

BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D.I.SHAH Y.A.THAR
A.A.DESAI P.H.CLERK
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INDEPENDENT AUDITORS' REPORT

To the Members of **Diamines Speciality Chemicals Limited (Formerly known as Diamines Speciality Chemicals Private Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of **Diamines Speciality Chemicals Limited (Formerly known as Diamines Speciality Chemicals Private 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 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements.

Opinion

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

Emphasis of Matter

We draw attention to Note 14 to the financial statements regarding the preparation thereon on a going concern basis, though the Board of Directors of the Company at their meeting held on September 29, 2015 approved the Scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956 for the amalgamation of the Company into Diamines and Chemicals Limited, its holding company, with effect from April 1, 2015, the appointed date ("the Scheme"), which is pending for approval by the Hon'ble High Court of Ahmedabad, Gujarat and other statutory compliances and no effect of the Scheme has been given in the financial statements of the Company as the Company would be able to realise its assets and discharge its liabilities in the normal course of business.

Our opinion is not qualified in respect of this matter.

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 purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under 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 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 does not have any pending litigation as at March 31, 2016 which would affect its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company 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
Date: 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 financial statements for the year ended March 31, 2016

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

We have audited the internal financial controls over financial reporting of **Diamines Speciality Chemicals Limited (Formerly known as Diamines Speciality Chemicals Private Limited)** ("the Company") as of March, 31, 2016 in conjunction with our audit of the 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 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 the 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. In view of pending submission and approval of the Scheme by the Hon'ble High Court of Ahmedabad, Gujarat and other statutory compliances, the Financial Statements of the Company have been prepared on a going concern basis (Refer note 14), which is also considered in evaluating inherent limitation on Internal Financial Control over Financial Reporting and as the limitation in consideration of such controls operating as at the Balance Sheet date for future operation of the Company.

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
Date: May 16, 2016

ANNEXURE B TO 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 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 Speciality Chemicals Limited (Formerly known as Diamines Speciality Chemicals Private Limited) ("the Company")

- i. a. The Company has land acquired from the Gujarat Industrial Development Corporation ("GIDC") as its only fixed asset, for which it has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The above referred to land [though in the possession of Diamines and Chemicals Limited ("DACL"), the holding company] is the only fixed asset of the Company which has been physically verified by the management during the year, which, in our opinion, provides for physical verification of fixed asset at reasonable interval. According to the information and explanation given to us, 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, only allotment letter and no other title deed for the aforesaid land is available with the Company. The land was allotted in the name of DACL, the holding company, and the application has been made to GIDC for the transfer of land in the name of the Company. DACL has possession of the land which it continues to hold on behalf of the Company. Land is reflected as Capital work-in-progress at ₹ 11,954,360 (refer Note 7 to the Financial Statements) and the amount paid for the land is reflected as Capital Advances of ₹ 78,784,480 (refer Note 9 to the Financial Statements).
- ii. The Company has yet to set up and start its manufacturing activities and hence, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee or provided any security in connection with a loan or acquired securities of any other body corporate. Accordingly, paragraph 3(iv) of the Order is not applicable.

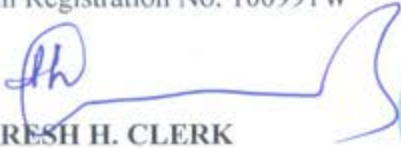


- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3 (v) of the Order to comment on compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.
- vi. The Company has not started its manufacturing activities and hence, at present, it is not required to maintain cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 (1) of the Act. Accordingly, paragraph 3(vi) is not applicable.
- vii. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed Statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, Value added tax, Cess and other material Statutory dues applicable to it and there were no arrears of such Statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no 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.
- viii. According to the information and explanations given to us and records of the Company examined by us, the Company has not defaulted in repayment of dues, if any, to a financial institution, bank or debenture holders.
- ix. According to the information and explanations given to us, 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. In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration to any of its directors. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, wherever applicable, and 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 based on our examination of the records of the Company, 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
Date: May 16, 2016



DIAMINES SPECIALITY CHEMICALS LIMITED
(Formerly known as DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED)
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	500,000		500,000
Reserves and Surplus	3	(8,407,570)	(7,907,570)	(8,357,254)
				(7,857,254)
Non-current liabilities				
Long-term Borrowings	4		98,986,427	97,307,122
Current liabilities				
Trade Payables				
Total Outstanding dues of Micro Enterprises and Small Enterprises	5.1	NIL		NIL
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	5	NIL		NIL
Other Current Liabilities	6	13,740	13,740	13,483
				13,483
TOTAL			91,092,597	89,463,351
ASSETS				
Non-current Assets				
Fixed Assets				
Capital Work-in-progress	7	11,954,360		11,704,883
Deferred Tax Asset (Net)	8	NIL		NIL
Long-term Loans and Advances	9	78,784,480	90,738,840	77,354,652
				89,059,535
Current Assets				
Cash and Cash Equivalents	10		353,757	403,816
TOTAL			91,092,597	89,463,351
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1 - 19			

As per our Report of even date attached

For and on behalf of the Board of Directors

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


PARESH H. CLERK
Partner
Membership No. 36148



PLACE : MUMBAI
DATED : May 16, 2016



YOGESH KOTHARI
Chairman



AMIT MEHTA
Vice Chairman


RAJENDRA CHHABRA
Director

PLACE : MUMBAI
DATED : May 16, 2016

DIAMINES SPECIALITY CHEMICALS LIMITED
 (Formerly known as DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED)
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	NIL	NIL
Less: Excise Duty on Sales	NIL	NIL
Revenue from Operations (Net)	NIL	NIL
Other Income	NIL	NIL
Total Revenue	NIL	NIL
Expenses		
Finance Costs	11 NIL	NIL
Other Expenses	12 50,316	404,739
Total Expenses	50,316	404,739
Profit/(Loss) before exceptional items	(50,316)	(404,739)
Exceptional Items	NIL	NIL
Profit/(Loss) Before Tax	(50,316)	(404,739)
Tax Expense	NIL	NIL
Profit/(Loss) for the year	(50,316)	(404,739)
Earnings Per Equity Share of ₹ 10 Basic and Diluted (in ₹)	17 (1.01)	(8.09)
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1 - 19	

As per our Report of even date attached.

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



PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : May 16, 2016

For and on behalf of the Board of Directors

Yogesh Kothari
YOGESH KOTHARI
Chairman

Amit Mehta
AMIT MEHTA
Vice Chairman

Rajendra Chhabra
RAJENDRA CHHABRA
Director



PLACE : MUMBAI
DATED : May 16, 2016

DIAMINES SPECIALITY CHEMICALS LIMITED
(Formerly known as DIAMINES SPECIALITY CHEMICALS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the Year ended March 31, 2016 ₹	For the Period ended March 31, 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	(50,316)	(404,739)
Adjustments for		
Increase / (Decrease) in Current Liabilities	257	(1,306,387)
Cash generated from Operations	<u>(50,059)</u>	<u>(1,711,126)</u>
Income-tax paid	NIL	NIL
Net Cash from Operating Activities	<u>(50,059)</u>	<u>(1,711,126)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Capital Work-in-progress)	(249,477)	NIL
Advance given to GIDC for allotment of Land	(1,429,828)	(19,916,055)
Net Cash from Investing Activities	<u>(1,679,305)</u>	<u>(19,916,055)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	NIL	NIL
Proceeds from Long-term Borrowings	1,679,305	21,591,362
Net Cash from Financing Activities	<u>1,679,305</u>	<u>21,591,362</u>
Increase in Cash and Cash Equivalents (A+B+C)	(50,059)	(35,819)
Cash and Cash Equivalents at the beginning of the Year	403,816	439,635
Cash and Cash Equivalents at the end of the Year	<u>353,757</u>	<u>403,816</u>
Components of Cash and Cash Equivalents :		
Balance with Bank		
On Current Account	353,757	403,816
	<u>353,757</u>	<u>403,816</u>
Note: Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3, as notified under the Companies (Accounting Standards) Rules, 2006, as the same are applicable in terms of the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.		

As per our Report of even date attached

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


PARESH H. CLERK
Partner
Membership No. 36148



PLACE : MUMBAI
DATED : May 16, 2016

For and on behalf of the Board of Directors


YOGESH KOTHARI
Chairman


AMIT MEHTA
Vice Chairman




RAJENDRA CHHABRA
Director

PLACE : MUMBAI
DATED : May 16, 2016

1 Significant Accounting Policies

1.1 Basis Of Preparation :

These financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention as also on accrual basis. These financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of 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 the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of the financial statements. Examples of such estimates include useful life of Fixed Assets, provision for doubtful debts/ advances, deferred tax, etc. Actual results could differ from those estimates. Such difference is recognised in the year/s in which the results are known / materialised.

1.3 Fixed Assets :

Fixed Assets are valued at cost less accumulated depreciation. 'Cost' for the aforesaid purposes comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use, net of recoverable duties and interest on borrowings attributable to the acquisition of qualifying Fixed Assets upto the date on which the Asset is ready for its intended use, if any. However, at the year end, Fixed Assets comprise of only Capital Work-in-progress.

1.4 Taxes on Income :

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

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

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

1.5 Provisions, Contingent Liabilities and Contingent Assets :

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

- 1.6 Since the Company has not carried out any other activity except in relation to the acquisition of land, etc., no other accounting policy is specified.



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	As at March 31, 2016 ₹	As at March 31, 2015 ₹
2. Share Capital		
Authorised		
50,000 (March 31, 2014: 50,000) Equity Shares, of ₹ 10 par value	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and paid up		
50,000 (March 31, 2014: 10,000) Equity Shares, of ₹ 10 par value	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

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

	As At March 31, 2016		As At March 31, 2015	
	No. of shares	₹	No. of shares	₹
Equity shares of ₹ 10 par value				
At the beginning	50,000	500,000	50,000	500,000
Changes - Shares allotted during the year	NIL	NIL	NIL	NIL
At the end	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

2.1 Rights, preferences and restrictions

- The Company has only one class of share referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- 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 dividend was distributed to equity shareholders and hence, no appropriation for the year ended March 31, 2015 was made on this account.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.2 Details of shares held by shareholders holding more than 5 % of the aggregate equity shares in the Company and equity shares held by the Holding Company, etc. :

100% of Equity Shares of the Company are held by its holding company, Diamines and Chemicals Limited (DACL).

3. Reserves and Surplus

Surplus/(Deficit)		
As per last Balance Sheet	(8,357,254)	(7,952,515)
Add: Net Loss after Tax transferred from the Statement of Profit and Loss	(50,316)	(404,739)
	<u>(8,407,570)</u>	<u>(8,357,254)</u>

4. Long-term Borrowings

Unsecured		
Loans and Advances from Related Parties From Holding Company		
Diamines and Chemicals Limited	98,986,427	97,307,122
	<u>98,986,427</u>	<u>97,307,122</u>

5. Trade Payables

Micro and Small Enterprises (Refer Note 5.1)	NIL	NIL
Others	NIL	NIL
	<u>NIL</u>	<u>NIL</u>

- 5.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

6. Other Current Liabilities

Other Payables		
Others	13,740	13,483
	<u>13,740</u>	<u>13,483</u>

7. Fixed Assets

Capital Work-in-progress - Refer Note 7.1		
Gross Block at the beginning of the year	11,704,883	11,746,067
Additions during the year	249,477	NIL
For Sale/(Adjustments)	NIL	NIL
Gross Block at the end of the year	<u>11,954,360</u>	<u>11,704,883</u>
Depreciation and Amortisation	NIL	NIL
Net Block at the end of the year	<u>11,954,360</u>	<u>11,704,883</u>

- 7.1 Capital Work in Progress including borrowing cost of ₹ NIL (March 31, 2015 ₹ NIL) represents expenses incurred in connection with the acquisition of Land from Gujarat Industrial Development Corporation (GIDC).

8. Deferred Tax Asset (Net)

The Company has losses under the tax laws and as there is no virtual certainty that sufficient future taxable income would be available against which deferred tax assets can be realised, on prudence, Deferred Tax Assets on the timing difference for Preliminary Expenses and carried forward losses have not been recognised.



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For the
Year ended
March 31, 2016

For the
Year ended
March 31, 2015

9. Long-term Loans and Advances

Unsecured and considered good
Capital Advances

78,784,480

77,354,652

78,784,480

77,354,652

9.1 Capital Advances represent the amount paid for the acquisition of land from Gujarat Industrial Development Corporation (GIDC), the allotment letter of which is in the name of DACL, the holding company. The Company had made an application to GIDC for the transfer of the said allotment in its name. DACL has the possession of such land, which it continues to hold on behalf of the Company. Pending formalities for the transfer of land in the name of the Company, the amount paid to GIDC has continued to be reflected as Capital Advances.

10 Cash and Cash Equivalents

Balance with Bank
On Current Account

353,757

403,816

353,757

403,816

11. Finance Costs

Interest Expense
On Others

NIL

NIL

NIL

NIL

12. Other Expenses

Legal and Professional Charges
Auditors' Remuneration - Audit Fees
Delay charges for the payment for allotment of Land
Miscellaneous Expenses

23,351

21,100

26,335

13,483

NIL

368,920

630

1,236

50,316

404,739



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13. Pursuant to the application made by the Company under Section 18 of the Companies Act, 2013, the status of the Company has been changed to a Public Company with effect from July 28, 2015.
14. The Board of Directors of the Company at their meeting held on September 29, 2015 approved the Scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956 for the amalgamation of the Company into Diamines and Chemicals Limited, its holding company, with effect from April 1, 2015, the appointed date ("the Scheme"). Pending submission and approval of the Scheme by the Hon'ble High Court of Ahmedabad, Gujarat and other statutory compliances, the Financial Statements of the Company have been prepared on a going concern basis. Considering the fact that as and when the amalgamation of the Company with its holding company becomes effective, the Company would be able to realise its assets and discharge its liabilities in the normal course of business and there may not be need to make any adjustment relating to the recoverability and classification of asset amount or amounts and for the payable and classification of amount or amounts of liabilities.

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
15. Contingent liabilities and Commitments		
Contingent liabilities	NIL	NIL
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
Less : Advances Paid	NIL	NIL
Net Estimated Amount	<u>NIL</u>	<u>NIL</u>
16. Related Party Disclosures		
List of Related Parties:		
Diamines and Chemicals Limited, the Holding Company		
Transactions and Outstanding amount:		
Transactions during the year with the Holding Company	<u>1,679,305</u>	<u>21,591,362</u>
	<u>1,679,305</u>	<u>21,591,362</u>
Outstanding Interest-free Advances from the Holding Company	<u>98,986,427</u>	<u>97,307,122</u>
	<u>98,986,427</u>	<u>97,307,122</u>
17. Earnings per share		
Net Profit / (Loss) After Tax (₹)	(50,316)	(404,739)
Weighted average number of equity shares of ₹ 10 each	50,000	50,000
Basic and diluted earnings per share (₹)	(1.01)	(8.09)
Face Value per share (₹)	10	10

18. The following additional information pursuant to Part II of the General Instructions for the preparation of Statement of Profit and Loss is either NIL or Not Applicable.
- Clause 5 (ii) relating to Raw materials, goods purchased, etc. under broad heads;
 - Clause 5 (iii) relating to Work-in-progress under broad heads;
 - Clause 5 (iv) relating to amounts set aside or proposed to be set aside, to reserve;
 - Clause 5 (vii) relating to dividends and provisions for losses of subsidiary companies;
 - Clause 5 (viii) relating to -
 - C.I.F Value of imports
 - Expenditure in foreign currency
 - Value of the consumption of imported and indigenous raw materials, spare parts and components
 - The amount remitted in foreign currencies
 - Earnings in foreign exchange.

19. 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



For and on behalf of the Board of Directors


YOGESH KOTHARI
Chairman


ANIL MEHTA
Vice Chairman


RAJENDRA CHHABRA
Director

PLACE : MUMBAI
DATED : May 16, 2016

PLACE : ~~MUMBAI~~
DATED : May 16, 2016

