or absence with pay based on policy of the Group in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

1.10. BORROWING COSTS:

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

1.11. SEGMENT REPORTING POLICIES:

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

segments is based on the geographical location of its customers.

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

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

1.12. TAXES ON INCOME:

- i. Income tax expense comprises of current tax and deferred tax charge/credit.
- ii. Provision for current tax is made on basis of the assessable income under the Income-tax Act, 1961.
- iii. Deferred tax is recognised, subject to consideration of prudence, on timing differences between taxable and accounting income which originates in one period and are capable of reversal in one or more subsequent periods (adjusted for reversals expected during tax holiday period). The tax effect is calculated on accumulated timing differences at the year end based on tax rates and laws enacted or substantially enacted as of the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such deferred tax assets. In other situations, deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realise such deferred tax assets. The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

1.13. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.14. IMPAIRMENT OF ASSETS:

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

2 2.1 Companies included in Consolidation

Name of Company	Subsidiary / Associate	Country of incorporation	% of holding	
			As At March 31, 2016	As At March 31, 2015
Diamines Speciality Chemicals Limited	Subsidiary	India	100.00	100.00

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



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
3. Share Capital		
Authorised		
17,500,000 (March 31, 2015: 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, 2015: 9,783,240) Equity Shares, of ₹ 10 par value	97,832,400	97,832,400
	<u>97,832,400</u>	<u>97,832,400</u>

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

	As At March 31, 2016		As At March 31, 2015	
	No. of shares	₹	No. of shares	₹
Equity shares, of ₹ 10 par value				
At the beginning	9,783,240	97,832,400	9,783,240	97,832,400
Changes during the year	NIL	NIL	NIL	NIL
At the end	<u>9,783,240</u>	<u>97,832,400</u>	9,783,240	97,832,400

3.2 Rights, preferences and restrictions

- i. The Company has only one class of shares referred to as equity shares having par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 16, 2016 has not recommended any dividend for the year ended March 31, 2016.

During the year ended March 31, 2015, no amount per share of dividend was distributed to equity shareholders and hence, no amount appropriation for the year ended March 31, 2015 was made on this account.

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

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

	As At March 31, 2016		As At March 31, 2015	
	No. of shares	%	No. of shares	%
Alkyl Amines Chemicals Limited	2,977,996	30.44	2,977,996	30.44
Mr. Amit Mehta	862,099	8.81	862,099	8.81
Perfochem (I) Private Limited	840,000	8.59	840,000	8.59
Mrs. Cherry Amit Mehta	695,178	7.11	695,178	7.11

Diamines And Chemicals Limited

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	As at		As at
	March 31, 2016	March 31, 2015	March 31, 2015
	₹	₹	₹
3.4 Shares allotted as fully paid up by way of Bonus Shares (during 5 years immediately preceding March 31, 2016)			
			No. of shares
Equity Shares allotted as fully paid up Bonus Shares during the year 2011-12 by capitalisation of the following amounts:			3,261,080
Capital Reserve			₹ 3,441,635
Capital Redemption Reserve			1,407,000
Securities Premium			18,857,360
General Reserve			8,904,805
			<u>32,610,800</u>
4. Reserves and Surplus			
Revaluation Reserve			
As per last Balance Sheet	28,800,648		29,621,276
Less: Provision for Impairment Loss (Refer Note 4.2)	NIL		69,573
Less: Transfer to the Statement of Profit and Loss (Refer Note 4.1)	NIL		NIL
Less: Transfer to General Reserve (Refer Note 4.1)	753,112		751,055
		28,047,536	<u>28,800,648</u>
General Reserve			
As per last Balance Sheet	50,958,876		52,092,444
Add: Transfer from Revaluation Reserve (Refer Note 4.1)	753,112		751,055
Less: Adjustment in terms of Schedule II of the Companies Act,2013 (Refer Note 12.1)	NIL		1,884,623
		51,711,988	<u>50,958,876</u>
Surplus in the Statement of Profit and Loss			
As per last Balance Sheet	147,707,426		163,650,808
Add: Net Profit after Tax transferred from Statement of Profit and Loss	2,483,012		(15,943,382)
Less: Appropriations			
Proposed Dividend	NIL		NIL
Tax on Dividend	NIL		NIL
		150,190,438	<u>147,707,426</u>
TOTAL		229,949,962	<u>227,466,950</u>

4.1 As per the Guidance Note on Accounting for Depreciation in the context of Schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India (ICAI), the amount of depreciation on the revaluation of Fixed Assets amounting to ₹ 753,112 (Previous Year ₹ 751,055) is withdrawn and transferred to General Reserve.

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



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	As at March 31, 2016 ₹	As at March 31, 2015 ₹
5. Long-term borrowings		
Term Loans (Refer Note 5.1)		
Secured		
From Banks	35,388,693	68,187,037
	35,388,693	68,187,037
5.1 Nature of Security and Terms of Repayment of Long-term Borrowings	As at	As at
Nature of Security	Rate of Interest	March 31, 2015
I. Loan from Banks:		
i. Term loans of ₹ 60,000,000 repayable in 24 equal quarterly instalments from May 1, 2009 and of ₹ 54,000,000 repayable in 19 equal quarterly instalments from January 30, 2012 are secured by way of first charge over the entire fixed assets, both, present and future, which are acquired out of bank finance, including equitable mortgage over Land (Windmill) at Nandurbar, Maharashtra and factory Land and Building.	Ranging from 12.40% p.a. to 14.65% p.a.	16,300,000
		2,700,000
ii. Term loans of ₹ 50,000,000 repayable in 16 quarterly instalments from March 31, 2015 and Term loan of ₹ 50,000,000 repayable in 42 monthly instalments from January 31, 2014 is secured by first charge by way of hypothecation over the entire current assets including stocks of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills /book-debts/ receivables and other current assets. Further, same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building (other than fixed assets and Land and Building at Dhule - Windmill).	Base Rate +4.60% p.a.	79,450,000
		65,250,000
iii. Vehicle Loan of ₹ 3,950,000 repayable in 60 monthly instalments from August 10, 2010 is secured against hypothecation of specified vehicle.	8.35% p.a.	317,519
		NIL
iv. Vehicle Loan of ₹ 459,000 repayable in 60 monthly instalments from July 15, 2013 is secured against hypothecation of specified vehicle.	10.75% p.a.	325,398
		237,037
		68,187,037
		96,392,917
Less : Current Maturities of Long-term debt (Refer Note 10)		28,205,880
		68,187,037
		35,388,693

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	As at March 31, 2016	As at March 31, 2015
	₹	₹
6. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	47,305,812	48,462,563
Deferred Tax Assets		
Provision for doubtful debts, loans and advances	717,166	717,166
Others	2,523,103	1,998,617
	<u>3,240,269</u>	<u>2,715,783</u>
Net deferred Tax (Assets)/ Liabilities	<u>44,065,543</u>	<u>45,746,780</u>
7. Long-term Provisions		
For Employee Benefits		
Gratuity	1,385,959	1,533,615
Leave Encashment	1,471,633	1,168,814
	<u>2,857,592</u>	<u>2,702,429</u>
8. Short-term Borrowings		
Loans repayable on demand (Refer Note 8.1)		
Secured		
From Banks	84,900,477	102,092,818
Deposits - Inter Corporate		
Unsecured		
From a Related Party (Refer Note 32)	NIL	NIL
Other Loans and Advances		
Unsecured		
Loan from a Director	2,500,000	2,500,000
	<u>87,400,477</u>	<u>104,592,818</u>
8.1 Working Capital facilities from a bank are secured by first charge by way of hypothecation over the entire current assets including stock of raw materials, Work-in-progress, finished goods, stores and spares, etc. bills/book-debts/receivables and other current assets. Further, the same are secured by way of second charge by way of hypothecation over the entire fixed assets acquired out of bank finance including equitable mortgage over Land and Building.		
9. Trade Payables		
Micro and Small Enterprises (Refer Note 9.1)	NIL	NIL
Others	20,421,230	34,325,027
	<u>20,421,230</u>	<u>34,325,027</u>
9.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act has not been given.		
10. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loans		
From Banks [Refer Note 5.1]	32,798,343	28,205,880
Interest accrued but not due on Borrowings	809,688	1,242,241
Unclaimed Dividends	1,293,985	1,414,141
Other Payables		
For Capital Expenses	NIL	NIL
Payable on Forward Contracts	519,873	551,823
Others (Refer Note 10.1)	13,690,993	11,007,408
	<u>14,210,866</u>	<u>11,559,231</u>
	<u>49,112,882</u>	<u>42,421,493</u>
10.1 Others above include Statutory Dues, Advance from Customers and other year-end provisions.		
11. Short Term Provisions		
For Employee Benefits		
Gratuity	1,444,047	1,426,225
Leave Encashment	336,410	420,445
	<u>1,780,457</u>	<u>1,846,670</u>
Other Provisions		
For Contingencies	1,000,000	1,000,000
For Wealth Tax	NIL	26,959
	<u>1,000,000</u>	<u>1,026,959</u>
Provision for Taxes	NIL	8,400,000
Less : Taxes paid	NIL	7,814,494
	<u>NIL</u>	<u>585,506</u>
	<u>2,780,457</u>	<u>3,459,135</u>

12. FIXED ASSETS

(Amounts in ₹)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION			NET BLOCK			
	As At April 01, 2015	During the Year Additions	For Sale / Adjustments	As At March 31, 2016	Upto March 31, 2015	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
Tangible Assets										
Land										
Freehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Leasehold Land	3,154,055	NIL	NIL	3,154,055	NIL	NIL	NIL	NIL	3,154,055	3,154,055
Buildings	23,585,328	NIL	NIL	23,585,328	4,258,465	NIL	327,576	4,586,041	18,999,287	19,326,864
	32,508,248	NIL	NIL	32,508,248	3,930,889	NIL	327,575	4,258,464	19,326,864	19,654,439
	32,389,543	118,705	NIL	32,508,248	17,916,357	709,256	770,542	18,690,411	13,817,837	14,591,891
Plant and Equipments	404,372,202	NIL	NIL	404,372,202	238,714,784	(Refer Note 12.2)	10,605,118	249,319,902	155,052,299	165,657,415
Wind Electric Generator	403,719,027	653,174	NIL	404,372,201	227,981,332	64,577	10,688,277	238,714,786	165,657,415	174,882,485
Furniture and Fixtures	148,502,975	NIL	NIL	148,502,975	68,461,890	NIL	5,608,536	74,070,426	74,432,549	80,041,085
Office Equipments	17,274,929	NIL	NIL	17,274,929	62,832,316	NIL	5,629,574	68,461,890	80,041,085	85,670,659
Vehicles	5,466,759	48,027	NIL	5,514,786	15,390,394	325,289	186,746	15,577,140	1,697,789	1,884,535
Server	12,535,242	104,315	NIL	12,639,557	14,879,934	185,171	1,584,918	15,390,394	1,884,535	2,346,967
Computer	1,131,894	NIL	NIL	1,131,894	6,749,043	191,901	446,918	7,152,924	677,602	925,022
	5,167,475	NIL	NIL	5,167,475	6,196,430	129,902	1,584,388	7,152,924	4721,377	6,338,811
	5,090,786	76,690	NIL	5,167,476	5,283,186	362,391	1,580,041	6,715,576	416,318	8,090,695
					538,742	NIL	538,742	538,742	593,152	875,236
					4,681,249	NIL	145,248	4,826,497	340,978	486,229
					2,944,577	NIL	395,599	4,681,247	486,229	2,894,983
Current year	653,699,106	199,498	660,941	653,237,663	360,700,049	NIL	19,855,418	379,927,573	273,310,090	292,999,059
Previous year	653,536,834	1,000,911	838,639	653,699,106	338,400,927	2,761,899	20,333,924	360,700,048	292,999,059	315,139,904
Capital Work in progress	11,704,883	309,417	59,940	11,954,360	NIL	NIL	NIL	NIL	11,954,360	11,704,883
Current year	11,746,067	438,398	479,582	11,704,883	NIL	NIL	NIL	NIL	11,704,883	11,746,067
Previous year	11,704,883	309,417	59,940	11,954,360	NIL	NIL	NIL	NIL	11,954,360	11,704,883

12.1 For the year ended March 31, 2015 - Effective from April 1, 2014, the Company has provided depreciation on its tangible fixed assets as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. Accordingly, in respect of the tangible fixed assets as on April 1, 2014, the carrying amount, net of residual value, has been depreciated over the remaining useful life as on that date. As a result, the charge for depreciation for the year ended March 31, 2015 is lower by ₹ 4,987,720. In cases, where the remaining useful life has been completed as on April 1, 2014, the carrying amount of assets after retaining residual value amounting to ₹ 1,684,623 (net of deferred tax credit of ₹ 807,696) has been adjusted against the opening balance of General Reserve.

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

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

(Amounts in ₹)

DESCRIPTION	GROSS BLOCK (At Cost / As Revalued)			DEPRECIATION AND AMORTISATION			NET BLOCK			
	As At April 01, 2015	During the Year Additions	For Sale / Adjustments	As At March 31, 2016	Upto March 31, 2015	Adjustment to Retained Earnings/ Impairment Loss	For the Year	Upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
Tangible Assets										
Buildings	51,221	NIL	NIL	51,221	3,016	NIL	809	3,825	47,396	48,205
Plant and Equipments	51,221	NIL	NIL	51,221	2,206	NIL	810	3,016	48,205	49,015
	3,576,793	NIL	NIL	3,576,793	1,459,804	NIL	314,256	1,774,061	1,802,732	2,116,989
	3,535,609	105,759	64,575	3,576,793	1,082,339	NIL	377,465	1,459,805	2,116,988	2,453,270
Current year	3,628,014	NIL	NIL	3,628,014	1,462,820	NIL	315,065	1,777,886	1,850,128	2,165,193
Previous year	3,586,830	105,759	64,575	3,628,014	1,084,545	NIL	378,275	1,462,821	2,165,193	2,502,285

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

12.5 Based on the policy of Component Accounting adopted by the Company with effect from April 1, 2015, there is reduction of ₹ 110,648 on depreciation for the year.

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

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	As at March 31, 2016		As at March 31, 2015	
	₹	₹	₹	₹
13. Non-current Investments				
Long-term Investments - valued at cost less provision for diminution in value other than temporary				
Other Investments (Non-trade)				
In Equity Instruments of Other Companies				
Quoted				
Sintex Industries Limited				
87,950 (March 31, 2015: 107,950) Equity Shares of ₹ 1 par value of Sintex Industries Limited		787,936		967,115
		<u>787,936</u>		<u>967,115</u>
	Cost	Market Value	Cost	Market value
Aggregated amount of Quoted Investments	787,936	6,780,945	967,115	13,045,758
14. Long-term Loans and Advances				
Unsecured and considered good				
Capital Advances	78,784,480			77,354,652
Security Deposits	<u>337,192</u>			<u>6,174,111</u>
		79,121,672		83,528,763
Other Loans and Advances (Refer Note 14.1)				
Advances recoverable in cash or in kind for value to be received				
Considered Good		416,925		342,032
Taxes Paid	36,499,986			27,612,822
Less: Provision for Taxes	<u>22,789,081</u>			<u>14,389,081</u>
		13,710,905		13,223,741
		<u>93,249,502</u>		<u>97,094,536</u>
14.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Sales tax set off receivable and Prepaid expenses.				
15. Other Non-current Assets				
Trade Receivables				
Considered Doubtful				
Outstanding for a period exceeding six months from the date they are due for payment	2,320,925			2,320,925
Less: Provision for Bad and Doubtful Debts	<u>2,320,925</u>			<u>2,320,925</u>
		NIL		NIL
		<u>NIL</u>		<u>NIL</u>
16. Inventories				
Raw Materials		31,699,993		27,808,733
Raw Materials - Goods-in-transit		3,817,630		20,085,927
Work-in-progress		18,603,606		34,667,724
Finished Goods		32,999,691		34,446,900
Finished Goods - Goods-in-transit		570,570		NIL
Fuel		1,297,294		1,240,009
Stores and Spares		2,805,788		2,662,499
		<u>91,794,572</u>		<u>120,911,792</u>



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	As at March 31, 2016 ₹	As at March 31, 2015 ₹
16.1 Details of Inventories :		
a. Work-in-Progress		
Ethylene Amines	14,612,453	31,726,204
Other Products	3,991,153	2,941,520
	18,603,606	34,667,724
b. Finished Goods		
Ethylene Amines	27,843,003	32,672,367
Other Products	5,727,258	1,774,533
	33,570,261	34,446,900
17. Trade Receivables		
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they are due for payment	NIL	58,127
Others	73,809,470	77,856,912
	73,809,470	77,915,039
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	37,263	18,135
Balances with Banks		
- On Current Accounts	1,665,254	2,575,677
Other Bank Balances		
- On Fixed Deposit Accounts	4,224,202	2,223,922
With maturity within 12 months from the Balance Sheet date (Held as margin money)		
	5,926,719	4,817,734
19. Short term Loans and Advances		
Unsecured and considered good		
Other Loans and Advances (Refer Note 19.1)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	5,125,172	5,855,702
Balance with Central Excise and Customs	12,457,214	13,189,323
	17,582,386	19,045,026
19.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Advances to Suppliers, Prepaid expenses and Advances to Employees.		
20. Other Current Assets		
Interest Receivable on Bank/ Security Deposit	1,243,562	738,847
Deferred Premium on Forward Contracts	150,639	540,038
	1,394,201	1,278,885

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	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	₹	₹
21. Revenue From Operations		
Sale of products		
Manufactured Goods	379,948,712	416,786,166
Windmill Power Generated	<u>14,128,382</u>	<u>14,504,225</u>
	394,077,094	431,290,391
Other Operating Revenues		
Duty Drawback	369,642	171,072
Sale of Scrap	<u>433,924</u>	<u>542,642</u>
	394,880,660	432,004,105
Less: Excise Duty on Sales	<u>(39,117,130)</u>	<u>(41,074,714)</u>
	<u>355,763,530</u>	<u>390,929,391</u>
21.1 Details of Products Sold		
Sale of Manufactured Goods		
Ethylene Amines	378,726,997	389,787,347
Other Products	<u>1,221,715</u>	<u>26,998,819</u>
	<u>379,948,712</u>	<u>416,786,166</u>
22. Other Income		
Interest on Margin Money	1,142,725	1,077,081
Dividend from Long-term Investment	75,565	75,565
Accounts Written Back	463,338	494,933
Profit on Sale of Long Term Investments	1,857,022	NIL
Miscellaneous Income	<u>57,199</u>	<u>186,803</u>
	<u>3,595,849</u>	<u>1,834,382</u>
23. Cost of Materials Consumed		
Raw Materials		
Opening Stock of Raw Materials	47,417,913	33,134,907
Add : Purchases	176,004,107	227,411,845
Less : Closing Stock of Raw Materials	<u>35,133,623</u>	<u>47,417,913</u>
	188,288,397	213,128,839
Packing Materials		
Opening Stock of Packing Materials	476,747	435,091
Add : Purchases	9,614,816	10,389,731
Less : Closing Stock of Packing Materials	<u>384,000</u>	<u>476,747</u>
	9,707,563	10,348,075
	<u>197,995,960</u>	<u>223,476,914</u>
23.1 Details of Raw Materials Consumed		
Ethylene Amines Feed Stock	185,145,651	177,462,222
Others	<u>3,142,746</u>	<u>35,666,617</u>
	<u>188,288,397</u>	<u>213,128,839</u>



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	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	₹	₹
24. Changes in Inventories of Finished Goods and Work-in-progress		
Stocks at the end		
Finished Goods	33,570,261	34,446,900
Work-in-progress	18,603,606	34,667,724
	52,173,867	69,114,624
Less: Stocks at the beginning		
Finished Goods	34,446,900	39,539,993
Work-in-progress	34,667,724	46,587,509
	69,114,624	86,127,502
	(16,940,757)	(17,012,878)
Excise Duty Provision on Finished Goods		
Closing Stock	6,454,307	5,277,263
Less : Opening Stock	5,277,263	6,393,053
	1,177,044	(1,115,790)
	18,117,801	15,897,088
25. Employee Benefit Expenses		
Salaries, Wages and Bonus (Refer Note 27.2)	27,874,416	25,968,992
Contributions to Provident and Other Funds (Refer Note 27.2)	2,477,316	2,644,315
Gratuity Expenses	1,031,095	1,781,194
Staff Welfare Expenses	5,005,506	5,160,522
	36,388,333	35,555,023
26. Finance Costs		
Interest Expense		
On Borrowings	25,339,915	30,478,610
On Others	133,761	1,162,455
	25,473,676	31,641,065
Other Borrowing Costs		
Processing Fees	795,375	681,800
Other Finance Charges	1,242,056	1,729,189
	27,511,107	34,052,054

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	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	₹	₹
27. Other Expenses		
Stores and Spares Consumed (Refer Note 27.2)	3,175,757	3,321,314
Power and Fuel	25,948,913	29,528,064
Repairs and Maintenance		
Building	258,723	642,698
Machinery (Refer Note 27.1)	5,166,552	5,187,962
Others	568,580	527,583
	<u>5,993,855</u>	<u>6,358,243</u>
Insurance	2,337,615	2,496,347
Rates and Taxes (Refer Note 27.1)	353,689	407,563
Job Work Charges	171,150	90,500
Travelling and Conveyance	2,306,488	2,054,809
Directors' Sitting Fees	1,036,500	1,216,500
Commission to Directors	46,000	NIL
Legal and Professional Charges	3,175,382	3,156,203
Foreign Exchange Loss (Net)	1,755,282	3,692,117
Auditors' Remuneration		
Audit Fees	326,335	313,483
Tax Audit Fees	140,000	140,000
Certification Work	245,851	225,500
	<u>712,186</u>	<u>678,983</u>
Delay charges for the payment for allotment of Land	NIL	368,920
Miscellaneous Expenses	11,676,168	13,459,673
	<u>58,688,985</u>	<u>66,829,236</u>
27.1 Other Expenses include expenses incurred on		
Windmill Power generation as under:		
Repairs and Maintenance - Machinery	4,377,637	3,965,357
Rates and Taxes	92,320	62,709
	<u>4,469,957</u>	<u>4,028,066</u>
27.2 Expenses incurred on Research and Development during		
the year are included in the Statement of Profit and Loss as under:		
Employee Benefit Expenses (In Note 25)		
Salaries, Wages and Bonus	523,353	1,055,917
Contributions to Provident and Other Funds	48,377	136,461
	<u>571,730</u>	<u>1,192,378</u>
Cost of Materials Consumed (In Note 23)	176,276	250,286
Depreciation (In Note 12)	315,065	378,275
Other Expenses (In Note 27)		
Stores and Spares Consumed	598,094	430,861
	<u>1,661,165</u>	<u>2,251,800</u>



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28. Contingent Liabilities and Commitments :

	As At March 31, 2016 ₹	As At March 31, 2015 ₹
28.1 Contingent Liabilities (to the extent not provided for):		
i. Claims against the Company not acknowledged as debts	630,000	1,546,000
ii. Guarantees issued by the bankers on behalf of the Company	5,046,934	1,046,934
iii. In respect of the various advance licenses issued to the Company for the purposes of fulfilling the export and other related customs formalities, the Company has filed appeals and matters are pending before the Directorate General of Foreign trade (DGFT)	5,364,604	5,364,604
iv. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [(Net Of Provisions of Contingencies of ₹ 1,000,000 (March 31, 2015 : ₹ 1,000,000)]	2,900,000	2,750,000
v. Matters under disputes/appeals :		
a. Income-tax	24,217,990	16,917,700
b. Service Tax/ Excise	11,843,151	11,843,151
28.2 Commitments :		
i. Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
Less : Advances	NIL	NIL
Net Estimated Amount	NIL	NIL
ii. Other Commitments	NIL	NIL

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

Diamines And Chemicals Limited

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Leave Encashment	
	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
	₹	₹	₹	₹
Obligation at period beginning	10,533,524	9,645,699	1,589,259	1,752,605
Current Service cost	477,744	521,514	130,326	124,546
Interest cost	832,148	901,873	125,551	163,869
Actuarial (gain) / loss	341,242	1,074,722	322,150	540,264
Benefits paid	(1,450,271)	(1,610,284)	(359,243)	(992,025)
Obligations at the year end	10,734,387	10,533,524	1,808,043	1,589,259
Change in plan assets				
Plan assets at period beginning, at fair value	7,573,684	7,865,809	NIL	NIL
Expected return on plan assets	598,321	684,325	NIL	NIL
Actuarial gain / (loss)	(10,416)	32,590	NIL	NIL
Contributions	1,133,408	601,244	NIL	NIL
Benefits paid	(1,390,617)	(1,610,284)	(359,243)	(992,025)
Plan assets at the year end, at fair value	7,904,380	7,573,684	(359,243)	(992,025)
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	7,904,380	7,573,684	NIL	NIL
Present value of the defined benefit obligations at the end of the year	10,734,387	10,533,524	1,808,043	1,589,259
Liability/(Asset) recognized in the Balance Sheet (Note 7 and Note 11)	2,830,007	2,959,840	1,808,043	1,589,259
Cost for the year				
Current service cost	477,744	521,514	130,326	124,546
Interest cost	832,148	901,873	125,551	163,869
Expected return on plan assets	(598,321)	(684,325)	Nil	Nil
Actuarial (gain) / loss	351,658	1,042,132	322,150	540,264
Net Cost recognized in the Statement of Profit and Loss (Note 25)	1,063,229	1,781,194	578,027	828,679
Category of assets				
Insurer managed funds	7,904,380	7,573,684	N.A.	N.A.
Total	7,904,380	7,573,684	N.A.	N.A.
Assumptions used to determine the benefit obligations :				
Interest rate	7.81%	7.90%	7.81%	7.90%
Estimated rate of return on plan assets	7.81%	7.90%	N.A.	N.A.
Expected rate of increase in salary	4.50%	4.50%	4.50%	4.50%
Actual return on plan assets	587,905	716,915	N.A.	N.A.

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

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Experience adjustment					
On plan liability (gain)/ loss (*)	307,374	547,453	547,608	427,149	675,611
On plan assets gain/ (loss) (*)	(10,416)	32,590	(11,010)	38,192	44,696
Present value of benefit obligation	10,734,387	10,533,524	9,645,699	9,487,610	7,907,512
Fair value of plan assets	7,904,380	7,573,684	7,865,809	7,833,253	6,825,597
Excess of obligation over plan assets (net)	2,830,007	2,959,840	1,779,890	1,654,357	1,081,915

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

The expected contribution is based on the same assumptions used to measure the Company's Gratuity obligations as at March 31, 2016. The Company is expected to contribute ₹ 1,444,047 for the year ended March 31, 2017.

31. Segment Reporting :

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

PARTICULARS	For the Year ended March 31,	
	2016	2015
	₹	₹
A. Segment Revenue (Sales/Services to external customers) :		
a. Speciality Chemicals	380,752,278	417,499,880
Less: Excise Duty on Sales	39,117,130	41,074,714
	341,635,148	376,425,166
Add: Other Income	520,537	681,736
	342,155,685	377,106,902
b. Power Generation		
Total Power generated	18,237,428	18,658,922
Less: Captive Power used for Speciality Chemicals	4,109,046	4,154,697
Net as per the Statement of Profit and Loss	14,128,382	14,504,225
Total REVENUE	356,284,067	391,611,127
B. Segment Results :		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals [Excluding charge for Captive Power consumed of ₹ 4,109,046 (Previous Year ₹ 4,154,697)]	18,064,695	21,539,934
b. Power Generation		
Total	7,912,416	8,496,789
Less: Of Captive Power	1,694,471	1,712,270
Net as per the Statement of Profit and Loss	6,217,945	6,784,519
Total	24,282,640	28,324,453
Add: Interest Income	1,142,725	1,077,081
Add: Other Non-allocated Income		
Profit on Sale of Investments	1,857,022	NIL
Dividend	75,565	75,565
	3,075,312	1,152,646
Less: a. Interest Expense	25,473,676	31,641,065
b. Others Unallocated Expenses	1,082,500	1,216,500
c. Exceptional Items	NIL	NIL
	(26,556,176)	(32,857,565)
Profit/(Loss) before Tax	801,776	(3,380,466)
Current Tax	NIL	NIL
Deferred Tax	(1,681,236)	10,514,938
Current Tax Adjustments of Earlier Years	NIL	2,047,978
	(1,681,236)	12,562,916
Profit/(Loss) after Tax	2,483,012	(15,943,382)

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PARTICULARS	For the Year	For the Year
	ended March 31, 2016 ₹	ended March 31, 2015 ₹
C. Other Information :		
Segment Assets		
a. Speciality Chemicals	521,736,638	523,175,134
b. Power Generation	90,498,590	89,368,079
c. Others – Unallocated	14,498,841	14,190,856
Total	626,734,069	626,734,069
Segment Liabilities		
a. Speciality Chemicals	173,839,837	204,456,296
b. Power Generation	NIL	NIL
c. Others – Unallocated	68,187,037	96,978,423
Total	242,026,874	301,434,719
Capital Expenditure during the year		
a. Speciality Chemicals – Tangible Fixed Assets	199,498	1,000,911
– Capital Advances	1,429,828	19,916,055
b. Power Generation	NIL	NIL
c. Others – Unallocated	NIL	NIL
Total	1,629,326	20,916,966
Depreciation during the year		
a. Speciality Chemicals	14,246,883	14,743,542
b. Power Generation	5,608,535	5,590,382
c. Others – Unallocated	NIL	NIL
Total	19,855,418	20,333,924

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

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

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

Particulars	Associate		Key Managerial Personal		Subsidiary of Associate [As in 3 of Note 32.2 below]	
	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
Remuneration	NIL	NIL	**1,971,206	*2,464,160 **290,018	NIL	NIL
Technical Consultancy	NIL	NIL	NIL	NIL	NIL	NIL
Purchases of Raw/Packing materials	NIL	NIL	NIL	NIL	NIL	NIL
Sales	NIL	NIL	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL	NIL	80,280
Dividend paid	NIL	NIL	NIL	NIL	NIL	NIL
Transaction on behalf:						
Cenvat Credit Paid for	NIL	NIL	NIL	NIL	NIL	NIL
Cenvat Credit Availed for	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Reimbursed to	NIL	15,000	NIL	NIL	NIL	NIL
Expenses Recovered from	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding at Balance Sheet Date						
Amounts due from	NIL	NIL	NIL	NIL	NIL	NIL
Amounts due to	NIL	NIL	NIL	NIL	NIL	NIL

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

Sr.No.	Relation	Name of Related Party
1	Associate	Alkyl Amines and Chemicals Limited.
2	Key Management Personnel	<u>Executive Director</u> –*Mr. Girish .R. Satarkar (Upto February 6, 2015 **Mr.G.S.Venkatachalam (From February 7, 2015)
3	Entity over which Associate exercises significant influence - Subsidiary of Associate	Alkyl Speciality Chemicals Limited

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

Particulars	As At	
	March 31, 2016	March 31, 2015
	₹	₹
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year (a)	2,483,011	(15,943,382)
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares (b)	9,783,240	9,783,240
Basic and Diluted Earnings per Share [(a)/ (b)]	0.25	(1.63)
Face value per Share	10	10

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

Particulars	As At April 1, 2015	Additions during the year	Paid/reversed during the year	As At March 31, 2016
	₹	₹	₹	₹
Leave Encashment	1,589,259 (1,752,605)	578,027 (828,679)	359,243 (992,025)	1,808,043 (1,589,259)
Gratuity	2,959,840 (1,779,890)	1,063,229 (1,781,194)	1,193,062 (646,481)	2,830,007 (2,959,840)

Figures in brackets represent previous year’s figures.

35. Financial and Other Derivative Instruments:

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

Particulars	Amount in USD		Amount In ₹	
	As At March 31, 2016	As At March 31, 2015	At March 31, 2016	As At March 31, 2015
Import Trade Payables	221,480	474,895	15,211,251	30,275,880

Diamines And Chemicals Limited

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

Particulars	Amount in USD		Amount In ₹	
	As At March 31, 2016	As At March 31, 2015	At March 31, 2016	As At March 31, 2015
Export Receivables	206,551.50	NIL	13,701,157	NIL

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

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

Name of the entities in the Consolidated Financial Statements	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount in ₹	As % of Consolidated Profit or Loss	Amount in ₹
Parent Company: Diamines And Chemicals Limited	72.21% (72.50%)	236,703,506 (235,849,481)	102.03% (-97.46%)	2,533,330 (-15,538,642)
Indian Subsidiary Company: Diamines Speciality Chemicals Limited	27.80% (27.50%)	91,078,857 (89,449,869)	2.03% (2.54%)	(50,316) (-404,740)
Current Year Total	100.00%	327,782,361	100.00%	2,483,011
Previous Year Total	100.00%	325,299,350	100.00%	(15,943,382)
Minority interest in the Subsidiary:				
Current Year Total	NIL	NIL	NIL	NIL
Previous Year Total	NIL	NIL	NIL	NIL

Figures in brackets represent previous year's figures.

38. The Board of Directors of the Company at their meeting held on September 29, 2015 approved the proposed scheme of arrangement under section 391 to 394 of the Companies Act, 1956 for amalgamation of Diamines Speciality Chemicals Limited, its wholly owned subsidiary, into the Company with effect from April 1, 2015, the appointed date ("the Proposed Scheme"). Pending submission and approval of the Proposed Scheme by the Hon'ble High Court of Ahmedabad, Gujarat and other statutory compliances, no effect of the Proposed Scheme has been given in the CFS.

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

As per our report of even date attached

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

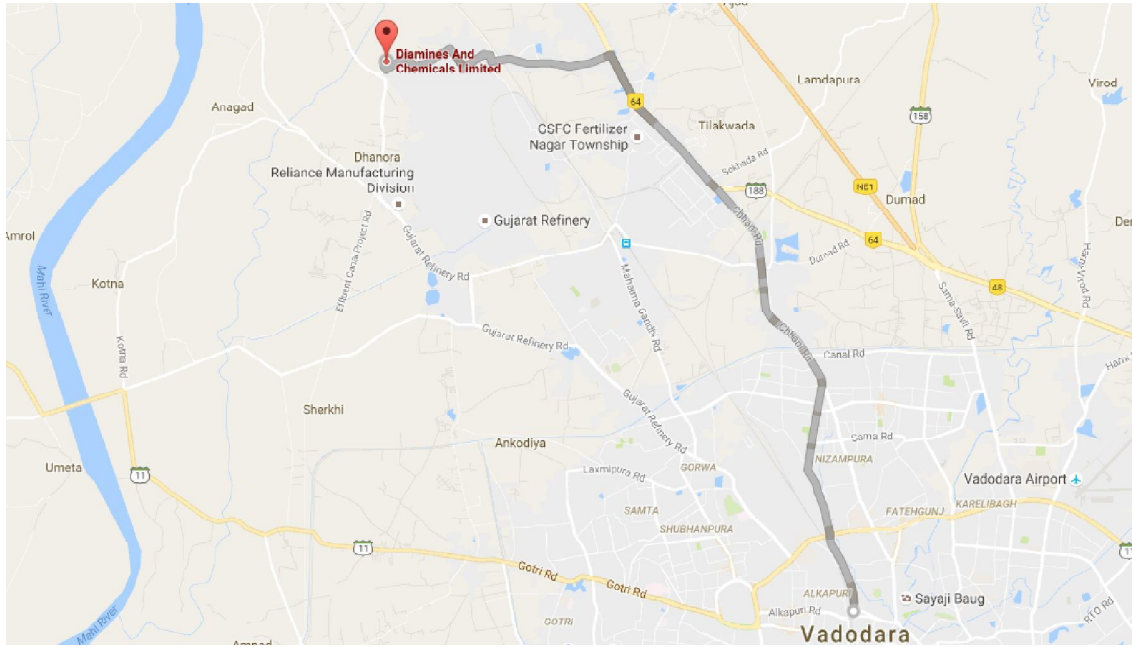
Membership No. 36148

Mumbai, Dated : May 16, 2016.

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

Mumbai, Dated : May 16, 2016

AGM Venue



Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905

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

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

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

I/We hereby record my/our presence at the 40th Annual General Meeting held at Plot No.13, PCC Area,P.O. Petrochemicals, Vadodara –391 346 at 12:00 Noon on Monday, the 19th September, 2016.

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

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

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

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

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

Name of Member (s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

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

- 1) Name: _____
Address: _____

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

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

E-mail Id: _____
Signature: _____,



.....
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th (Fortieth) Annual General Meeting of the Company, to be held on the 19th day of September, 2016 at 12:00 Noon at Registered office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- 1) To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2016 including the Audited Balance sheet as at March 31, 2016, the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr.Kirat Patel (DIN: 00019239)who retires by rotation and being eligible, offers himself for re-appointment.
- 3) Ratification of Appointment of M/s Bansi S Mehta & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
- 4) To pay Commission to the Directors of the company, in accordance with the provision of section 197 of the Act.
- 5) Revision in remuneration of Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898), Executive Director of the Company.

Sign this _____ day of _____ 2016

Signature of Shareholder: _____

Signature of proxy holder (s): _____

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

— — — — —
| Affix
| Revenue
| Stamp
| — — — — —

Diamines And Chemicals Limited

CIN NO:L24110GJ1976PLC002905



Form No: MGT-12
POLLING PAPER

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

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

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

BALLOT PAPER

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

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

No.	Item	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2016 including the Audited Balance sheet as at March 31, 2016, the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.			
2	To appoint a Director in place of Mr. Kirat Patel (DIN: 00019239),who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ratification of Appointment of M/s Bansi S Mehta & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.			
4	To pay Commission to the Directors of the company, in accordance with the provision of section 197 of the Act.			
5	Revision in remuneration of Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898), Executive Director of the Company			

Place:

Date:

 (Signature of Shareholder)

To

If undelivered, please return to



Diamines and Chemicals Limited

Regd Office :

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

 **Pratiksha**
98252 62512